



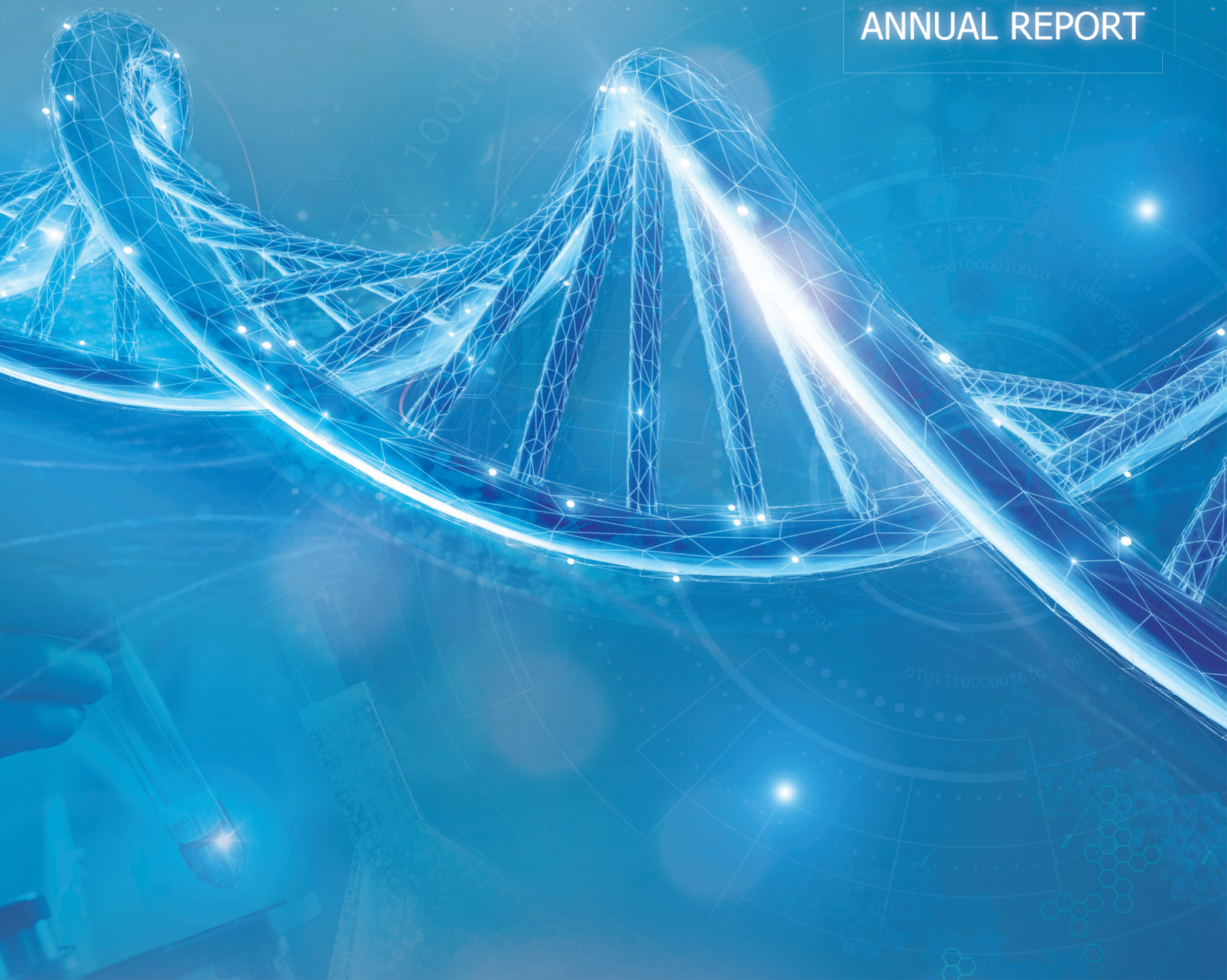
友芝友生物製藥

武漢友芝友生物製藥股份有限公司
WUHAN YZY BIOPHARMA CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2496

2025
ANNUAL REPORT



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Definitions

In this annual report, unless the context otherwise requires, the following terms have the following meanings. These terms and their definitions may not correspond to any industry standard definition and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

“2024 H Share Option Plan”	the 2024 H share option plan adopted by the Company in accordance with Chapter 17 of the Listing Rules
“Administrator”	the Board and/or any committee of the Board or other person(s) to whom the Board has delegated its authority under the 2024 H Share Option Plan
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“bispecific antibody” or “BsAb”	an antibody directed at two different targets or two different epitopes on the same target
“Caizhi No. 2”	Nanjing Caizhi No. 2 Enterprise Management Partnership (Limited Partnership) (南京才智二號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 27, 2021 and one of our employee incentive platforms
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman” or “Chairman of the Board”	the chairman of the Board
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this annual report and for geographical reference only, references herein to “China” and the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“CDMO(s)”	contract development and manufacturing organization, which is a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
“CMO(s)”	contract manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
“Companies Ordinance” or “Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

Definitions

“Company,” “our Company,” or “the Company”	Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司), a joint stock company established in the PRC with limited liability on January 13, 2022, or, where the context requires (as the case may be), its predecessor, Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司), a limited liability company established in the PRC on July 8, 2010
“Corresponding Period”	for the year ended December 31, 2024
“CRO(s)”	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research and development services outsourced on a contractual basis
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“CT Tianqing”	Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司), a limited liability company established in the PRC and a principal subsidiary of Sino Biopharmaceutical Limited
“Director(s)”	the director(s) of our Company
“Domestic Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
“Effective Date”	17 June 2024
“Eligible Participant(s)”	participants as determined by the Board or the Administrator from time to time as eligible to participate in the 2024 H Share Option Plan
“Exercise Period”	the period during which an Option is exercisable by a Grantee
“Exercise Price”	the price per H Share at which a Grantee may subscribe the H Shares upon exercise of an Option pursuant to the terms of the 2024 H Share Option Plan
“Global Offering”	the offer of Shares for subscription as described in the Prospectus
“Grant Date”	the date on which an Option is granted to an Eligible Participant, which shall be a business day
“Grant Letter”	with respect to an Eligible Participant, a grant letter to be issued by the Company and accepted by the Eligible Participant in respect of the grant of Options under the 2024 H Share Option Plan

Definitions

“Grantee”	any Eligible Participant approved for participation in the 2024 H Share Option Plan and who has been granted any Option in accordance with the terms of the 2024 H Share Option Plan
“Group,” “our Group,” “we,” “YZY Bio,” “us,” or “our”	our Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the content may require), or where the context so requires, in respect of the periods before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“HCC”	hepatocellular carcinoma, a type of cancer arising from hepatocyte malignant transformation
“H Share(s)”	ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Huiyou Jucai”	Nanjing Huiyou Jucai Enterprise Management Partnership (Limited Partnership) (南京匯友聚才企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 26, 2021 and one of our employee incentive platforms
“Huiyou Juzhi”	Nanjing Huiyou Juzhi Enterprise Management Partnership (Limited Partnership) (南京匯友聚智企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 27, 2021 and one of our employee incentive platforms
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“MA”	the accumulation of fluid in the peritoneal cavity resulting from the growth of primary or metastatic malignant neoplasms in the peritoneum
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“MPE”	the collection of fluid in the pleural cavity resulting from malignant disease. Malignant pleural effusions often contain free floating malignant cells
“Nomination Committee”	the nomination committee of our Board

Definitions

“Option(s)”	option(s) granted to a Grantee to subscribe for H Shares pursuant to the terms of the 2024 H Share Option Plan
“Over-allotment Option”	the option granted by the Company as described in the Prospectus
“Plan Mandate Limit”	the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans, shall not exceed 19,384,800 H Shares, representing approximately 10.0% of the Shares in issue as at the date of Adoption of the 2024 H Share Option Plan
“PRC Company Law”	the Company Law of the PRC 《(中華人民共和國公司法)》 (as amended, supplemented or otherwise modified from time to time)
“Prospectus”	the prospectus of the Company dated September 13, 2023
“Remuneration Committee”	the remuneration committee of our Board
“Reporting Period”	the year ended December 31, 2025
“RMB” or “Renminbi”	the lawful currency of the PRC
“R&D”	research and development
“Service Provider Participants”	service providers, being any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group (but excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity)
“Service Provider Sublimit”	within the Plan Mandate Limit, the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans to Service Provider Participants, shall not exceed 1,938,400 H Shares, representing approximately 1.0% of the Shares in issue as at the Adoption Date
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
“Share Plans”	all effective share plans of the Company which are governed by Chapter 17 of the Listing Rules, being the 2024 H Share Option Plan for the Reporting Period
“Shareholder(s)”	shareholder(s) of the Company

Definitions

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shenzhen Kangzhe Vision”	Shenzhen Kangzhe Vision Pharmaceutical Development Co., Ltd. (深圳市康哲維盛醫藥發展有限責任公司) (formerly known as Kangzhe Pharmaceutical Research and Development (Shenzhen) Limited (深圳康哲醫藥發展有限公司)), an indirect wholly-owned subsidiary of China Medical System Holdings Limited (0867.HK)
“SMO(s)”	site management organization, an organization that provides clinical trial-related services
“CMS R&D”	CMS RESEARCH & DEVELOPMENT PTE. LTD. (formerly known as SOTER BIOPHARMA PTE. LTD.), an indirect wholly-owned subsidiary of China Medical System Holdings Limited (0867.HK)
“Supervisor(s)”	member(s) of the supervisory committee of the Company
“Supervisory Committee”	the supervisory committee of the Company
“treasury shares(s)”	has the meaning ascribed to it under the Listing Rules
“Unlisted Foreign Share(s)”	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each which is/are held by foreign investors and not listed on any stock exchange
“Unlisted Shares”	Domestic Shares and Unlisted Foreign Shares
“US\$”	United States dollar, the lawful currency of the United States
“Wuhan Caizhi”	Wuhan Caizhi Investment Management Partnership (Limited Partnership) (武漢才智投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 21, 2015 and one of our employee incentive platforms
“%”	per cent

BOARD

Executive Directors

Dr. Zhou Pengfei (*Chairman of the Board and Chief Executive Officer*)
Mr. Wen Zhicheng (溫植成) (*redesignated as an executive Director with effect from June 25, 2025*)

Non-executive Directors

Dr. Yuan Qian (袁謙)
Dr. Zhou Hongfeng (周宏峰)
Mr. Pang Zhenhai (龐振海)
Dr. Hui Xiwu (惠希武)
Ms. Liang Qian (梁倩) (*retired as a non-executive Director with effect from June 25, 2025*)
Mr. Xie Shouwu (謝守武)

Independent Non-executive Directors

Dr. Cheng Bin (程斌)
Ms. Fu Lili (付黎黎)
Dr. Deng Yuezhen (鄧躍臻)
Dr. Chen Bin (陳斌)

SUPERVISORS

Mr. Wang Junming (王軍明) (*appointed as a Supervisor and the chairman of the Supervisory Committee with effect from June 25, 2025*)
Ms. Liu Fang (劉芳)
Mr. Ji Changtao (紀昌濤)
Ms. Xiao Ying (肖瑩)
Dr. Shi Jian (石劍) (*appointed as an employee representative Supervisor with effect from December 31, 2025*)
Mr. Sun Jumin (孫聚民) (*retired as a Supervisor with effect from June 25, 2025*)
Mr. Zhang Jing (張敬) (*resigned as an employee representative Supervisor with effect from September 18, 2025*)
Dr. Wang Tao (王濤)
(*appointed as an employee representative Supervisor with effect from September 18, 2025 and resigned with effect from December 31, 2025*)

REGISTERED OFFICE, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 666 Gaoxin Road
East Lake High Tech
Development Zone
Wuhan, Hubei Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Room 1915, 19/F
Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

H SHARE REGISTRAR

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

JOINT COMPANY SECRETARIES

Mr. Zheng Jianhua (鄭建華)
Ms. Lai Janette Tin Yun (賴天恩) (*associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*)

Corporate Information

AUTHORIZED REPRESENTATIVES

Dr. Zhou Pengfei
Dr. Zhou Hongfeng (周宏峰)

AUDIT COMMITTEE

Ms. Fu Lili (付黎黎) (*Chairwoman*)
Dr. Zhou Hongfeng (周宏峰)
Dr. Deng Yuezhen (鄧躍臻)

NOMINATION COMMITTEE

Dr. Zhou Pengfei (*Chairman*)
Dr. Cheng Bin (程斌)
Ms. Fu Lili (付黎黎)

REMUNERATION COMMITTEE

Dr. Cheng Bin (程斌) (*Chairman*)
Dr. Chen Bin (陳斌)
Dr. Yuan Qian (袁謙)

STOCK CODE

2496

PRINCIPAL BANKS

Bank of Communications Co., Ltd.

Wuhan Jiangnan Sub-branch

No. 488 Qingnian Road, Jiangnan District
Wuhan, Hubei Province
PRC

China Zheshang Bank Co., Ltd

Wuhan Branch

Pacific Financial Plaza
Nos. 548, 550, 552 and 556 Jianshe Avenue
Jiangnan District
Wuhan, Hubei Province
PRC

China Merchants Bank

Wuhan Jiang'an Sub-branch

1/F, Hanfei Youth Town
No. 1338 Jiefang Avenue
Jiang'an District
Wuhan, Hubei Province
PRC

AUDITOR

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISERS TO THE COMPANY

Hong Kong laws

Sidley Austin

39/F, Two International Finance Centre,
Central
Hong Kong

PRC laws

DACHENG LAW OFFICES LLP (WUHAN)

32/F, Tower 5,
Yuexiu International Financial Center
No. 1 Jingwu Road,
Jiangnan District
Wuhan, Hubei Province
PRC

COMPANY'S WEBSITE

www.zybio.com

Chairman's Statement

Dear Shareholders:

In 2025, the global biomedical industry entered a new phase of rational evolution and value restoration, with capital markets becoming more cautious and industry competition intensifying around R&D capabilities and clinical value creation. Chinese innovative drugs, backed by robust R&D data and distinct clinical advantages, continued to gain international recognition. YZY Bio remained committed to its original mission of innovative drug development, adhered to the strategic approach of “strategic streamlining, innovative transformation, and collaborative synergy”, and concentrated on core priorities and reinforcing its foundation. By doing so, YZY Bio achieved significant milestones in advancing its R&D pipeline, fostering industry-academia-research collaborations, and expanding its global footprint, thereby laying a solid foundation for high-quality development.

Since its establishment in 2010, YZY Bio has journeyed through 15 years. With a profound respect for the high-risk, long-cycle, and highly regulated nature of the biomedical industry, we have consistently focused on addressing unmet clinical needs through deep innovation in antibody drug development. In 2025, the Company concentrated its efforts on refining internal capabilities by prioritizing core R&D and pipeline construction. Through steady accumulation and breakthrough exploration, it has built robust momentum for future growth.

In 2025, the Company achieved remarkable progress in its R&D pipeline, with key projects realizing significant breakthroughs and its international influence continuing to expand. The development and globalization of its core product, M701, accelerated notably. Interim study data on its efficacy in treating ascites were presented at the 2025 ESMO conference, while Phase II clinical outcomes were published in the internationally renowned journal EHO, validating the product's scientific value and clinical potential. In January 2026, the U.S. FDA approved the IND application for M701 in pleural effusion, marking a critical step forward in the global expansion of the core product of the Company. The Y225 project achieved dual breakthroughs in R&D and patents. Its core invention patent received national authorization and its IND application was successfully approved. This represents a significant advancement in the field of bispecific antibody therapies and further strengthens the Company's integrated R&D system. Additionally, subsequent projects such as Y232 made important strides, fostering new growth drivers for the R&D pipeline and enriching the product development landscape.

In 2025, the Company deepened industry-academic-research cooperation and integrated high-quality resources, leading to further enhancement of its brand value and industry recognition. In June, the Company entered into a strategic cooperation agreement with Hubei Jiangxia Laboratory (湖北江夏實驗室) to jointly establish an Antibody Drug Development and Achievement Transformation Center. This promotes the deep integration of industry, academia, research, and application. In September, the Company was honoured to be listed in “BIO-PHARM 2025 China Biopharmaceutical Science and Technology Innovation Value List Top 10 Most Promising Biopharmaceutical Enterprises”, demonstrating high recognition from the industry. In addition, the Company has completed the disposal of idle land and properties and passed the final acceptance inspection, optimizing its asset structure and enhancing operational efficiency to release more resources for its core business.

In 2025, the Company strengthened its talent strategy, improved its team building, and recruited two VP-level core executives to enhance core R&D and management capabilities, providing solid talent support for pipeline advancement and global expansion. In the meantime, the Company kept up with global industry trends, seized opportunities in the malignant ascites and pleural effusion segment, promoted the alignment of its R&D system with international standards, and enhanced the global perspective and professional standards of its team.

2025 was a year for the Company to consolidate its efforts and strengthen its foundation. We recognize that the R&D of innovative drugs is a long-distance race that requires long-term efforts, and a qualitative leap stems from the steady accumulation of quantity. During the year, the Company shunned distractions and focused on its core, completing the accumulation of R&D capabilities, the establishment of pipeline, and the optimization and integration of resources. This “force of deepening roots” has become our core confidence for subsequent development.

Chairman's Statement

2026 is a crucial year for the Company to accelerate the commercialization of R&D achievements and expand our global footprint. It is also a critical window period for the realization of the value of high-quality innovative assets in the industry. Currently, the global market's attention to China's innovative drugs is continuously increasing, and opportunities for cross-border cooperation are emerging. The integration of AI and biomedicine empowers R&D, and industry breakthroughs in the malignant ascites and pleural effusion segment have created favorable conditions for the Company's core product layout. The Company will pursue its core strategy of "accumulating strength, ensuring continuity, driving innovative breakthroughs, and remaining talent-focused", focus on the core, deepen cooperation, embrace changes, and consolidate the talent foundation to promote high-quality development.

In the future, we will continue to strengthen our core research and development capacity, focus on the development of M701, accelerate its international clinical process and domestic development and launch, and improve research and development system across the whole chain. We will focus on the development of potential pipelines such as Y232, in order to establish a clear and potential research and development matrix and explore innovative targets with global competitiveness, thereby enriching product portfolio. By adhering to open innovation, we will accelerate globalization, grasp cooperative opportunities of global innovative drugs and explore in-depth cooperative mode of "technological platform + pipeline". Leveraging the globalization of M701, we will facilitate research and development and application system to align with the global standard and actively deploy overseas clinical trials and expand market presence. Empowered by AI, we will update research and development equipment, enhance research and development efficiency, strengthen target selection and value creation, promote self-growth and sustainable innovation of the Company, striving to become a leading company in innovative BsAb. By adhering to talent-oriented principle and improving recruitment, training and award system for talent, we will build a cohesive core talent pool to lay a solid foundation for navigating the industrial cycle and achieving long-term development.

Dear shareholders and friends, the development of YZY Bio would not have been possible without your trust and support, the dedication and hard work of all our employees, and the collaboration and support of our industry partners. On behalf of the Company's Board of Directors, I would like to express our sincerest gratitude to you all.

The path of biomedical innovation is long and arduous, but with perseverance, we will reach our destination. In 2026, the Company will uphold the original aspiration of pursuing excellence and refinement, focus on clinical unmet needs. Through innovation in mechanism and pathway, we aim to provide more accessible therapies, scientifically enhance data, quality and management, increase project success rate and transform research and development into "verifiable, tradable and scalable" outcomes. YZY Bio will, with a firmer conviction, more pragmatic actions and more open mindset, stay steadfast in deepening biomedical innovation, providing more innovative therapies for global patients, creating a long-term and sustainable value for shareholders and contributing for innovative development of Chinese biomedical industry!

Wuhan YZY Biopharma Co., Ltd.

Dr. Zhou Pengfei

*Chairman of the Board, Executive Director
and Chief Executive Officer*

Wuhan, PRC, March 27, 2026

Financial Summary

	Year ended December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	66,858	107,813	–	–	–
Cost of revenue	(56,123)	(22,744)	–	–	–
Gross profit	10,735	85,069	–	–	–
Other income	10,467	11,096	13,014	2,560	12,798
Other gains and losses	23	1,892	(334)	671	716
Research and development expenses	(78,198)	(164,986)	(155,054)	(157,329)	(112,893)
Administrative expenses	(22,806)	(26,592)	(22,311)	(20,525)	(31,497)
Finance costs	(4,953)	(4,078)	(2,388)	(2,468)	(14,972)
Loss before tax	(84,732)	(97,599)	(191,702)	(188,866)	(148,518)
Loss for the year	(84,732)	(97,599)	(191,702)	(188,866)	(148,518)

	As of December 31,				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Non-current assets	43,107	46,508	51,523	63,885	74,517
Current assets	131,900	221,335	250,101	238,957	125,638
Non-current liabilities	27,500	51,172	150	–	83
Current liabilities	200,536	186,136	173,820	146,960	56,908
Net (liabilities) assets	(53,029)	30,535	127,654	155,882	143,164

Management Discussion and Analysis

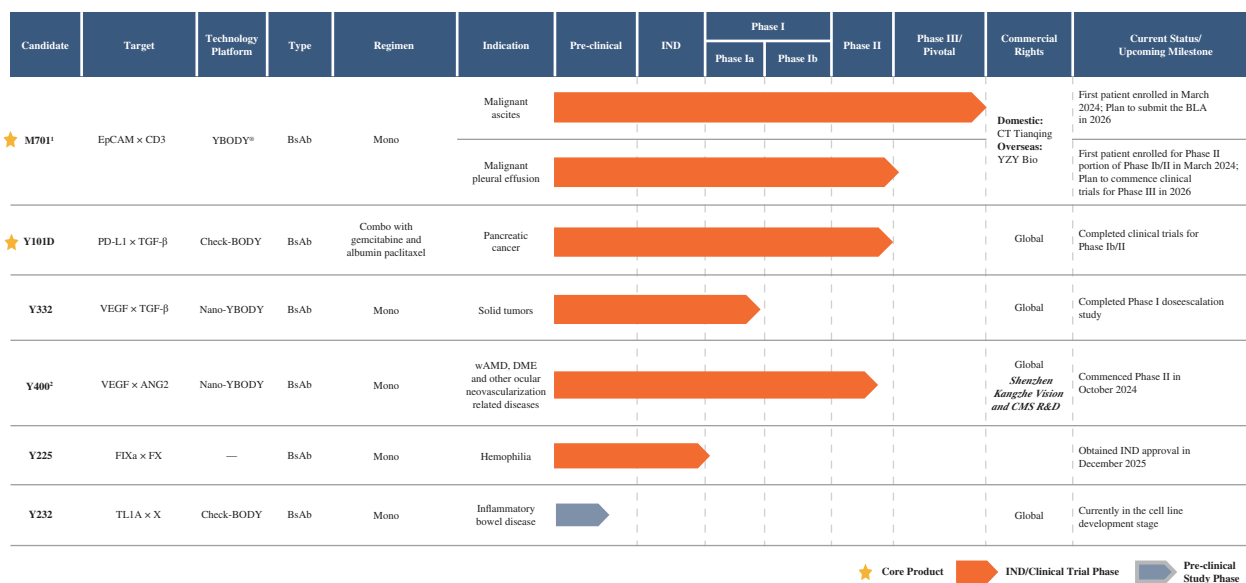
OVERVIEW

Founded in 2010, the Company is a biotechnology company dedicated to developing bispecific antibody (BsAb)- based therapies. The Company has been forward-looking in deploying its presence in a number of promising therapeutic fields, including but not limited to tumor-associated complications, tumors, ophthalmology and autoimmune diseases. The Company also proactively established several self-developed technology platforms, such as Y-BODY®, Check-Body and Nano-Ybody®, promoting the development of more candidates to clinical stages with high efficiency.

PRODUCT PIPELINE

As of the date of this report, three of our four clinical-stage drug candidates are BsAbs designed for tumor treatment or tumor-associated complications such as malignant ascites (MA) and malignant pleural effusion (MPE). In particular, we have been focusing on developing the T cell-engaging BsAb (including M701), and the tumor microenvironment (TME)-targeted BsAbs, including Y101D and Y332. As of the date of this report, we have two Core Products, M701 and Y101D. M701 is a recombinant BsAb that targets cancer cells expressing human EpCAM and T cells expressing human CD3. M701 are primarily being developed for the treatment for MA and MPE, which are severe complications of cancer characterized by the accumulation of fluids in the abdominal or chest cavity of cancer patients. Y101D is a recombinant anti-PD-L1 and anti-TGF-β humanized BsAb being developed for the treatment of pancreatic cancer.

The following chart summarizes our main product pipelines as of the date of this report:



Management Discussion and Analysis

Notes:

- (1) We have granted the domestic rights of M701 to CT Tianqing, and the Company retains all overseas rights. With respect to domestic rights, we are entitled to receive an upfront payment, milestone payments upon the occurrence of certain pre-agreed milestone events, and tiered royalties based on net sales.
- (2) In compliance with the specific agreement between both parties concerning the rights related to the U.S., Europe and Japan, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and CMS R&D. We are entitled to receive an upfront payment, milestone payments upon the occurrence of certain pre-agreed milestone events, and tiered royalties based on net sales. We are negotiating new right arrangements with Kangzhe.
- (3) All of our drug candidates are in-house developed.

Abbreviations: Mono refers to monotherapy; Combo refers to combination therapy; EpCAM refers to epithelial cell adhesion molecule; CD3 refers to cluster of differentiation 3; PD-L1 refers to programmed death ligand 1; TGF- β refers to transforming growth factor- β ; VEGF refers to vascularendothelial growth factor; ANG2 refers to angiopoietin-2; wAMD refers to wet age-related macular degeneration; and DME refers to diabetic macularedema.

BUSINESS REVIEW

As of the date of this report, the Company has made significant progress in its pipeline products and business operations. The following sets out the progress the Company has made during the Reporting Period and up to the date of this report.

M701

M701, our Core Product, is a recombinant BsAb targeting cancer cells expressing human EpCAM and T cells expressing human CD3. M701 are primarily being developed for the treatment for MA and MPE, which are severe complications of cancer characterized by the accumulation of fluids in the abdominal or chest cavity of cancer patients.

In October 2024, we reached a license cooperation with CT Tianqing, including granting CT Tianqing an exclusive, sublicensable license to develop, register, manufacture and commercialize the licensed product within the licensed territory and the licensed field. For details, please refer to the announcement of the Company dated October 7, 2024.

In March 2025, we submitted a patent application for the M701 formulation to the China National Intellectual Property Administration.

In April 2025, the M701 sequence patent was granted in the PRC.

In May 2025, the M701 sequence patent was granted in Russia.

Management Discussion and Analysis

- **MA:** We are currently conducting a Phase III clinical trial of M701 for treatment of MA in the PRC, which is designed to evaluate the efficacy of M701 monotherapy in combination with systematic treatment (including targeted therapy, immunotherapy or chemotherapy) for MA. As of the date of this report, we have submitted the Pre-BLA application to the Center For Drug Evaluation, NMPA.

In July 2025, the enrollment of all subjects for the Phase III clinical trial of M701 for the treatment of MA had been completed, with a total of 312 subjects enrolled.

In March 2026, the Phase III clinical trial of M701 for the treatment of MA completed follow-up for all subjects, and data collection and analysis are currently underway.

- **MPE:** We are conducting a Phase Ib/II clinical trial of M701 for the treatment of MPE in the PRC. We completed the Phase Ib portion of this trial, with a total of 24 patients enrolled. The Phase Ib clinical data demonstrates preliminary efficacy of M701 in controlling MPE in NSCLC patients.

In September 2025, the Phase II clinical trial of M701 for MPE has completed 100% subject enrollment (with a total of 92 subjects enrolled) and follow-up is ongoing.

In October 2025, interim data from the Phase II clinical trial of M701 for the treatment of MPE were presented at the 2025 ESMO meeting.

In February 2026, the Phase Ib/II clinical trial of M701 for the treatment of MPE obtained IND approval from FDA.

In March 2026, based on EDC data as of November 22, 2025, the PuFS data of Phase II have tended to mature, demonstrating that M701 pleural infusion has better pleural effusion control efficacy than control treatment without increased safety risk. The data have been collated and submitted to the 2026 American Society of Clinical Oncology (ASCO) Annual Meeting.

As of the date of this report, the Phase III clinical trial of M701 for the treatment of MA and the Phase II clinical trial for the treatment of MPE have progressed smoothly and the drug's safety is good.

Y101D

Y101D, our Core Product, a recombinant anti-PD-L1 and anti-TGF- β humanized BsAb, is being developed for the treatment of solid tumors. Y101D is designed to simultaneously inhibit the programmed death receptor 1 (PD-1) and its ligand (PD-L1 axis) and the TGF- β signaling pathways, thus having the potential to unleash a synergistic anti-tumor activity and relieve drug resistance. We completed a Phase I clinical trial of Y101D for the treatment of metastatic or locally advanced solid tumors in September 2024.

- **Pancreatic cancer:** We have completed the Phase Ib/II clinical trial of Y101D in combination therapy for the treatment of advanced/metastatic pancreatic cancer and finalized the CSR report in November 2025. We are conducting Biomarker analysis for this study and, in the meantime, carrying out further preclinical studies to explore more effective combination therapy regimens for the treatment of advanced/metastatic pancreatic cancer.

Management Discussion and Analysis

Y332

Y332, a recombinant anti-VEGF and anti-TGF- β BsAb, is being developed for the treatment of a variety of solid tumors. In pre-clinical studies, Y332 shows high affinity to both VEGF and TGF- β , favorable bioactivity and stability, and demonstrates encouraging anti-tumor effects. We commenced a Phase I clinical trial of Y332 for the treatment of metastatic or locally advanced solid tumors in October 2023.

In February 2025, we have completed the Phase I clinical trial of Y332, with a total of 18 patients enrolled, and the safety of the drug has been preliminarily evaluated and the overall safety of the drug is currently good.

We are evaluating the feasibility of developing Y332 for combination therapy through pre-clinical studies.

Y400

As a testament to our R&D capability, in compliance with the specific agreement between both parties concerning the rights related to the U.S., Europe and Japan, we have transferred all the rights and assets of Y400 to Shenzhen Kangzhe Vision and CMS R&D. Y400 is a Class I Innovative Biological Product targeting ocular fundus neovascular diseases. It is a VEGFA/ANG2 tetraivalent bispecific antibody designed with a proprietary nano-antibody structure. This innovative molecule simultaneously inhibits abnormal neovascularization through dual pathways (VEGFA and ANG2), offering the potential for enhanced efficacy and reduced dosing frequency compared to existing anti-VEGF therapies. During the Reporting Period, Y400 progressed to a multicenter Phase II clinical trial in the PRC, evaluating the safety, tolerability, pharmacokinetics, and efficacy of intravitreal injections of Y400 in patients with neovascular age-related macular degeneration (nAMD). As at the end of the Reporting Period, the Phase I trial had demonstrated favorable safety and efficacy profiles, and 23 patients had been enrolled in the Phase II trial.

Y225

Y225 is a biosimilar of Emicizumab for the treatment of hemophilia. Y225 has completed cell line construction, drug substance process and formulation development, technology transfer, toxicology batch production and testing (500L scale), and GMP batch production and testing (500L scale).

In October 2025, the Chinese patent for the Y225 antibody preparation was granted.

In December 2025, we obtained the IND approval from the China National Medical Products Administration. For details, please refer to the announcement of the Company dated December 24, 2025.

Y232

Y232 is a BsAb for the treatment of inflammatory bowel disease of TL1A \times X, which can simultaneously inhibit two inflammatory signaling pathways to effectively alleviate the occurrence and development of inflammation. It is currently in the confirmation stage of cell line development.

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that we may be able to ultimately develop and market M701, Y101D, Y332, Y225 and Y232 successfully. There is no assurance that Y400 may be ultimately developed and marketed successfully. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Management Discussion and Analysis

Manufacturing Facilities and Collaboration with CMOs/CDMOs

As of the date of this report, we maintain a manufacturing base of approximately 1,400 square meters with a scale of 500L (two 200L bioreactors and two 50L bioreactors) and a maximum annual production of 20-24 batches with single bioreactor to accommodate the manufacturing demands for our pre-clinical studies and earlier phases of clinical trials for a majority of our drug candidates, including M701, Y332, and our pre-clinical candidates. As of December 2025, we have completed the production and testing and release of 3 batches of bulk drug substance and 6 batches of finished dosage forms for the Y225 project.

Besides manufacturing conducted at our own facilities, we currently also engage third-party CMOs/CDMOs to carry out the production, process characterization and process validation of samples for the M701 pivotal clinical trial, as well as the production of regulatory batches for the Y225 project. As these projects require larger-scale production volumes, we are responsible for the development of manufacturing process of our drug candidates and for part of the production, whilst CMOs/CDMOs are responsible for the larger-scale production.

Commercialization

Our primary objective is to realize the global value of our core product, the M701. By strategically managing domestic and international rights and interests, and through commercial licensing, global strategic partnerships, and flexible collaborative development models, we efficiently advance the market adoption of our core products. On one hand, we leverage our domestic rights partnerships to accelerate the clinical development and marketing authorization applications for our core products, steadily achieving milestone payments and subsequent royalty revenues. On the other hand, during the critical phases of overseas clinical trials, we proactively engage with premium global partners to advance international rights collaborations and licensing. Concurrently, we actively seek business development opportunities in high-quality early-stage projects, integrate industry resources to enrich our pipeline, and build a sustainable commercial growth momentum for the Company's long-term development.

FUTURE DEVELOPMENT

Looking ahead into 2026, the Company will anchor M701 as its core development pipeline and prioritize the rapid advancement of its clinical R&D, marketing applications at home and abroad, and commercialization of overseas rights. We will focus our resources, make targeted efforts, and meanwhile advance the translation of research of preclinical pipeline candidates with potential on a selective basis, while simultaneously expanding the business development (BD) layout for early-stage projects. Specifically, we will: (i) vigorously promote the domestic clinical R&D and application submission of M701, complete the domestic marketing application submission for the ascites indication, advance the pleural effusion indication into Phase III, and accelerate the realisation of related milestone payments; (ii) prepare to launch international multi-center clinical trials of M701 for the pleural effusion indication overseas, actively engage with global partners to promote the licensing and cooperative development of overseas rights, achieving rapid realization of overseas value; (iii) deepen the R&D and evaluation of pre-clinical candidate drugs, with a focus on the development progress of early-stage projects such as Y232; (iv) promote high-quality candidate drugs into clinical development stages, creating a well-structured pipeline portfolio.

Meanwhile, the Company will continue to strengthen its capabilities in both innovative R&D and BD, proactively exploring collaboration opportunities for high-quality early-stage projects on a global scale and pursuing an in-depth cooperation model of "technology platforms + pipelines". It will also promote the full alignment of its R&D and regulatory submission systems with international standards, enhancing the global competitiveness of its core products through collaboration. These efforts will solidify the foundation for the Company to navigate industry cycles and achieve sustainable development.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

During the Reporting Period, our revenue consisted of (i) license fee income; (ii) R&D service income; and (iii) other income.

License fee income

The license fee income is mainly due to a license and collaboration agreement entered into by and between the Company and CT Tianqing, and the Company recognized revenue of RMB4.0 million when the core molecular patent for M701 has been granted by the National Intellectual Property Administration of China. During the year ended December 31, 2025. Our license fee income decreased from RMB82.8 million for the Corresponding Period to RMB4.0 million for the Reporting Period, primarily due to the substantial upfront payment under the agreement having been recognized upon signing in 2024. Subsequent income is to be recognized gradually upon the achievement of specific R&D milestones, and the amount corresponding to the milestones that met the recognition criteria in 2025 was relatively small, resulting in a significant decline in income.

R&D Service Income

R&D service income is mainly based on the license and collaboration agreement entered into by and between the Company and CT Tianqing, for which the Company provides entrusted R&D services. During the year ended December 31, 2025, the Company recognized R&D service income of RMB62.8 million on a progressive basis based on the relative proportion of effort or input to satisfy the performance obligation to the total input expected to be required to satisfy the performance obligation. Our R&D service income increased from RMB25.0 million for the Corresponding Period to RMB62.8 million for the Reporting Period, primarily due to the cooperation agreement between the Group and CT Tianqing taking effect in October 2024. In 2024, only three months (October 2024 to December 2024) of service income were recognized, whereas in 2025, a full year of service income based on the progress of performance obligations was recognized, resulting in a significant year-on-year increase.

The following table sets forth a breakdown of our revenue for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
License fee income	4,038	6.0	82,795	76.8
R&D service income	62,820	94.0	25,018	23.2
Total	66,858	100.0	107,813	100.0

Management Discussion and Analysis

Other Income

During the Reporting Period, our other income consisted of (i) government grants; (ii) bank interest income; and (iii) others.

Government grants included grants received from various PRC government authorities mainly in connection with the enterprise development support and subsidies which had certain conditions imposed by the respective PRC government authorities. The relevant conditions have been fully met upon recognition. Bank interest income included interest from bank deposits. Others included other miscellaneous non-operating income.

The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Government grants	9,695	92.6	8,508	76.7
Bank interest income	759	7.3	2,566	23.1
Others	13	0.1	22	0.2
Total	10,467	100.0	11,096	100.0

Our other income decreased from RMB11.1 million for the Corresponding Period to RMB10.5 million for the Reporting Period, primarily due to an increase in government grants of RMB1.2 million. The increase was partially offset by a decrease in bank interest income of RMB1.8 million.

Other Gains and Losses

During the Reporting Period, our other gains and losses consisted mainly of (i) losses on disposal of property and equipment; (ii) net foreign exchange gains (losses); and (iii) others.

The following table sets forth a breakdown of our other gains and losses for years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Losses on disposal of property and equipment	(15)	(65.2)	(67)	(3.5)
Gain on termination of lease agreement	–	–	7	0.3
Net foreign exchange gains (losses)	69	300	1,952	103.2
Others	(31)	(134.8)	–	–
Total	23	100.0	1,892	100.0

Management Discussion and Analysis

Losses on disposal of property and equipment represented our loss from disposing of certain assets. Net foreign exchange gains (losses) refer to net gains or losses arising from foreign currency transactions or translation of foreign currency statements due to changes in exchange rates during the Reporting Period.

We recorded other gains of RMB0.02 million for the Reporting Period, as compared to other gains of RMB1.9 million for the Corresponding Period, primarily due to the combined effects of (i) a decrease in the loss on disposal of property and equipment of RMB0.05 million during the Reporting Period as compared to the Corresponding Period; and (ii) a decrease in net foreign exchange gains of RMB1.9 million arising from fluctuations in the exchange rate of HK\$-denominated foreign currencies held in 2025 as compared to the Corresponding Period. The Company's foreign exchange gains in 2024 were primarily attributable to the substantial HK\$ deposits (approximately HK\$170 million) held at the end of 2023. As these funds were gradually allocated to R&D between 2024 and 2025, the principal amount decreased significantly, resulting in a marked reduction in foreign exchange gains in 2025.

Research and Development Expenses

During the Reporting Period, our R&D expenses consisted of (i) technical service fees; (ii) raw materials costs; (iii) employee benefit expenses; (iv) depreciation and amortization expenses; and (v) others. Technical service fees are mainly related to our engagement with third party service providers including CROs, SMOs, CMOs/CDMOs, clinical trial sites and principal investigators, as well as other expenses incurred in connection with our pre-clinical studies and clinical trials. Raw materials costs mainly included expenses for procuring materials and consumables used to support our pre-clinical studies and clinical trials. Employee benefit expenses consisted of wages and salaries, bonuses and other employee benefits for R&D employees. Depreciation and amortization expenses mainly represented the depreciation and amortization of our right-of-use assets, property and equipment for R&D purposes. Others mainly included general expenses including utilities, traveling and transportation expenses and other miscellaneous expenses incurred for R&D purposes.

The following table sets forth the breakdowns of our R&D expenses in absolute amount and as percentages of our total R&D expenses for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Technical service fees (included in cost of revenue: RMB48,417,000 (2024: RMB19,888,000))	93,405	69.5	135,005	71.9
Raw materials costs	9,139	6.8	17,322	9.2
Employee benefit expenses (included in cost of revenue: RMB7,706,000 (2024: RMB2,856,000))	21,925	16.3	23,849	12.7
Depreciation and amortization expenses	3,016	2.3	5,070	2.7
Others	6,836	5.1	6,484	3.5
Total	134,321	100.0	187,730	100.0

Our R&D expenses decreased from RMB187.7 million for the Corresponding Period to RMB134.3 million for the Reporting Period. The decrease was mainly due to the decrease in costs incurred in the Phase III clinical trial of M701 for MA compared with that of the Corresponding Period.

Management Discussion and Analysis

Administrative Expenses

During the Reporting Period, our administrative expenses consisted of (i) employee benefits expenses; (ii) professional parties' fees; (iii) depreciation and amortization expenses; (iv) business development fees; (v) freight and miscellaneous fees; and (vi) others. Employee benefits expenses consisted of wages and salaries, bonuses and other employee benefits for administrative employees. Professional parties' fees represented our engagement of professional parties during our ordinary course of business. Depreciation and amortization expenses represented the depreciation and amortization of our right-of-use assets, property and equipment for administrative purposes. Business development expenses represented administrative fees incurred as a result of our business development activities. Freight and miscellaneous fees comprised of transportation expenses. Others mainly included short-term leases expenses, utility fees, traveling expenses, office consumables, and other miscellaneous expenses.

The following table sets forth breakdowns of our administrative expenses in absolute amount and as percentages of our total administrative expenses for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Employee benefits expenses	10,651	46.7	10,340	38.9
Professional parties' fees	5,302	23.3	8,549	32.1
Depreciation and amortization expenses	1,193	5.2	1,357	5.1
Business development fees	550	2.4	953	3.6
Freight and miscellaneous fees	686	3.0	512	1.9
Others	4,424	19.4	4,881	18.4
Total	22,806	100.0	26,592	100.0

Our administrative expenses were RMB22.8 million for the Reporting Period, which remained relatively stable as compared to RMB26.6 million for the Corresponding Period.

Finance Costs

Our finance costs primarily represented our interest expenses on bank and other borrowings. Our finance costs were RMB5.0 million for the Reporting Period, representing an increase of RMB0.9 million as compared to RMB4.1 million for the Corresponding Period, mainly due to an increase of RMB0.9 million in the interest of bank borrowings as compared to the Corresponding Period.

Income Tax Expense

For the Corresponding Period and the Reporting Period, we incurred no income tax expenses.

Management Discussion and Analysis

Loss and Total Comprehensive Expenses

As a result of the foregoing, our losses and total comprehensive expenses were RMB84.7 million for the Reporting Period, representing a decrease of RMB12.9 million as compared to RMB97.6 million for the Corresponding Period. This was mainly attributable to (i) a decrease of RMB41.0 million in revenue; (ii) an increase of RMB33.4 million in cost of revenue compared with that of the Corresponding Period during the Reporting Period; and (iii) a decrease of RMB86.8 million in R&D expenses during the Reporting Period compared with that of the Corresponding Period. The net effect of these factors resulted in a decrease in losses and total comprehensive expenses during the Reporting Period compared with that of the Corresponding Period.

Liquidity and Capital Resources

Our primary sources of liquidity consisted of cash and cash equivalents, which we have historically generated primarily through capital contributions from our shareholders, private equity financing and bank loans. We expect that our cash needs in the near future will primarily relate to progressing the development of our drug candidates towards receiving regulatory approval and commencing commercialization, as well as expanding our drug candidate portfolio.

As of December 31, 2025, our cash and cash equivalents decreased to RMB100.1 million from RMB126.3 million as of December 31, 2024. The decrease was primarily attributable to the recurring operating losses during the Reporting Period.

As of December 31, 2025, we had current assets of RMB131.9 million, including cash and cash equivalents of RMB100.1 million, trade and other receivables and prepayments of RMB25.6 million, value added tax recoverable of RMB3.0 million and inventories of RMB3.3 million. As of December 31, 2025, we had current liabilities of RMB200.5 million, including bank borrowings of RMB100.0 million, trade and other payables of RMB45.1 million, advance from transfer agreement of RMB39.5 million, contract liabilities of RMB15.5 million, deferred income of RMB0.2 million and lease liabilities of RMB0.3 million.

For the Reporting Period, our net cash used in operating activities was RMB21.6 million (the Corresponding Period: RMB100.7 million), which was primarily attributable to our loss before tax of RMB84.7 million, adjusted for non-cash and non-operating items. Positive adjustments primarily included (i) a decrease in trade and other receivables and prepayments of RMB65.2 million; (ii) equity-settled share-based payment of RMB1.2 million; (iii) depreciation of property and equipment of RMB3.8 million; and (iv) financial costs of RMB5.0 million. Negative adjustment mainly included (i) a decrease in contract liabilities of RMB5.1 million; (ii) a decrease in trade and other payables of RMB4.4 million; and (iii) an increase in value added tax recoverable of RMB2.9 million

For the Reporting Period, our net cash used in investing activities was RMB0.1 million (the Corresponding Period: RMB4.7 million). Such cash outflow was mainly due to purchase of property and equipment of RMB0.9 million, which was partially offset by cash inflow of RMB0.8 million from bank interest received.

For the Reporting Period, our net cash used in financing activities was RMB4.7 million (the Corresponding Period net cash from financing activities of: RMB33.0 million). Such cash outflow was due to the new bank borrowing raised of RMB79.9 million, which was partially offset by cash outflow mainly in relation to the repayment of bank borrowings of RMB79.3 million and paid interests on bank borrowings.

Management Discussion and Analysis

As part of our treasury management, we invest in certain structured deposits and wealth management products to better utilize excess cash when our cash sufficiently covers our ordinary course of business. We have implemented a series of internal control policies and rules setting forth overall principles as well as detailed approval process of our treasury management activities, to ensure that the purpose of investment is to preserve capital and liquidity until free cash is used in our primary business and operation. We only allow investments in structured deposits and other principal-guaranteed wealth management products, if any, which are issued by large commercial banks in the PRC.

Capital Structure

The capital structure of the Group consists of bank borrowings, lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves. The Group's debts and monetary assets are denominated in RMB and/or HK\$.

As of December 31, 2025, the carrying amounts of the bank borrowings were mainly repayable within one to two years.

Indebtedness

As of December 31, 2025, we had bank borrowings of RMB127.5 million, consisting of secured bank loans of RMB68.5 million and unsecured bank loans of RMB59.0 million. As of December 31, 2025, we had unutilized banking facilities of RMB162.5 million.

As of December 31, 2025, we had lease liabilities of RMB0.3 million, as compared to RMB0.5 million as of December 31, 2024.

Gearing Ratio

Gearing ratio represents liability divided by equity as of the same dates and multiplied by 100%. Liability is defined as short-term loan and lease liabilities. As of December 31, 2025, the Group had negative total equity, therefore, the gearing ratio is not applicable.

Significant Investments

We did not make or hold any significant investments during the Reporting Period.

Material Acquisitions and/or Disposals of Subsidiaries, Associates and Joint Ventures

We did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

As of the date of this report, we do not have any concrete future plans for material capital expenditure, investments or capital assets. We will make further announcement(s) in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

Management Discussion and Analysis

Contingent Liabilities

As of December 31, 2025, we did not have any contingent liabilities. As of the date of this report, there have been no material changes or arrangements to our contingent liabilities.

Capital Commitments

As of December 31, 2025, we did not have any significant capital commitments.

Charges on Group Assets

As of December 31, 2025, certain of our bank borrowings were secured by our property and equipment, and investment properties with carrying amount of RMB4.5 million and RMB0.4 million as of the same date.

Foreign Exchange Exposure

Certain financial liabilities are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. We did not have a foreign currency hedging policy against our exposure to currency risk during the Reporting Period. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Subsequent Events After the Reporting Period

Discloseable Transaction – Transfer of Land Use Right and Building

References are made to the announcements of the Company dated January 23, 2026 and February 5, 2026 (the “Announcements”) in relation to the Transfer of Land Use Right and Building. Capitalised terms used in this report have the same meanings as those defined in the Announcements.

On January 23, 2026, Wuhan Yiruide and the Company entered into the Transfer Agreement pursuant to which Wuhan Yiruide agreed to acquire, and the Company agreed to transfer, the Land Use Right and the Building for a consideration of approximately RMB36,880,000.

For further details, please refer to the Announcements.

The H Share Full Circulation by the Company

As disclosed in the Company’s announcement dated February 4, 2026, the Company has obtained listing approval from the Stock Exchange for the conversion of 68,010,299 Unlisted Shares into H Shares.

As of the date of this report, the H Share full circulation was completed on March 30, 2026. Please refer to the Company’s announcement dated March 30, 2026 for details. Save as disclosed above, as of the date of this report, there are no other significant events that might affect the Group after the Reporting Period.

Directors, Supervisors and Senior Management

DIRECTORS

Executive Directors

Dr. Zhou Pengfei, aged 59, the co-founder of the Group, was appointed as a Director of the Company in October 2014, as the chief executive officer of the Company in March 2018, and as the Chairman of the Board in September 2022. He was later re-designated as the executive Director in November 2022. He is responsible for the overall strategic planning of the Group and supervises and oversees the management of our business. He also serves as the general manager of all of our subsidiaries, namely Nanjing Youbodi Biotechnology Co., Ltd (南京友博迪生物技術有限公司), Shijiazhuang Shiyou Biotechnology Co., Ltd. (石家莊石友生物技術有限公司) and Wuhan Youwei Biotechnology Co., Ltd (武漢友微生物技術有限公司), respectively.

Dr. Zhou has over 35 years of experience in the healthcare and pharmaceutical industries. After completion of undergraduate studies, Dr. Zhou successively served as a physician at the pediatrics department and the general surgery department of Shenzhen Second People's Hospital (深圳第二人民醫院) (previously known as Shenzhen Red Cross Hospital (深圳市紅十字會醫院)). He served as a postdoctoral research fellow in microbiology and immunology in the School of Medicine of Stanford University in the U.S. from May 2005 to January 2006 and later served in Schering-Plough Corporation. Prior to founding the Group in July 2010, he worked at Crown Bioscience (Beijing) Co., Ltd. (中美冠科生物技術(北京)有限公司), a subsidiary of Crown Bioscience International (a company previously listed on the Taipei Stock Exchange (stock code: KY(6554)) from September 2008 to June 2010, with last position as executive director. He was appointed as a director and the vice-chairman of the board of directors of Wuhan YZY Medical Science and Technology Co., Ltd. (武漢友芝友醫療科技股份有限公司) (a company controlled by Dr. Yuan Qian and primarily engaged in the sales of medical device, which does not compete and is unlikely to compete, directly or indirectly, with the Company's business) in July 2011 and March 2017, respectively. He has also served as a visiting professor at Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院) since January 2012, and a visiting professor at Central South University (中南大學) in the People's Republic of China ("PRC") since April 2022.

Dr. Zhou obtained a bachelor's degree in pediatrics in June 1989, and a master's degree in pediatric surgery (oncology) in June 1994, respectively, from Tongji Medical University (同濟醫科大學) (currently known as Tongji Medical College of Huazhong University of Science and Technology) in the PRC. He also obtained a doctorate in medicine from McMaster University in Canada in November 2005.

Dr. Zhou was recognized as a senior engineer by Hubei Professional Title Reform Leading Group Office (湖北省職稱改革工作領導小組辦公室) in December 2018. He has also served as a supervisor in the National Postdoctoral Research Workstation (國家博士後科研工作站) since October 2018.

Directors, Supervisors and Senior Management

Wen Zhicheng (溫植成), aged 44, was appointed as a non-executive Director since October 2024 and redesignated as an executive Director with effect from June 25, 2025.

Mr. Wen has extensive experience in investment management, fundraising, accounting and financing. Mr. Wen has served as an independent director at Beijing Huifengrenhe Science and Technology Co., Ltd. (北京慧峰仁和科技股份有限公司) (a company whose shares are quoted on the National Equities Exchange and Quotations (stock code: 430249)) since December 2023. He founded Tongde Qianyuan (Beijing) Investment Management Co., Ltd. (同德乾元(北京)投資管理有限公司) in April 2015 and has served as its general manager since then. He served as a director of Shanxi Aokun Biological Agriculture Corporation (山西澳坤生物農業股份有限公司) (“**Aokun Biological**”) from October 2011 to July 2017. He served as the deputy general manager of direct investment department at Zhongrong International Trust Co., Ltd. (中融國際信託有限公司) and the chief executive officer at Beijing ZRT Investment Management Co., Ltd. (北京中融鼎新投資管理有限公司) from April 2013 to March 2015. He served as the vice president of fund operation department at JD Capital Co., Ltd. (昆吾九鼎投資管理有限公司) from August 2008 to March 2013. He served as an audit manager of audit department at Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所) from September 2003 to July 2008.

Mr. Wen obtained a bachelor’s degree in international accounting from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2003 and an EMBA degree at Tsinghua University (清華大學) in the PRC in September 2013. He has been a non-practicing member of the Chinese Institute of Certified Public Accountants since November 2009.

Non-executive Directors

Dr. Yuan Qian (袁謙), aged 59, the co-founder of the Group, was appointed as a Director in July 2010 and re-designated as a non-executive Director in November 2022. He was also the Chairman of the Board from July 2010 to January 2018 and the chief executive officer of the Company from July 2010 to March 2018. Dr. Yuan remains involved in the formulation of the general corporate business plans, strategies, and major decisions of the Group through the Board.

Prior to founding the Group, Dr. Yuan founded and held positions in several corporates covering various business areas, including Hubei Zhiyou Mechatronics Co., Ltd. (湖北芝友機電工程有限公司) where he has served as an executive director since October 1995, YZY Industrial Group Co., Ltd. (友芝友實業集團有限公司) where he has served as an executive director and the general manager since November 1999, Wuhan YZY Industrial Development Co., Ltd. (武漢友芝友產業發展有限公司) where he has served as an executive director since March 2002, and Wuhan YZY Medical Science and Technology Co., Ltd. (武漢友芝友醫療科技股份有限公司) where he has served as a director and the chairman of the board since July 2011.

Dr. Yuan obtained a bachelor’s degree in clinical medicine from Tongji Medical University (同濟醫科大學) (currently known as Tongji Medical College of Huazhong University of Science and Technology) in June 1990 and a master’s degree of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in September 2007, respectively. He also obtained a doctorate in science from Temple University in December 2023 in the U.S.

Directors, Supervisors and Senior Management

Dr. Zhou Hongfeng (周宏峰), aged 56, the co-founder of the Group, was appointed as a Director in July 2010 and re-designated as a non-executive Director in November 2022. He is currently responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of the Group through the Board.

Dr. Zhou served as a lecturer at the School of Public Health of Sun Yat-Sen Medical University (中山醫科大學公共衛生學院) (currently known as Zhongshan School of Medicine of Sun Yat-Sen University (中山大學中山醫學院)), from July 1992 to August 1998. He then served as the deputy general manager of Sun Yat-sen Medical University Family Doctor Technology Development Co., Ltd. (中山醫科大學家庭醫生科技開發有限公司) from March 2000 to April 2022 and the managing director of Guangdong Yikangda Technology Development Co., Ltd. (廣東怡康達科技發展有限公司) from April 2002 to June 2010, and the chairman of the board of Guangdong Huakai Investment Co., Ltd. (廣東鐸凱投資有限公司) from June 2007 to July 2014. He has also served as the co-founder and a director of Wuhan YZY Medical Science and Technology Co., Ltd. (武漢友芝友醫療科技股份有限公司) since July 2011.

Dr. Zhou obtained a bachelor's degree in medicine in June 1992 from Tongji Medical University (同濟醫科大學) (currently known as Tongji Medical College of Huazhong University of Science and Technology). He then obtained a master's degree in medicine in December 1997 from Sun Yat-Sen Medical University (中山醫科大學) (currently known as Zhongshan School of Medicine of Sun Yat-Sen University (中山大學中山醫學院)). He also obtained a master's degree of business administration in July 2007 from the Carlson School of Management, the University of Minnesota in the U.S. and a doctorate in social medicine and health administration in December 2014 from Huazhong University of Science and Technology (華中科技大學) in the PRC. He obtained an EMBA degree at Tsinghua University PBC School of Finance (清華大學五道口金融學院) in June 2023.

Pang Zhenhai (龐振海), aged 51, was appointed as a Director in January 2020 and re-designated as a non-executive Director in November 2022. He is responsible for providing guidance and advice on corporate and business strategies.

Mr. Pang worked at Shijiazhuang No. 2 Pharmaceutical Factory (石家莊市第二製藥廠) from October 1999 to February 2001. He then successively served as a budget supervisor and a capital manager at the finance department of CSPC Holdings Company Limited (石藥控股集團有限公司) from March 2001 to March 2005, a manager at purchasing department of CSPC Zhongnuo Pharmaceutical (Shijiazhuang) Co., Ltd. (石藥集團中諾藥業(石家莊)有限公司) from April 2005 to June 2009, a senior director at investment and strategic planning department of CSPC Holdings Company Limited from July 2009 to February 2012, a deputy general manager of CSPC Zhongcheng Medicines Co., Ltd. (石藥集團中誠醫藥有限公司) from March 2012 to August 2014, a general director at the finance department of CSPC (a company listed on the Stock Exchange (stock code: 1093)) from September 2014 to June 2015, and a senior director at capital operation center of CSPC and its subsidiaries ("**CSPC Group**") from July 2015 to December 2020. Mr. Pang has served as a director of Shanghai Shifengxinhui Venture Capital Management Co., Ltd. (上海石豐昕匯創業投資管理有限公司) since July 2019, and a director at business development department of CSPC Group since December 2020.

Mr. Pang obtained a bachelor's degree in accounting from Lanzhou University (蘭州大學) in the PRC in July 1999.

Directors, Supervisors and Senior Management

Dr. Hui Xiwu (惠希武), aged 41, was appointed as a Director in September 2022 and re-designated as a non-executive Director in November 2022. He is responsible for providing guidance and advice on corporate and business strategies.

Dr. Hui successively served as a researcher from July 2012 to October 2015, an office director from November 2015 to September 2017, and a deputy director of the research institute from October 2017 to September 2019, at CSPC Zhongqi Pharmaceutical Technology (Shijiazhuang) Co., Ltd. (石藥集團中奇製藥技術(石家莊)有限公司). Since October 2019, he has served as a director of the research institute of CSPC Jushi Biopharmaceutical Co., Ltd. (石藥集團巨石生物製藥有限公司). Since March 2025, he has also been a deputy general manager of CSPC Innovation Pharmaceutical Co., Ltd. (石藥創新製藥股份有限公司). He is recognized as a Top Talent in Hebei Province (河北省拔尖人才), an expert in the Hebei Provincial Department of Industry and Information Technology's expert database (河北省工信廳專家庫專家), a Top Talent in Shijiazhuang (石家莊市拔尖人才), and a Leading Talent in Science and Technology in Shijiazhuang (石家莊市科技領軍人物). He has been awarded a special government subsidy by the Shijiazhuang municipal government.

Dr. Hui obtained a bachelor's degree in bioscience from Yantai University (煙台大學) in the PRC in June 2006. He then obtained his doctorate in biochemistry and molecular biology through the successive postgraduate and doctoral program from Peking Union Medical College (北京協和醫學院) in the PRC in July 2012.

Xie Shouwu (謝守武), aged 42, was appointed as a Director in September 2022 and re-designated as a non-executive Director in November 2022. He is responsible for providing guidance and advice on corporate, business strategies and financial position.

Mr. Xie worked at Yunnan Yuntianhua Co., Ltd. (雲南云天化股份有限公司) from July 2007 to April 2011. He later served as an audit manager of Wuhan Kaidi Holding Investment Co., Ltd. (武漢凱迪控股投資有限公司) from May 2011 to May 2016. He also established an employment relationship with Kaidi Ecological Environment Technology Co., Ltd. (凱迪生態環境科技股份有限公司) in May 2016. From April 2019 to August 2019, he served as a manager of the audit department of Wuhan Meilian Real Estate Co., Ltd. (武漢美聯地產有限公司). He also began to work at Wuhan East Lake New Technology Development Zone Development Co., Ltd. (武漢東湖新技術開發區發展總公司), a wholly owned subsidiary of Wuhan Hi-tech Holding Group Co., Ltd. (武漢高科國有控股集團有限公司) in August 2019 and was appointed as the deputy executive manager of the audit department of Wuhan Hi-tech Holding Group Co., Ltd. in November 2019. In November 2023, Mr. Xie was appointed as the executive director of Wuhan Hi-tech Industry Investment Private Fund Management Co., Ltd. (武漢高科產業投資私募基金管理有限公司).

Mr. Xie obtained a bachelor's degree in management from Nanjing Audit University (南京審計大學) in the PRC in June 2007. He has been an auditor recognized by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) and the National Audit Office of the PRC (中華人民共和國審計署) since October 2018. He has also been a certified internal auditor recognized by the Institute of Internal Auditors since September 2019.

Directors, Supervisors and Senior Management

Independent Non-executive Directors

Dr. Cheng Bin (程斌), aged 59, was elected as an independent non-executive Director on November 11, 2022 and such appointment took effect from September 25, 2023. He is responsible for supervising and providing independent judgment to the Board.

Dr. Cheng has engaged in clinical work for more than 30 years and has accumulated rich clinical experience. He has served at the gastroenterology department of Tongji Hospital Affiliated to Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院附屬同濟醫院) since July 1994, with his current positions as a chief physician and a professor.

Dr. Cheng currently holds positions in the following medical associations:

Association name	Position	Date of appointment
Chinese Medical Association (中華醫學會)	Vice Head of the Pancreatic Disease Collaborative Group, Digestive Endoscopy Branch	November 2025
Chinese Medical Doctor Association (中國醫師協會)	Executive Member, Pancreatic Diseases Committee	December 2025
Hubei Medical Association (湖北省醫學會)	Vice chairman of the society of digestive diseases	February 2024
Hubei Association of Pathophysiology (湖北省病理生理學會)	Chairman of digestive specialty committee	April 2024
Hubei Association of Pathophysiology (湖北省病理生理學會)	Standing director	April 2024
Wuhan Association of Pathophysiology (武漢市病理生理學會)	Standing director	November 2024

Dr. Cheng obtained a bachelor's degree and a master's degree in medicine from Tongji Medical University (同濟醫科大學) (currently known as Tongji Medical College of Huazhong University of Science and Technology) in June 1989 and June 1994, respectively. He also obtained a medical doctorate in January 2002 from the University of Bonn in Germany. In April 2001, Dr. Cheng obtained the PRC practicing certificate of medical practitioner (執業醫師執業證書) from Hubei Provincial Department of Health (湖北省衛生廳) and the qualification of chief physician from Wuhan Health and Family Planning Commission (武漢市衛生和計劃生育委員會) (currently known as Wuhan Municipal Health Commission (武漢市衛生健康委員會)). He then obtained the PRC medical practitioner qualification certificate (執業醫師資格證書) from Hubei Provincial Department of Health in December 2012.

Directors, Supervisors and Senior Management

Fu Lili (付黎黎), aged 41, was elected as an independent non-executive Director on November 11, 2022 and such appointment took effect from September 25, 2023. She is responsible for supervising the Group's financial position and providing independent judgment to the Board.

Ms. Fu has over 15 years of experience in investment, professional accounting and financial consulting. She has also served as an executive director at the investment department of Abax Global Capital (Hong Kong) Limited since June 2013 and a director at Zhejiang Province Salt Industry Group Co., Ltd. (浙江省鹽業集團有限公司) since May 2020. She has also served as an independent director of Zhejiang Nandu Power Co., Ltd. (浙江南都電源動力股份有限公司) since June 2025.

Ms. Fu obtained a master's degree in applied statistics in November 2008 from the University of Oxford in the U.K. She is currently a candidate for an executive master in public administration at Tsinghua University (清華大學). She passed the United States Certified Public Accountant Examination in 2011.

Dr. Deng Yuezhen (鄧躍臻), aged 46, was elected as an independent non-executive Director on November 11, 2022 and such appointment took effect from September 25, 2023. He is responsible for supervising and providing independent judgment to the Board.

Dr. Deng successively served as an assistant researcher, a postdoctoral fellow and an associate researcher at Shanghai Institutes for Biological Sciences Institute of Nutritional Sciences (上海生命科學研究院營養科學研究所) from May 2009 to April 2012. From September 2017 to September 2022, he served as a researcher at the National Clinical Molecular Medicine Research Center (Xiangya Hospital of Central South University) (中南大學湘雅醫院分子醫學研究中心). Dr. Deng has served as a researcher at Shanghai Chest Hospital (上海市胸科醫院) (also known as Thoracic Oncology Institute of Shanghai Chest Hospital of Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院附屬胸科醫院胸部腫瘤研究所)) since September 2022.

Dr. Deng obtained a bachelor's degree in biotechnology from Wuhan University (武漢大學) in the PRC in June 2004. He then obtained his doctorate in biochemistry and molecular biology through the successive postgraduate and doctoral program from Shanghai Institutes for Biological Sciences of Chinese Academy of Sciences (中國科學院上海生命科學研究院) in July 2009. In November 2013, he obtained the Category A qualification of Shanghai Young Science and Technology Rising Star Talent Program (上海市青年科技啟明星人才計劃) issued by Science and Technology Commission of Shanghai Municipality (上海市科學技術委員會). In December 2024, he was selected for the Oriental Talent (Top-notch) Project (東方英才(拔尖)項目) awarded by the Shanghai Science and Technology Commission (上海市科學技術委員會).

Directors, Supervisors and Senior Management

Dr. Chen Bin (陳斌), aged 64, was elected as an independent non-executive Director on November 11, 2022 and such appointment took effect from September 25, 2023. He is responsible for supervising and providing independent judgment to the Board.

Dr. Chen served as a resident doctor, an attending physician, an associate chief physician and an associate director of general surgery at Shenzhen Second People's Hospital (The First Affiliated Hospital of Shenzhen University) (深圳市第二人民医院(深圳大學第一附屬醫院)) from July 1990 to January 1998. He then respectively served as the chief of the medical section and the vice president of Shenzhen Second People's Hospital from January 1998 to August 2006 and from September 2006 to May 2018. Dr. Chen served as a consultant at Shenzhen Dapeng New Area Medical Health Group (深圳市大鵬新區醫療健康集團) from June 2018 to August 2023.

Dr. Chen obtained a bachelor's degree in medicine from Wuhan Medical College (武漢醫學院) (currently known as Tongji Medical College of Huazhong University of Science and Technology) in December 1982. He also obtained a master's degree and a doctorate in medicine from Tongji Medical College of Huazhong University of Science and Technology in July 1987 and June 1990, respectively. In February 2002, he obtained the qualification of chief physician of general surgery from Department of Personnel of Guangdong Province (廣東省人事廳) (currently known as Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳)).

SUPERVISORS

Wang Junming (王軍明), aged 53, has served as a Supervisor and the chairman of the Supervisory Committee since June 2025. He is responsible for overseeing our operations and financial activities.

Mr. Wang began his career as a cashier in the finance department of Shijiazhuang Pharmaceutical Group Co., Ltd. (石家莊製藥集團有限公司) from January 1996 to August 1997. From August 1997 to June 2001, he worked as the head of finance section, deputy manager and manager of Hebei Zhongrun Pharmaceutical Limited (河北中潤製藥有限公司) under CSPC Group. He then served as the finance manager of CSPC WEISHENG Pharmaceutical (Shijiazhuang) Co., Ltd. (石藥集團維生藥業(石家莊)有限公司) from July 2001 to January 2003. From February 2003 to August 2006, Mr. Wang was the finance manager of CSPC OUYI Pharmaceutical Co., Ltd. (石藥集團歐意藥業有限公司) ("CSPC OUYI"). He was promoted to assistant general manager, vice president and finance manager of CSPC OUYI from August 2006 to December 2009. From January 2010 to February 2013, Mr. Wang served as the senior finance director and senior operational director of the finished pharmaceutical products department of CSPC, and concurrently held roles as the vice president and finance manager of CSPC OUYI, as well as the finance manager of CSPC NBP Pharmaceutical Co., Ltd. (石藥集團恩必普藥業有限公司). From February 2013 to December 2018, Mr. Wang served as the senior finance director and senior operational director of the raw materials department of CSPC. From January 2019 to March 2024, Mr. Wang served as the vice general manager of the financial center and director of cost and expense management of CSPC. From March 2024 to January 2025, he held the positions of financing director at the capital operations center and director of the medical care management department of CSPC. Since February 2025, Mr. Wang has served as the vice general manager of the financial center and the director of the compensation and performance department of CSPC.

Mr. Wang obtained a bachelor's degree in economics management from Hebei University of Science and Technology (河北科技大學) and an executive master's degree in business administration (EMBA) from Tsinghua University (清華大學). Mr. Wang is a Certified Public Accountant, a Certified Tax Agent, and a senior accountant.

Directors, Supervisors and Senior Management

Liu Fang (劉芳), aged 48, has served as a Supervisor since March 2016. She is responsible for overseeing our operations and financial activities.

Ms. Liu served as the finance officer of Wuhan YZY Automobile Service Co., Ltd. (武漢友芝友汽車服務有限公司) (a company controlled by Dr. Yuan Qian and primarily engaged in new car retail business, which does not compete and is unlikely to compete, directly or indirectly, with the Company's business) from March 2006 to March 2010. Since January 2012, Ms. Liu has served as a finance manager of YZY Industrial Group Co., Ltd. (友芝友實業集團有限公司).

Ms. Liu obtained an associate's degree in modern accounting from the Hubei University of Economic and Management (湖北經濟管理大學) in the PRC in June 1999. She was recognized as a junior accountant by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) and the Ministry of Finance of the PRC (中華人民共和國財政部) in May 2009.

Ji Changtao (紀昌濤), aged 37, has served as a Supervisor since May 2021. He is responsible for overseeing our operations and financial activities.

Mr. Ji served as a key customer representative at Shenzhen Sanofi Pasteur Biological Products Co., Ltd. (深圳賽諾菲巴斯德生物製品有限公司) from April 2014 to June 2015. He then served as an investment director of the investment and development department of Shenzhen ASB Ventures Holdings Co., Ltd (深圳澳銀資本管理有限公司) from June 2015 to September 2016. Mr. Ji has served as an investment director and a supervisor of BGI Co-Win (Shenzhen) Private Equity Co., Ltd. (華大共贏(深圳)股權投資基金管理有限公司) since September 2016 and March 2020, respectively. He has also served as an investment partner at investment department of BioSpiritus (Shenzhen) Private Equity Fund Management Partnership (Limited Partnership) (柏穗(深圳)私募股權基金管理合夥企業(有限合夥)) since April 2020, and a director of Meitek Technology (Qingdao) Co., Ltd. (美泰科技(青島)股份有限公司) since January 2022.

Mr. Ji obtained a bachelor's degree in biotechnology in June 2011 from Huazhong University of Science and Technology (華中科技大學) in the PRC and a master's degree in bioengineering from South China Sea Institute of Oceanology, Chinese Academy of Sciences (中國科學院南海海洋研究所) in the PRC in July 2014.

Dr. Shi Jian (石劍), aged 43, has served as a Supervisor since December 2025. He is responsible for overseeing our operations and financial activities.

Dr. Shi has over 15 years of research experience in the development of therapeutic antibodies, fusion proteins, and protein subunit vaccines within the biopharmaceutical industry. From 2014 to 2018, Dr. Shi worked at the Wuhan Institute of Virology of the Chinese Academy of Sciences. Dr. Shi joined the Company in 2018 and has held various positions, including scientist in the Antibody Engineering Technology Department of the Research and Development (R&D) Centre, deputy director and director of the Early Development Research Department of the R&D Centre, director of the Translational Medicine Department of the R&D Centre, and concurrently serves as the chairman of the Company's Labor Union. In addition, Dr. Shi was selected as an innovative talent under the "3551 Optics Valley Talent Program" in Wuhan in 2023.

Dr. Shi obtained his bachelor of science degree in Biological Sciences from Wuhan University in 2004 and a Ph.D. in Microbiology from Wuhan University in 2014.

Directors, Supervisors and Senior Management

Xiao Ying (肖瑩), aged 37, has served as a Supervisor since October 2023. Ms. Xiao joined the Company in July 2011 where she consecutively held positions including human resource specialist, human resource supervisor, senior supervisor of the administrative human resource department, deputy manager of the administrative human resource department, senior manager of the administrative human resource department and manager of the strategic development department and senior manager of the general management department. She has served as the deputy director of the general management department of the Company since April 2025.

Ms. Xiao has also served as a supervisor of two subsidiaries of the Company (namely, Shijiazhuang Shiyou Biotechnology Co., Ltd and Nanjing Youbodi Biotechnology Co., Ltd) since April 2020 and December 2020, respectively.

Ms. Xiao earned her bachelor's degree in labor and social security from Wuhan University of Technology (武漢理工大學) in June 2011.

SENIOR MANAGEMENT

Dr. Zhou Pengfei, see “— Directors — Executive Directors” for details.

Dr. Yang Bin (楊彬), aged 44, has served as the vice president of the manufacturing center of the Company since June 2021. He is responsible for implementing the Group's strategies and goals for technology development and product manufacturing.

Dr. Yang has over ten years of experience in CMC processes management and drug development. He served in various positions pertaining to research and development of biopharmaceuticals at Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司) and its subsidiaries (“**HEC Group**”). From July 2008 to May 2021, he successively served as an R&D engineer, the head of the monoclonal antibody department, the deputy director and a project manager at the biopharmaceuticals research institute of the HEC Group.

Dr. Yang obtained a bachelor's degree in pharmacy in June 2003 from Wuhan University (武漢大學) and a master's degree in microbiology and biochemical pharmacy from Shenyang Pharmaceutical University (瀋陽藥科大學) in the PRC in July 2008. In June 2020, he obtained a doctorate in biology (biomedicine) from Jinan University (暨南大學) in the PRC.

Dr. Huang Shaoyi (黃劭毅), aged 46, joined our Group and served as the director of the clinical department of the Company in July 2020. In May 2023, he was promoted as the senior director of the clinical department of the Company. He is responsible for academic support of the Group's clinical projects and developing policies and management processes related to our clinical research.

Dr. Huang has extensive experience in clinical research and product development. He served as the deputy director of the medical oncology department of Wuhan YZY Medical Science and Technology Co., Ltd. (武漢友芝友醫療科技股份有限公司) from March 2014 to July 2020, where he was responsible for R&D and clinical work.

Dr. Huang obtained a bachelor's degree in biotechnology in June 2001 and a master's degree in microbiology in December 2004 from Wuhan University (武漢大學), respectively. Dr. Huang obtained a doctorate in cancer biology from the University of Texas Health Science Center at Houston and the University of Texas M.D. Anderson Cancer Center in the U.S. in August 2013.

Directors, Supervisors and Senior Management

JOINT COMPANY SECRETARIES

Zheng Jianhua (鄭建華) joined the Group in August 2021 and was appointed as one of our joint company secretaries in November 2022. Mr. Zheng currently serves as the senior manager at our strategic development department, responsible for corporate financing and legal affairs. He has over 20 years of experience in legal practice and has a combined knowledge background of law, finance and securities. Prior to joining the Group, he served as a law teacher in Xiangfan College (襄樊學院) till March 2011, and as a part-time lawyer of Hubei Dongsheng Law Firm (湖北東升律師事務所). From April 2011 to January 2015, Mr. Zheng served as a manager of legal compliance department of Shaanxi Branch of China Life Property and Casualty Insurance Co., Ltd. (中國人壽財產保險股份有限公司陝西省分公司). He also worked in Zhongying Fund Management Co., Ltd. (中盈基金管理有限公司). From January 2016 to August 2021, he served as a legal manager of Wuhan Yitong Culture and Education Co., Ltd. (武漢億童文教股份有限公司).

Mr. Zheng obtained a bachelor's degree in literature from Zhejiang University (浙江大學) in the PRC in June 2001 and a master's degree in law from Northwest College of Political Science and Law (西北政法學院) (currently known as Northwest University of Political Science and Law (西北政法大學)) in the PRC in July 2004. He also obtained the legal professional qualification certificate in the PRC (中國法律職業資格證書) issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in September 2002, the Lawyer's Practising Certificate (律師執業證書) issued by the Department of Justice of Hubei Province (湖北省司法廳) in November 2008, the qualification of Certified Public Valuer (資產評估師證書) issued by China Appraisal Society (中國資產評估協會) in September 2019, and he has been a non-practicing member of The Chinese Institute of Certified Public Accountants since July 2020.

Lai Janette Tin Yun (賴天恩) was appointed as one of our joint company secretaries on June 25, 2023, with her appointment taking effect on September 25, 2023. Ms. Lai is a senior manager of company secretarial services in Vistra Group, a global professional services firm. She has over 12 years of experience providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Lai obtained a bachelor's degree in accounting from Hong Kong Shue Yan University (香港樹仁大學) in July 2011. She is a chartered secretary, a chartered governance professional, and a member of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the United Kingdom.

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE CULTURE

The Board believes that corporate culture underpins the long-term business development, economic achievement and sustainable growth of the Group. By virtue of its profound cultural roots, the Company is capable of achieving long-term and sustainable development while performing its duty as a corporate citizen. The Company continued to strengthen its cultural framework by focusing on the following:

- Vision: being a renowned enterprise focusing on areas including research and development of drugs targeted tumors and personalized medicine and creating a superior platform aiming to realize self-fulfilment and give back to the community.
- Mission: to discover and develop innovative drugs and safeguard the health of human.
- Values: Innovation, profession, teams and win-win cooperation

The Board has established and advocated the corporate culture by encouraging and demanding all employees to put it into practice. All of our employees are required to participate in onboard trainings and training plans to achieve a better understanding of the corporate culture, structure and policies, learn relevant laws and regulations and enhance their awareness of quality. In addition, from time to time, the Company engages external experts to provide our management with training to enhance their knowledge and management skill.

The Board is dedicated to the alignment of the objectives, value, and strategy with its corporate culture, and all Directors shall take the lead and practice its corporate culture earnestly. For details of the Company's performance during the Reporting Period, please refer to the section headed "Management Discussion and Analysis." The Board considered that the current business model of the Company is consistent with its objectives and long-term strategy.

The Board considered that corporate culture is in line with the Group's mission, values and strategy.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code contained in Appendix C1 of the Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

Corporate Governance Report

In the opinion of the Directors, during the year ended December 31, 2025, the Company has complied with all the applicable code provisions as set out in the CG Code, except as disclosed in this Corporate Governance Report.

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, Supervisors and relevant employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. The Company has also devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors, and the Directors and Supervisors have confirmed that they have complied with the Code of Conduct during the year ended December 31, 2025. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the year ended December 31, 2025.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and is collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors make decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Directors who served the Board throughout the year ended December 31, 2025 and up to the date of this annual report:

Executive Directors

Dr. Zhou Pengfei (*Chairman of the Board and chief executive officer*)

Mr. Wen Zhicheng (溫植成) (*redesignated as an executive Director with effect from June 25, 2025*)

Non-executive Directors

Dr. Yuan Qian (袁謙)

Dr. Zhou Hongfeng (周宏峰)

Mr. Pang Zhenhai (龐振海)

Dr. Hui Xiwu (惠希武)

Mr. Xie Shouwu (謝守武)

Ms. Liang Qian (梁倩) (*retired as a non-executive Director with effect from June 25, 2025*)

Corporate Governance Report

Independent Non-executive Directors

Dr. Cheng Bin (程斌)
 Ms. Fu Lili (付黎黎)
 Dr. Deng Yuezhen (鄧躍臻)
 Dr. Chen Bin (陳斌)

The biographical information of the Directors is set out in the section headed “Directors, Supervisors and Senior Management” of this annual report. Save as the concert party agreement (the “**Concert Party Agreement**”) dated June 30, 2018 and supplemented on October 26, 2020 and June 2, 2023, which was entered into by Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi, there is no relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members. For further details of the Concert Party Agreement, please refer to the Prospectus.

Directors’ Attendance Records

The attendance record of each Director at the Board meetings, the Board committee meetings and the general meeting of the Company held during the year ended December 31, 2025 is set out in the table below:

Name of Director	Attendance/Number of Meetings				Annual General Meeting
	Board ⁽⁴⁾	Audit Committee ⁽⁵⁾	Remuneration Committee ⁽⁶⁾	Nomination Committee ⁽⁷⁾	
Executive Directors					
Dr. Zhou Pengfei	7/7	–	–	1/1	1/1
Mr. Wen Zhicheng (溫植成) <i>(redesignated as an executive Director on June 25, 2025)</i>	4/7	–	–	–	1/1
Non-executive Directors					
Dr. Yuan Qian (袁謙)	7/7	–	3/3	–	1/1
Dr. Zhou Hongfeng (周宏峰)	6/7	4/4	–	–	1/1
Mr. Pang Zhenhai (龐振海)	5/7	–	–	–	1/1
Dr. Hui Xiwu (惠希武)	6/7	–	–	–	1/1
Mr. Xie Shouwu (謝守武)	7/7	–	–	–	1/1
Ms. Liang Qian (梁倩) <i>(retired on June 25, 2025)</i>	3/3	–	–	–	1/1

Corporate Governance Report

Name of Director	Attendance/Number of Meetings				Annual General Meeting
	Board ⁽⁴⁾	Audit Committee ⁽⁵⁾	Remuneration Committee ⁽⁶⁾	Nomination Committee ⁽⁷⁾	
Independent non-executive Directors					
Dr. Cheng Bin (程斌) ⁽²⁾	7/7	–	3/3	1/1	0/1
Ms. Fu Lili (付黎黎) ⁽³⁾	7/7	4/4	–	0/0	1/1
Dr. Deng Yuezhen (鄧躍臻)	6/7	4/4	–	–	1/1
Dr. Chen Bin (陳斌) ⁽³⁾	7/7	–	3/3	1/1	1/1

During the year ended December 31, 2025, apart from regular Board meetings, the Chairman of the Board also held a meeting with all independent non-executive Directors without presence of other Directors.

Notes:

- (1) Directors may attend meetings in person, or by means of telephone or video conference in accordance with the Articles of Association.
- (2) Dr. Cheng Bin could not attend the annual general meeting held on June 25, 2025 due to work-related reasons.
- (3) Upon the election of the second session of the Board, there is change in composition of the Nomination Committee: Ms. Fu Lili was appointed as a member of the Nomination Committee and Dr. Chen Bin ceased to be a member of the Nomination Committee, both with effect from June 25, 2025.
- (4) During the year ended December 31, 2025, the first session of the Board held 3 meetings and the second session of the Board held 4 meetings.
- (5) During the year ended December 31, 2025, the Audit Committee of the first session of the Board held 2 meetings and the Audit Committee of the second session of the Board held 2 meetings.
- (6) During the year ended December 31, 2025, the Remuneration Committee of the first session of the Board held 3 meetings and the Remuneration Committee of the second session of the Board held 0 meeting.
- (7) During the year ended December 31, 2025, the Nomination Committee of the first session of the Board held 1 meeting and the Nomination Committee of the second session of the Board held 0 meeting.

Corporate Governance Report

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors', Supervisors' and senior management's liabilities in respect of any legal actions taken against Directors, Supervisors and senior management arising out of corporate activities.

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Zhou Pengfei currently performs these two roles. Dr. Zhou Pengfei is the founder of the Group, the Chairman of the Board and the chief executive officer of the Company who has been participating in the Group's business and overall strategic planning since its establishment. The Board believes that vesting the roles of both the chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer of the Company at an appropriate time if necessary, taking into account the circumstances of the Group as a whole.

Independent Non-executive Directors

During the year ended December 31, 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Board Independence Evaluation

The Company has established a Board independence evaluation mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximize strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board independence evaluation mechanism, the Board will conduct annual review on its independence. The Board independence evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended December 31, 2025, all Directors have completed the independence evaluation individually. The Board independence evaluation report was presented to the Board and the evaluation results were satisfactory.

During the year ended December 31, 2025, the Board reviewed the implementation and effectiveness of the Board independence evaluation mechanism and the results were satisfactory.

Appointment and Re-election of Directors

Each of Directors has entered into a service contract with the Company for a term of three years and may serve a consecutive term if re-elected upon expiration of their term of office. The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board.

All the Directors shall be elected or replaced at the general meeting, and may be removed from their office by the general meeting prior to expiration of the term of office under the Articles of Association. A Director shall serve a term of three years, and may serve a consecutive term if re-elected upon expiration of their term of office.

The Articles of Association also provides that any Director appointed by the Board to fill a temporary vacancy or add the quota of the Board shall hold office only until the first annual general meeting following his/her appointment, and shall then be eligible for re-election.

Corporate Governance Report

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended December 31, 2025, the Company organized a training session conducted by the legal advisers for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors for the year ended December 31, 2025 and up to date of this annual report are summarized as follows:

Directors	Type of Training ^{Note}
Executive Directors	
Dr. Zhou Pengfei	A/B
Mr. Wen Zhicheng (溫植成) (<i>redesignated as an executive Director on June 25, 2025</i>)	A/B
Non-executive Directors	
Dr. Yuan Qian (袁謙)	A/B
Dr. Zhou Hongfeng (周宏峰)	A/B
Mr. Pang Zhenhai (龐振海)	A/B
Dr. Hui Xiwu (惠希武)	A/B
Mr. Xie Shouwu (謝守武)	A/B
Ms. Liang Qian (梁倩) (<i>retired on June 25, 2025</i>)	A/B
Independent non-executive Directors	
Dr. Cheng Bin (程斌)	A/B
Ms. Fu Lili (付黎黎)	A/B
Dr. Deng Yuezhen (鄧躍臻)	A/B
Dr. Chen Bin (陳斌)	A/B

Note:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders.

Audit Committee

The Audit Committee consists of two independent non-executive Directors and one non-executive Director, namely Ms. Fu Lili (chairperson), Dr. Deng Yuezhen and Dr. Zhou Hongfeng.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee include reviewing the financial status of the Company, reviewing the financial information of the Company, making judgment on the truthfulness, completeness and accuracy of the financial information, and checking the implementation and effectiveness of the internal financial reporting systems, risk management and internal control systems. It is also mainly responsible for the communication between the Company and the external audit firms and the supervision and verification of such communication, supervising internal audit, evaluating and improving the internal control systems of the Company and making proposals thereto and assessing the risks of, among others, the significant investment projects under operation. The Audit Committee shall report to the Board on its work.

The attendance records of the Audit Committee during the year ended December 31, 2025 are set out in the section headed "Directors' Attendance Records" above. The Audit Committee has met four times, in respect of the year ended December 31, 2025, to perform the following major duties: (i) reviewed the interim results and interim report of the Company for the six months ended June 30, 2025; (ii) reviewed the Group's audit plan for the year ended December 31, 2025; (iii) reviewed the annual results and annual report of the Company for year ended December 31, 2025; and (iv) reviewed the effectiveness of the Company's financial controls, internal control and risk management systems.

The Audit Committee also met the external auditor twice without the presence of the executive Directors for the year ended December 31, 2025 and up to the date of this annual report.

Remuneration Committee

The Remuneration Committee consists of two independent non-executive Directors and one non-executive Director, namely Dr. Cheng Bin (chairperson), Dr. Chen Bin and Dr. Yuan Qian.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include researching and formulating the assessment standards of and evaluating the Directors, Supervisors and senior management, as well as putting forward opinions or suggestions. It is also responsible for researching, formulating and reviewing the remuneration plans or schemes of the Directors, Supervisors and senior management.

Corporate Governance Report

The Remuneration Committee met three during the year ended December 31, 2025 to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management of the new session. In addition, the Remuneration Committee has reviewed matters relating to the 2024 H Share Option Scheme, including the total number of options granted, vesting period and relevant performance criteria.

In accordance with code provision E.1.5 of CG Code, the remuneration of the members of senior management (including executive Directors) during the year ended December 31, 2025 falls within the following bands:

Remuneration (HK\$)	Number of Individuals
Nil to 1,000,000	1
1,000,001 to 1,500,000	1
1,500,001 to 2,000,000	1
2,000,001 to 2,500,000	1
2,500,001 to 3,000,000	1

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors, Supervisors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration policy for the Directors, Supervisors and senior management is to ensure that they are adequately compensated for their efforts and time dedicated to the Company's affairs. The remuneration for the independent non-executive Directors mainly comprises the fees which is determined with reference to their duties and responsibilities by the Board. Individual Directors, Supervisors and senior management have not been involved in deciding their own remuneration.

Nomination Committee

The Nomination Committee consists of two independent non-executive Directors and one executive Director, namely Dr. Cheng Bin, Ms. Fu Lili and Dr. Zhou Pengfei (chairperson).

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include considering selection of directors (including independent non-executive Directors) and senior management of the Company, the selection criteria and procedures thereof, as well as putting forward opinions and recommendations to the Board.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Diversity Policy of Board of Directors.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

Corporate Governance Report

For the year ended December 31, 2025, the Nomination Committee held one meeting to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, to review the Board Diversity Policy and Director Nomination Policy, and to nominate the candidates for the new session of the Board. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Diversity Policy of Board of Directors

The Company has adopted a Diversity Policy of Board of Directors which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Company recognizes and embraces the concept of having a diverse Board to enhance the execution of the Board.

When designing the Board's composition, the Board will consider factors regarding Board diversity in various ways, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The Company will also consider its business model and specific needs from time to time, as well as a balanced composition of executive Directors and non-executive Directors.

For the purpose of implementation of the Diversity Policy of Board of Directors, the selection of candidates of the Board will be based on a range of measurable objectives from diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service and any other factors that the Board may consider relevant and applicable to contribute to the board diversity from time to time.

An analysis of the Board's current composition based on the key information (including gender, age, length of service, professional experience) is set out below:

1. Gender

Gender Group	Female	Male
Number of Directors	1	10

2. Age

Age Group	39 and below	40-49	50-59	60 and above
Number of Directors	0	5	5	1

3. Length of service of Directors

Length of service	Less than 1 year	1-3 years	3-10 years	More than 10 years
Number of Directors	0	7	1	3

Corporate Governance Report

4. Professional experience

Directors	Role	Professional experience
Dr. Zhou Pengfei	Executive Director	Immunology and management
Mr. Wen Zhicheng (溫植成)	Executive Director	Investment management, fundraising, accounting and financing
Dr. Yuan Qian (袁謙)	Non-executive Director	Clinical medicine, business administration and finance
Dr. Zhou Hongfeng (周宏峰)	Non-executive Director	Medicine, business administration, social medicine and health administration
Mr. Pang Zhenhai (龐振海)	Non-executive Director	Accounting, management and investment
Dr. Hui Xiwu (惠希武)	Non-executive Director	Biochemistry and molecular biology and management
Mr. Xie Shouwu (謝守武)	Non-executive Director	Management and auditing
Dr. Cheng Bin (程斌)	Independent non-executive Director	Medicine
Ms. Fu Lili (付黎黎)	Independent non-executive Director	Management, investment, statistics and auditing
Dr. Deng Yuezhen (鄧躍臻)	Independent non-executive Director	Biochemistry and molecular biology
Dr. Chen Bin (陳斌)	Independent non-executive Director	Medicine

We have taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company. The following table sets out the gender ratio in the workforce of the Group, including the Directors, Supervisors and senior management as at the date of this annual report:

	Female	Male
Directors	9.09%	90.91%
Supervisors	40%	60%
Senior Management	0%	100%
Other employees	47.37%	52.63%
Overall workforce	42.48%	52.52%

We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. The Group will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by the Nomination Committee periodically to maintain gender diversity of our Board.

Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Diversity Policy of Board of Directors.

The Nomination Committee will review the Diversity Policy of Board of Directors annually and monitor the progress of the achievement of measurable objectives to ensure the effectiveness of the implementation of this policy. The Nomination Committee will also discuss any necessary amendments and propose them to the Board for consideration and approval.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and nomination process in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, knowledge, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and maintain its leadership of the Company.

Pursuant to the Director Nomination Policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and make recommendations on revision to the Board when necessary to complement the Company's corporate strategy and business needs.

The nomination process set out in the Director Nomination Policy is as follows:

Appointment of New Directors

- (1) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate and the consent of the nominee, evaluate such candidate based on the criteria as set out below to determine whether such candidate is qualified for directorship.
- (2) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (3) The Nomination Committee should then make recommendations to the Board on the appointment of appropriate candidate for directorship, as applicable.
- (4) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out below to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendations to Shareholders in respect of the proposals to appoint Directors at the general meeting.

Corporate Governance Report

Re-appointment of Directors at General Meeting

- (1) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director, and the level of participation and performance in the Board.
- (2) The Nomination Committee and/or the Board should also review and determine whether the retiring Directors still meet the criteria as set out below.
- (3) The Nomination Committee and/or the Board should then make recommendations to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

For the Shareholders who wish to nominate a candidate to participate in the election as director at the general meeting, please refer to the “Procedures to Elect a Director for Shareholders” which is available on the Company’s website.

The Director Nomination Policy sets out the criteria for evaluating and selecting candidate for directorship, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategies and diverse aspects under the Diversity Policy of Board of Directors;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, professional experience, skills, knowledge and length of service;
- Requirements for the Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the guidelines set out in the Listing Rules;
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity; and
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and the Board committee(s) of the Company.

During the year ended December 31, 2025, the Nomination Committee recommended to the Board the election of the second session of the Board. The recommendation was subject to a stringent nomination process in accordance with the Director Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company’s strategy.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Report

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. During the year ended December 31, 2025, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors, Supervisors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Code of Conduct (where applicable), and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, such as financial management, connection transactions, and information disclosure.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Listing, we have adopted and shall continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system;
- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions, and information disclosure; and
- provide anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

Corporate Governance Report

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

The Internal Audit Department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems as well as inspection and supervision of the authenticity and completeness of the Company's financial information. The Internal Audit Department examined key issues in relation to the entity-level controls, financial reporting and disclosure controls, sales and collection management, purchase and payment management, inventory management, fixed assets management, human resources and payroll management, general controls of IT system and other procedures of our operations. The Internal Audit Department identified internal control deficiencies and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report, conducted annual reviews of the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and staff qualifications, experiences and relevant resources.

The Company has in place the Whistleblower Policy for employees of the Group and those who deal with the Group to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company. The Whistleblower Policy is available on the website of the Company.

The Company has also in place the Management System for Anti-fraud, Anti-bribery, Anti-money Laundering and Anti-sanctions (反舞弊、反賄賂、反洗錢、反制裁管理制度) to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. All departments of the Company should be responsible for collecting, identifying and reporting statistics on suspicious transaction data. Suspicious transaction data shall be reported to the leading group for anti-corruption and anti-money laundering (反腐敗、反洗錢工作領導小組), which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

The Company has developed its Management System for Information Disclosure (信息披露管理制度) which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" of this annual report.

AUDITOR'S REMUNERATION

The remuneration paid and payable to the external auditor of the Company in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Service Category	Fees Paid/ Payable <i>RMB'000</i>
Audit Services	
– Annual audit	1,947.5
Non-audit Services	
– Tax advisory	39.8
– ESG Report consulting service	110
Total	2,097.3

JOINT COMPANY SECRETARIES

Mr. Zheng Jianhua (鄭建華) and Ms. Lai Janette Tin Yun (賴天恩) have been appointed as the Company's joint company secretaries. Ms. Lai is currently a senior manager of company secretarial services in Vistra Group, a global professional services provider specializing in integrated business, corporate and investor services.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Mr. Zheng has been designated as the primary contact person at the Company which would work and communicate with Ms. Lai on the Company's corporate governance and secretarial and administrative matters.

For the year ended December 31, 2025, Mr. Zheng and Ms. Lai have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

Right to Convene an Extraordinary General Meeting

Pursuant to the Articles of Association, Shareholders that hold, individually or collectively, 10% or more of the Shares shall have the right to request in writing the Board to convene an extraordinary general meeting and add resolutions to a meeting agenda.

Where the Board disagrees to convene the extraordinary general meeting, or fails to make a response within ten days upon receipt of the request, Shareholders individually or in aggregate holding 10% or more of the Shares shall have the right to propose to the Supervisory Committee to convene the extraordinary general meeting in writing. If the Supervisory Committee fails to issue the notice calling such a meeting within five days upon receipt of the request, it shall be deemed to have failed to convene and preside over such meeting. Shareholders that hold, individually or collectively, 10% or more of the Shares for 90 consecutive days or longer period may convene and preside over such meeting. All necessary expenses incurred by the Shareholders to convene the general meeting shall be assumed by the Company.

Putting Forward Proposals at General Meetings

Shareholders that hold, individually or collectively, 1% or more of the Shares may make provisional proposals in writing to the convener ten days prior to the date of such meeting. The contents of a proposal shall be within the scope of the duties and powers of the general meeting, have definite themes and specific matters for resolutions, as well as be in compliance with laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Shares are listed and the relevant requirements set in the Articles of Association. The convener shall issue a supplementary notice of the general meeting and announce the contents of such provisional proposals within two days after receipt thereof.

The convener shall inform each shareholder the annual general meeting by way of announcement 21 days before the meeting, and shall inform each shareholder the extraordinary general meeting by way of announcement 15 days before the meeting. In counting the aforesaid "21 days" or "15 days", the Company shall not include the day on which the meeting is convened, but shall include the date on which the notice is issued.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: No. 666 Gaoxin Road, East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC (for the attention of the secretary of the Board) or Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong (for the attention of the Company Secretary)

Email: info@zyybio.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above addresses and provide their full name, contact details, in particular email addresses, and identification in order to give effect thereto.

The Company recognizes the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by laws and regulations to do so.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, a separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Shareholder Communication Policy

The Company has in place a Shareholder Communication Policy. The policy aims to set out the provisions with the objective of ensuring that the Shareholders, both individual and institutional, and, in appropriate circumstances, the investment community at large, are provided with timely access to comprehensive, equal and understandable information about the Company (including its financial performance, strategic goals and plans, major developments, governance and risk profile), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to strengthen communication with the Company. The Board reviewed the implementation and effectiveness of the Shareholder Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. the Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (<https://www.yzybio.com/investor-relations/corporate-governance>).

Corporate Governance Report

(d) Shareholders' General Meeting

- (1) Shareholders may participate in the Shareholders' general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings.
- (2) The Company shall make appropriate arrangements for the Shareholders' general meetings to encourage Shareholders' participation.
- (3) The Company shall review the procedure for conducting Shareholders' general meetings from time to time to ensure that it complies with the Articles of Association, the Listing Rules and the applicable laws of the PRC as well as abiding by the practice of good corporate governance. If necessary, changes will be made to ensure that Shareholders' needs are best served.
- (4) Members of the board of directors of the Company, in particular, either the chairmen of board committees or their delegates, appropriate management executives, external auditors and other parties considered to be appropriate by the directors shall attend the Shareholders' general meetings to answer Shareholders' questions.
- (5) Relevant circulars and meeting materials shall be delivered to the Shareholders in advance as required under the Articles of Association and the Listing Rules.

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's H share registrar, Computershare Hong Kong Investor Services Limited.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by post to No. 666 Gaoxin Road, East Lake High Tech Development Zone, Wuhan, Hubei Province, PRC (for the attention of the secretary of the Board) or Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong (for the attention of the Company Secretary).

(f) Presentation and Webcast

Presentation and webcasts of the Company will be available on the Company's website.

(g) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows, media interviews for investors and specialist industry forums etc. will be organized from time to time.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

During the year under review, the Company has amended its Articles of Association in June 2025. Details of the amendments are set out in the circular dated May 30, 2025 to the Shareholders. An up to date version of the Articles of Association is also available on the Company's website and the Stock Exchange's website.

DIVIDEND POLICY

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board for a financial year or period will be subject to the Shareholders' approval. A summary of the dividend details for the Reporting Period has been disclosed in the annual report of the Company.

Directors' Report

The Board is pleased to present this report of Directors together with the audited consolidated financial statements of the Group for the Reporting Period.

CORPORATE INFORMATION

The Company was established in the PRC on July 8, 2010 as a limited liability company. On January 13, 2022, the Company was converted into a joint stock company with limited liability under the PRC Company Law, with its name changed from Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司) to Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司). The Company's H shares have been listed on the Main Board of the Stock Exchange since September 25, 2023.

PRINCIPAL ACTIVITIES

The Company is a biotechnology company dedicated to developing bispecific antibody (BsAb)-based therapies to treat cancer-associated complications, cancer and age-related ophthalmologic diseases.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance, including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business, and events affecting the Company that have occurred since the end of the financial year, is set out in the section headed "Management Discussion and Analysis" of this annual report. These discussions form part of this Directors' report.

RESULTS OF OPERATIONS

The results of the Group for the Reporting Period and the state of the Group's financial position as at that date are set out in the consolidated financial statements on pages 85 to 90 of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- Our business and financial prospects depend substantially on the success of our clinical stage and pre-clinical stage drug candidates. If we are unable to successfully complete their clinical development, obtain their regulatory approvals and achieve their commercialization, or if we experience significant delays in doing any of the foregoing, our business will be materially harmed;
- We face substantial competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do. For instance, our Core Product, M701, faces competition from current medical treatment methods for MA and MPE which are less costly in nature, and competition from multiple peer products under development for the treatment of MA and MPE and peer products targeting identical molecular targets as M701. Furthermore, we face indirect competition from other therapies for primary and metastatic cancers that do not directly target MA and MPE but can help control these complications;

- The development of BsAbs is a nascent field and faces many imminent risks and challenges. The development of BsAbs involved more difficulties and risks due to the complex molecular design and mechanisms of action, and typically incur higher production costs. BsAbs cannot be administered orally, thus the less convenient administration methods of BsAbs increase treatment costs and safety risks associated with infusions. BsAbs face intense competition from mAbs, antibody-drug conjugates, multi-specific antibodies and fusion protein antibodies, which may surpass BsAbs in terms of cost, R&D difficulty, success rate and market acceptance;
- Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter unexpected difficulties executing our clinical trials and commercializing our drug candidates on a timely basis;
- If our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates;
- All material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated. Any failure to comply with existing or future regulations and industry standards or any adverse actions by drug approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects;
- We have limited experience in the commercialization of drugs. If we are unable to build and manage sales network, or maintain sufficient sales and marketing capabilities, either by ourselves or through third parties, we may not be able to successfully create or increase market awareness of our products or sell our products, which will materially affect our ability to generate product sales revenue; and
- We have incurred net losses since inception. We expect to continue to incur net losses for the foreseeable future and may not be able to generate sufficient revenue to achieve or maintain profitability.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth.

For further details of the Group's environmental policies and performance, please refer to the "2025 Environmental, Social and Governance Report", which was published separately.

Directors' Report

KEY RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that various stakeholders including suppliers, employees, Shareholders and other business associates are key to Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

Relationship with Our Employees

We endeavor to cultivate talented and loyal employees by treating our employees with dignity, respect and fairness. We conduct new employee trainings, as well as professional and compliance training programs for employees. We enter into employment contracts with our employees to cover matters such as wages, benefits and grounds for termination. The remuneration package of our employees usually includes salary and bonus, which are generally determined by their qualifications, industry experience, position and performance. We make contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

Relationship with Shareholders

We recognize the importance of protecting the interests of the Shareholders and of having effective communication with them. We believe that communication with the Shareholders is a two-way process and strive to ensure the quality and effectiveness of information disclosure, maintain regular dialog with the Shareholders and listen carefully to the views and feedback from the Shareholders. This has been done through general meetings, corporate communications, annual/interim reports and results announcements.

TAX RELIEF AND EXEMPTIONS

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

EMPLOYEES AND REMUNERATION POLICY

As of December 31, 2025, the Group had a total of 106 employees with 83 employees for research and development and 23 employees for general and administrative.

We are committed to making sure that working conditions throughout our business network are safe and that employees are treated with care and respect. We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government regulations from time to time. Our compensation package also comprises year-end bonuses, communication, transport and meal allowances, staff dormitory, paid leaves, and holiday benefits. In addition, we provide career development opportunities and promote an inventive, collaborative, and productive work environment, which we believe fosters long-lasting self-motivation for our employees.

We offer employees a variety of professional development opportunities and encourage a performance-driven environment. We focus on creating a culture to encourage retention and engagement. Given our emphasis on our integrated in-house research and development capabilities, we attach great importance to internal talent growth. We continually pursue progression opportunities for our staff through various internal and external training and development programs, including pre-job training, on-the-job practice, cross-training, special skills training, and talent echelon development training.

In recognition of the contributions of our employees and to incentivize them to further promote our development, the Company had adopted the Wuhan Caizhi Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the **“Wuhan Caizhi Employee Incentive Scheme”**) and the Caizhi No. 2 Employee Incentive Scheme of Wuhan YZY Biopharma Co., Ltd. (the **“Caizhi No. 2 Employee Incentive Scheme”**) (collectively, the **“Employee Incentive Schemes”**). An award under the Employee Incentive Schemes (the **“Award(s)”**) gives a participant in the Employee Incentive Schemes a right when granted the Award to obtain partnership interest in the employee incentive platforms (namely, Wuhan Caizhi, Caizhi No. 2, Huiyou Jucai and Huiyou Juzhi) as a limited partner. The Employee Incentive Schemes do not involve any grant of share options or awards after the Listing and therefore are not subject to the provisions of Chapter 17 of the Listing Rules.

In addition, the Company had also adopted 2024 H Share Option Plan. For details of the 2024 H Share Option Plan, please refer to the section headed “2024 H Share Option Plan” in this annual report.

As of the date of this annual report, Wuhan Caizhi and Caizhi No. 2, in aggregate, directly hold 28,413,118 H Shares (representing approximately 14.66% of the total issued share capital of the Company as of December 31, 2025), while some of the participants indirectly held partnership interest in Wuhan Caizhi through holding partnership interest in Huiyou Jucai and/or Huiyou Juzhi. For details of the Employee Incentive Schemes, please refer to the section headed “Employee Incentive Schemes” in Appendix VI of the Prospectus.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As of the date of this annual report, the names of the Directors, Supervisors and senior management of the Company are set out in the section headed “Directors, Supervisors and Senior Management” in this annual report.

BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As of the date of this annual report, biographical details of the Directors, Supervisors and senior management of the Company are set out in the section headed “Directors, Supervisors and Senior Management” in this annual report.

CHANGE TO DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INFORMATION

During the Reporting Period and up to the date of this annual report, there are no changes in the information of the Directors, Supervisors and Chief Executive that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MAJOR SUPPLIERS

During the Reporting Period, the purchases from the Group's largest supplier accounted for 15.9% of the Group's total purchases and the purchases from the Group's five largest suppliers accounted for 42.1% of the Group's total purchases.

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital (excluding any treasury share of the Company)) had any beneficial interest in the Group's five largest suppliers.

Directors' Report

MAJOR CUSTOMERS

During the Reporting Period, the Group generated revenue from the transaction under the License and Collaboration Agreement entered into with CT Tianqing. Apart from that, the Group did not generate any revenue from other customers.

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital (excluding any treasury share of the Company)) had any beneficial interest in CT Tianqing.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

We have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with relevant laws and regulations, observance of the Articles of Association and provisions on arbitration.

The Company has not entered, and does not propose to enter, into any service contracts with any of the Directors or Supervisors in their respective capacities as Directors or Supervisors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "2024 H Share Option Plan" below, no arrangement has been made by the Company, its holding company, or any of its subsidiaries for any Director or Supervisor to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate during the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of the date of this annual report, the Company did not have any existing plan for material investments or acquisition of capital assets.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The remuneration of the Directors, Supervisors and senior management of the Group are decided by the Board with reference to the recommendations of the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' remuneration and remuneration of the five highest paid individuals in the Group are set out in Note 12 to the consolidated financial statements in this annual report.

Details of the remuneration of the executive Directors, Supervisors and senior management of the Group are set out in the section headed "Remuneration Committee" in this annual report.

During the Reporting Period, no remuneration was paid by the Group to any of the Directors and Supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors and Supervisors waived any remuneration for the Reporting Period.

Save as disclosed above, no other payments have been made or are payable, for the Reporting Period, by the Group to or on behalf of any of the Directors.

CONTRACTS WITH SUBSTANTIAL SHAREHOLDERS

No contract of significance was entered into or subsisted between the Company or any of its subsidiaries and a substantial Shareholder or any of its subsidiaries during the Reporting Period and no contract of significance for the provision of services to the Company or any of its subsidiaries by a substantial Shareholder or any of its subsidiaries was entered into or subsisted as of December 31, 2025.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director/Supervisor or any entity connected with such Director/Supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Reporting Period.

INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors, Supervisors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

CONNECTED TRANSACTIONS

The Group had no connected transactions or continuing connected transactions which are required to be disclosed under the Listing Rules during the Reporting Period.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group during the Reporting Period are set out in Note 29 to the consolidated financial statements in this annual report.

The related party transactions as disclosed in Note 29 to the consolidated financial statements were not regarded as connected transactions under the Listing Rules which were not exempt from reporting, announcement and shareholders' approval requirements under the Listing Rules.

Directors' Report

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

Save as disclosed below, as at December 31, 2025, no other Directors, Supervisors and chief executive of the Company had any interests and/or short positions in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions in shares, underlying shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange:

Name of Director, Supervisor or Chief Executive of the Company	Nature of Interest	Description of the Shares ⁽⁶⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) Shares ⁽¹⁾⁽⁶⁾
Dr. Yuan Qian ⁽²⁾⁽³⁾⁽⁴⁾	Beneficial owner; interest held jointly with other persons; interest in controlled corporations	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Dr. Zhou Pengfei ⁽²⁾⁽³⁾⁽⁴⁾	Beneficial owner; interest held jointly with other persons; interest in controlled corporations	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Dr. Zhou Hongfeng ⁽²⁾⁽³⁾⁽⁴⁾	Beneficial owner; interest held jointly with other persons	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Wen Zhicheng (溫植成) ⁽⁵⁾	Interest in controlled corporation	Unlisted Shares	5,059,039	2.61%	6.14% (Unlisted Shares)
		H Shares	11,822,970	6.10%	10.61% (H Shares)

Notes:

- (1) The calculation is based on the total number of 82,380,386 Unlisted Shares and 111,468,814 H Shares in issue as at December 31, 2025. All interests stated are long positions.
- (2) Pursuant to the concert party agreement dated June 30, 2018 (“**Concert Party Agreement**”) and supplemental concert party agreements dated October 26, 2020 and June 2, 2023 entered into by Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi (each an “**AIC Party**”, collectively, “**AIC Parties**”), the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group’s daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian’s absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings. As a result, each of the AIC Parties was deemed to be interested in all the Shares in which each of them is interested under the SFO.
- (3) Chengdu Puhua Kaizhi Biotechnology Co., Ltd. (成都樸華凱智生物科技有限公司) (“**Puhua Kaizhi**”) was indirectly 50% owned by Dr. Yuan Qian through his wholly-owned YZY Industrial Group Co., Ltd. (友芝友實業集團有限公司), and was 30% owned by Dr. Zhou Hongfeng. By virtue of the SFO, Dr. Yuan Qian was deemed to be interested in the 1,342,600 H Shares held by Puhua Kaizhi.
- (4) Wuhan Caizhi was owned as to approximately 50.76% by Huiyou Jucai as its largest limited partner. Huiyou Jucai was owned as to approximately 49.95% by Dr. Zhou Pengfei and was managed by Dr. Zhou Pengfei as the general partner. As a result, Dr. Zhou Pengfei was deemed to be interested in the 16,792,707 Unlisted Shares held by Wuhan Caizhi under the SFO.
- (5) (i) Nanning Yaoyou Business Consulting Partnership (Limited Partnership) (南寧曜友商務諮詢合夥企業(有限合夥)) (“**Nanning Yaoyou**”) was the general partner of Nanning Huiyou Xingyao Equity Investment Fund Partnership (Limited Partnership) (南寧匯友興曜股權投資基金合夥企業(有限合夥)) (“**Huiyou Xingyao**”). Tongde Qianyuan (Beijing) Investment Management Co., Ltd. (同德乾元(北京)投資管理有限公司) (“**Tongde Qianyuan**”) was the general partner of Nanning Yaoyou, and Tongde Qianyuan was owned as to approximately 72.38% by Wen Zhicheng; (ii) Beijing Tongde Tongxin Investment Center (Limited Partnership) (北京同德同鑫投資中心(有限合夥)) (“**Tongde Tongxin**”) was the general partner of Nanning Zhongheng Tongde Pharmaceutical Industry Investment Fund Partnership (Limited Partnership) (南寧中恒同德醫藥產業投資基金合夥企業(有限合夥)) (“**Zhongheng Tongde**”), and Tongde Qianyuan was the general partner of Tongde Tongxin; and (iii) Gongqingcheng Yaoyou Investment Center (Limited Partnership) (共青城曜友投資中心(有限合夥)) (“**Gongqingcheng Yaoyou**”) was the general partner of Gongqingcheng Huiyou Xingyao Phase II Equity Investment Partnership (Limited Partnership) (共青城匯友興曜二期股權投資合夥企業(有限合夥)) (“**Gongqingcheng Huiyou**”), and Tongde Qianyuan was the general partner of Gongqingcheng Yaoyou. As a result, Wen Zhicheng was deemed to be interested in (i) the 6,695,271 H Shares and 3,447,526 Unlisted Shares held by Huiyou Xingyao, (ii) the 3,700,872 H Shares held by Zhongheng Tongde, and (iii) the 1,426,827 H Shares and 1,611,513 Unlisted Shares held by Gongqingcheng Huiyou under the SFO.
- (6) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at December 31, 2025, the following persons (other than the Directors, Supervisors or chief executive of the Company as disclosed above) had interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and which would be recorded in the register required to be kept under Section 336 of the SFO, or, who are, directly or indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾
Wuhan Caizhi ⁽²⁾⁽³⁾	Beneficial owner; interest held jointly with other persons	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) ⁽²⁾⁽⁴⁾	Interest in controlled corporations	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
Huiyou Jucan ⁽²⁾⁽⁵⁾	Interest in controlled corporations	Unlisted Shares	54,262,305	27.99%	65.87% (Unlisted Shares)
		H Shares	1,342,600	0.69%	1.20% (H Shares)
CSPC NBP Pharmaceutical Co., Ltd. (石藥集團恩必普藥業有限公司) ("CSPC-NBP") ⁽⁶⁾	Beneficial owner	H Shares	51,241,785	26.43%	45.97% (H Shares)
CSPC Pharmaceutical Group Limited (石藥集團有限公司) ("CSPC") ⁽⁶⁾	Interest in controlled corporation	H Shares	51,241,785	26.43%	45.97% (H Shares)
Dragon Merit Holdings Limited ⁽⁶⁾	Interest in controlled corporation	H Shares	51,241,785	26.43%	45.97% (H Shares)
Robust Sun Holdings Limited ⁽⁶⁾	Interest in controlled corporation	H Shares	51,241,785	26.43%	45.97% (H Shares)

Directors' Report

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾	
Caizhi No. 2	Beneficial owner	Unlisted Shares	5,810,206	3.00%	7.05% <i>(Unlisted Shares)</i>	
		H Shares	5,810,205	3.00%	5.21% <i>(H Shares)</i>	
Tongde Qianyuan ⁽⁷⁾	Interest in controlled corporation	Unlisted Shares	5,059,039	2.61%	6.14% <i>(Unlisted Shares)</i>	
		H Shares	11,822,970	6.10%	10.61% <i>(H Shares)</i>	
Huiyou Xingyao ⁽⁷⁾	Beneficial owner	Unlisted Shares	3,447,526	1.78%	4.18% <i>(Unlisted Shares)</i>	
		H Shares	6,695,271	3.45%	6.01% <i>(H Shares)</i>	
Nanning Yaoyou ⁽⁷⁾	Interest in controlled corporation	Unlisted Shares	3,447,526	1.78%	4.18% <i>(Unlisted Shares)</i>	
		H Shares	6,695,271	3.45%	6.01% <i>(H Shares)</i>	
Dr. Guo Hongwei ⁽⁸⁾	Beneficial owner	Unlisted Shares	370,087	0.19%	0.45% <i>(Unlisted Shares)</i>	
		Interest in controlled corporation	Unlisted Shares	5,059,039	2.61%	6.14% <i>(Unlisted Shares)</i>
			H Shares	8,122,098	4.19%	7.29% <i>(H Shares)</i>
Long Star Growth Group Limited (長星成長集團有限公司) ("Long Star Growth") ⁽⁹⁾	Beneficial owner	H Shares	7,916,510	4.08%	7.10% <i>(H Shares)</i>	
Sooner Star Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% <i>(H Shares)</i>	
CDH Growth Fund III (USD Parallel), L.P. ("CDH Growth Fund") ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% <i>(H Shares)</i>	

Directors' Report

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾
CDH R-III Parallel Holdings Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH GP Holdings Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH Investment Management Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH 2018 VGC Investment Fund, L.P. ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH Management Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
Wang Lin (王霖) ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
CDH Griffin Holdings Company Limited ("CDH Griffin") ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
Central Oak Company Limited ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
Wu Shangzhi (吳尚志) ⁽⁹⁾	Interest in controlled corporation	H Shares	7,916,510	4.08%	7.10% (H Shares)
Hainan Boyou Enterprise Management Consulting Center (Limited Partnership) (海南博友企業管理諮詢中心 (有限合夥)) ("Hainan Boyou") ⁽¹⁰⁾	Beneficial owner	H Shares	7,626,513	3.94%	6.84% (H Shares)
Liu Dong (劉東) ⁽¹⁰⁾	Interest in controlled corporation	H Shares	7,626,513	3.94%	6.84% (H Shares)
Shijiazhuang Shidai Weiye Cultural Development Co., Ltd (石家莊市時代偉業文化發展有限公司) ("Shidai Weiye") ⁽¹⁰⁾	Interest in controlled corporation	H Shares	7,626,513	3.94%	6.84% (H Shares)

Directors' Report

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽⁵⁾
Liu Junting (劉俊亭) ⁽¹⁰⁾	Interest in controlled corporation	H Shares	7,626,513	3.94%	6.84% (H Shares)
Ningbo Meishan Bonded Port Area Guangrui Hongxiang Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區廣瑞弘祥股權投資合夥企業(有限合夥)) ("Guangrui Hongxiang") ⁽¹¹⁾	Beneficial owner	H Shares	7,196,835	3.71%	6.46% (H Shares)
Guoxin Sichuang Investment Fund Management (Beijing) Co., Ltd (國新思創投資基金管理(北京)有限公司) ("Guoxin Sichuang") ⁽¹¹⁾	Interest in controlled corporation	H Shares	7,196,835	3.71%	6.46% (H Shares)
Wang Hongjie (王宏傑) ⁽¹¹⁾	Interest in controlled corporation	H Shares	7,196,835	3.71%	6.46% (H Shares)
Hebei Yier Enterprise Management Consulting Co., LTD (河北益爾企業管理諮詢有限公司) ("Hebei Yier") ⁽¹¹⁾	Interest in controlled corporation	H Shares	7,196,835	3.71%	6.46% (H Shares)
Wuhan Optics Valley New Technology Industry Investment Co., Ltd (武漢光谷新技術產業投資有限公司) ("Guanggu New Technology") ⁽¹²⁾	Beneficial owner	Unlisted Shares	7,000,000	3.61%	8.50% (Unlisted Shares)
Wuhan Hi-Tech Holding Group Co., Ltd. (武漢高科國有控股集團有限公司) ("Wuhan Hi-Tech") ⁽¹²⁾	Interest in controlled corporation	Unlisted Shares	7,000,000	3.61%	8.50% (Unlisted Shares)
Wuhan Optics Valley Health Industry Investment Ltd. (武漢光谷健康產業投資有限公司) ("Guanggu Health") ⁽¹³⁾	Beneficial owner	Unlisted Shares H Shares	5,600,000 2,686,000	2.89% 1.39%	6.80% 2.41% (Unlisted Shares) (H Shares)

Directors' Report

Name of Shareholder	Nature of Interest	Description of the Shares ⁽¹⁵⁾	Number of Shares Held or Interested	Approximate percentage of interest in the Company ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾⁽¹⁵⁾
Hubei Science and Technology Investment Group Co, Ltd. (湖北省科技投資集團有限公司) ("Hubei Science & Technology Investment") ⁽¹³⁾⁽¹⁴⁾	Interest in controlled corporation	Unlisted Shares	7,000,000	3.61%	8.50% (Unlisted Shares)
		H Shares	2,686,000	1.39%	2.41% (H Shares)
Wuhan East Lake New Technology Development Zone Management Committee (武漢東湖新技術開發區管理委員會) ("East Lake Management Committee") ⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	Interest in controlled corporation	Unlisted Shares	14,000,000	7.22%	16.99% (Unlisted Shares)
		H Shares	2,686,000	1.39%	2.41% (H Shares)

Notes:

- (1) The calculation is based on the total number of 82,380,386 Unlisted Shares and 111,468,814 H Shares in issue as at December 31, 2025. All interests stated are long positions.
- (2) Pursuant to the Concert Party Agreement and supplemental concert party agreements dated October 26, 2020 and June 2, 2023 entered into by Dr. Yuan Qian, Dr. Zhou Hongfeng, Dr. Zhou Pengfei and Wuhan Caizhi, the AIC Parties agreed (i) to act in concert by way of reaching consensus on proposals related to the Group's daily management and operation presented to all general meetings and Board meetings of the Company; and (ii) that when no consensus can be reached, the AIC Parties shall vote in concurrence with Dr. Yuan Qian on the proposals, or, in the event of Dr. Yuan Qian's absence from voting, the AIC Parties shall vote in concurrence with the AIC Party with the highest shareholding percentage among the AIC Parties who votes at the meetings. As a result, each of the AIC Parties was deemed to be interested in all the Shares in which each of them is interested under the SFO.
- (3) Puhua Kaizhi was indirectly 50% owned by Dr. Yuan Qian through his wholly-owned YZY Industrial Group Co., Ltd. (友芝友實業集團有限公司), and was 30% owned by Dr. Zhou Hongfeng. By virtue of the SFO, Dr. Yuan Qian was deemed to be interested in the 1,342,600 H Shares held by Puhua Kaizhi.
- (4) Wuhan Caizhi Technology Co. Ltd. (武漢才智科技有限責任公司) was the executive partner of Wuhan Caizhi and able to exercise the voting rights held by Wuhan Caizhi in the Company pursuant to the Concert Party Agreement. As a result, Wuhan Caizhi Technology Co. Ltd. was deemed to be interested in, through Wuhan Caizhi (one of the AIC Parties), all the Shares in which each of the AIC Parties is interested under the SFO.
- (5) Wuhan Caizhi was owned as to approximately 50.76% by Huiyou Jucai as its largest limited partner. Huiyou Jucai was owned as to approximately 49.95% by Dr. Zhou Pengfei and was managed by Dr. Zhou Pengfei as the general partner. As a result, Huiyou Jucai was deemed to be interested in, through Wuhan Caizhi (one of the AIC Parties), all the Shares in which each of the AIC Parties is interested under the SFO.
- (6) CSPC-NBP was owned as to 54.06% and 45.94% by CSPC and Dragon Merit Holdings Limited, respectively; and Dragon Merit Holdings Limited was owned as to 100.00% by Robust Sun Holdings Limited, which was wholly owned by CSPC. As a result, each of CSPC, Dragon Merit Holdings Limited and Robust Sun Holdings Limited was deemed to be interested in the 51,241,785 H Shares held by CSPC-NBP under the SFO.

- (7) (i) Nanning Yaoyou was the general partner of Huiyou Xingyao, Tongde Qianyuan was the general partner of Nanning Yaoyou, Tongde Qianyuan was owned as to approximately 72.38% by Wen Zhicheng; (ii) Beijing Tongde Tongxin Investment Center (Limited Partnership) (北京同德同鑫投資中心(有限合夥)) (“**Tongde Tongxin**”) was the general partner of Nanning Zhongheng Tongde Pharmaceutical Industry Investment Fund Partnership (Limited Partnership) (南寧中恒同德醫藥產業投資基金合夥企業(有限合夥)) (“**Zhongheng Tongde**”), Tongde Qianyuan was the general partner of Tongde Tongxin; and (iii) Gongqingcheng Yaoyou was the general partner of Gongqingcheng Huiyou, Tongde Qianyuan was the general partner of Gongqingcheng Yaoyou. As a result, each of Tongde Qianyuan and Wen Zhicheng was deemed to be interested in (i) the 6,695,271 H Shares and 3,447,526 Unlisted Shares held by Huiyou Xingyao, (ii) the 3,700,872 H Shares held by Zhongheng Tongde, and (iii) the 1,426,827 H Shares and 1,611,513 Unlisted Shares held by Gongqingcheng Huiyou under the SFO.
- (8) (i) Nanning Yaoyou was the executive partner of Huiyou Xingyao, and Dr. Guo Hongwei was the largest limited partner of Nanning Yaoyou with the limited partnership interests of 60.00%; and (ii) Gongqingcheng Yaoyou was the executive partner of Gongqingcheng Huiyou, and Dr. Guo Hongwei was the largest limited partner of Gongqingcheng Yaoyou with the limited partnership interests of 60.00%. As a result, Dr. Guo Hongwei was deemed to be interested in (i) the 6,695,271 H Shares and 3,447,526 Unlisted Shares held by Huiyou Xingyao and (ii) the 1,426,827 H Shares and 1,611,513 Unlisted Shares held by Gongqingcheng Huiyou under the SFO.
- (9) (i) Long Star Growth was indirectly wholly owned by CDH Growth Fund through its wholly-owned Sooner Star Limited; (ii) CDH R-III Parallel Holdings Company Limited was the general partner of CDH Growth Fund; (iii) CDH R-III Parallel Holdings Company Limited was owned as to approximately 43% by CDH GP Holdings Company Limited which was in turn wholly owned by CDH Investment Management Company Limited, and approximately 57% by CDH 2018 VGC Investment Fund, L.P. with CDH Management Company Limited being its general partner and Wang Lin being its single limited partner owning its 100% partnership interests; (iv) CDH Investment Management Company Limited and CDH Management Company Limited were wholly owned by CDH Griffin; (v) CDH Griffin was owned to approximately 33.2% by Central Oak Company Limited which was in turn wholly owned by Wu Shangzhi. As a result, each of Sooner Star Limited, CDH Growth Fund, CDH R-III Parallel Holdings Company Limited, CDH GP Holdings Company Limited, CDH Investment Management Company Limited, CDH 2018 VGC Investment Fund, L.P., CDH Management Company Limited, Wang Lin, CDH Griffin, Central Oak Company Limited and Wu Shangzhi was deemed to be interested in the 7,916,510 H Shares held by Long Star Growth under the SFO.
- (10) (i) Liu Dong was the general partner of Hainan Boyou; (ii) Hainan Boyou was owned as to approximately 31.13% by Shidai Weiye as its largest limited partner; (iii) Shidai Weiye was owned as to approximately 60% by Liu Dong and 40% by Liu Junting. As a result, each of Liu Dong, Shidai Weiye and Liu Junting was deemed to be interested in the 7,626,513 H Shares held by Hainan Boyou under the SFO.
- (11) (i) Guoxin Sichuang was the general partner of Guangrui Hongxiang; (ii) Guoxin Sichuang was owned as to approximately 60% by Wang Hongjie and 40% by Hebei Yier which was in turn owned as to approximately 40% by Wang Hongjie. As a result, each of Guoxin Sichuang, Wang Hongjie and Hebei Yier was deemed to be interested in the 7,196,835 H Shares held by Guangrui Hongxiang under the SFO.
- (12) Guanggu New Technology was owned as to approximately 98.59% by Wuhan Hi-Tech, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Wuhan Hi-Tech and East Lake Management Committee was deemed to be interested in the 7,000,000 Unlisted Shares held by Guanggu New Technology under the SFO.
- (13) Guanggu Health was wholly owned by Hubei Science & Technology Investment, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Hubei Science & Technology Investment and East Lake Management Committee was deemed to be interested in the 2,686,000 H Shares and 5,600,000 Unlisted Shares held by Guanggu Health under the SFO.

Directors' Report

- (14) Wuhan Optics Valley Growth Venture Capital Fund Co., Ltd (武漢光谷成長創業投資基金有限公司) (“**Guanggu Growth**”) was owned as to approximately 50.91% by Wuhan Optics Valley Venture Capital Fund Co., Ltd. (武漢光谷創業投資基金有限公司) (“**Guanggu VC**”) and as to approximately 49.09% by Wuhan Optics Valley Technology Financing Guarantee Co., Ltd. (武漢光谷科技融資擔保有限公司) (“**Guanggu Financing Guarantee**”), respectively. Guanggu VC was owned as to 57.00% by Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司) (“**Guanggu Financial Holding Group**”) and as to 43.00% by Wuhan Guanggu Growth Venture Capital Management Co., Ltd. (武漢光谷成長創業投資管理有限公司) (“**Guanggu Growth Venture Capital**”), respectively. Guanggu Growth Venture Capital was owned as to 35.00% by Guanggu Financial Holding Group. Guanggu Financing Guarantee was owned as to 90.00% by Guanggu Financial Holding Group. Guanggu Financial Holding Group was owned as to approximately 54.61% by Hubei Science & Technology Investment, which was in turn wholly owned by the state-owned East Lake Management Committee. As a result, each of Hubei Science & Technology Investment and East Lake Management Committee was deemed to be interested in the 1,400,000 Unlisted Shares held by Guanggu Growth under the SFO.
- (15) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of the Company, and are considered as one class of Shares.

Save as disclosed above, the Directors are not aware of any person who had an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and which would be recorded in the register required to be kept under Section 336 of the SFO, or, who are, directly or indirectly interested in 5% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

CONVERTIBLE BONDS

During the Reporting Period, the Group did not issue any convertible bonds.

SHARE CAPITAL

Details of the movements in share capital of the Group during the Reporting Period are set out in Note 27 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company did not have distributable reserve.

DONATION

During the Reporting Period, the Company did not make donations.

DEBENTURES ISSUED

The Group did not issue any debenture during the Reporting Period.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Group did not have any significant investments (including any investment in an investee company with a value of 5 percent or more of the Group's total assets as of December 31, 2025), acquisitions or disposals.

LOANS AND GUARANTEES

During the Reporting Period, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, Supervisors and senior management of the Company or their respective connected persons.

DIVIDENDS

The Board does not recommend payment of a final dividend for the Reporting Period.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the Reporting Period are set out in Note 15 to the consolidated financial statements.

PERMITTED INDEMNITY

During the Reporting Period, the Company has in force the permitted indemnity provisions (as defined in the Companies Ordinance) in relation to the Directors' and officers' liability insurance.

EQUITY-LINKED AGREEMENTS

Other than the 2024 H Share Option Plan disclosed below, no equity-linked agreements that will or may result in the Company issuing shares nor require the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted at the end of the Reporting Period.

MANAGEMENT CONTRACTS

Other than the Directors' and Supervisors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

As at the end of the Reporting Period, the Company did not hold any treasury shares.

Directors' Report

2024 H SHARE OPTION PLAN

At the annual general meeting of the Company held on June 27, 2024, the Company adopted the 2024 H Share Option Plan in accordance with Chapter 17 of the Listing Rules.

Details of movement of the Options granted under the 2024 H Share Option Plan during the twelve months ended December 31, 2025 were as follows:

Category of grantees	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at December 31, 2025	Date of grant	Vesting period	Exercise period	Exercise Price (HK\$)
Employees of the Group	-	3,550,000	-	-	2,300,000	1,250,000	May 27, 2025	Till February 1, 2029 ⁽¹⁾	Ten years from the date of grant	4.23 per H Share ⁽²⁾

Notes:

- (1) These Options will be vested in four tranches as follows: 25% on each of February 1, 2026, February 1, 2027, February 1, 2028 and February 1, 2029. For details, please refer to the announcement of the Company dated May 27, 2025. For details of the performance targets, please refer to the Company's announcement dated May 27, 2025.
- (2) Representing the highest of (i) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet on the grant date, being HK\$4.23; (ii) the average closing prices of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date, being HK\$4.226; and (iii) the nominal value of the H Share. The closing price of the H Shares immediately before the date of grant (i.e. May 26, 2025) is HK\$4.23 per H Share.

For details of the fair value of outstanding Options at the date of grant, please refer to Note 28 to the condensed consolidated financial statements.

As at 1 January 2025, the number of options available for grant under the scheme mandate limit and service provider sublimit of the 2024 H Share Option Plan was 19,384,800 H Shares and 1,938,400 H Shares, respectively.

As at 31 December 2025, the number of options available for grant under the scheme mandate limit and service provider sublimit of the 2024 H Share Option Plan was 18,134,800 H Shares and 1,938,400 H Shares, respectively.

The number of H Shares that may be issued in respect of options and awards granted under all schemes during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is 0.64%.

As at 31 December 2025, 1,250,000 H Shares are issuable under the options granted under the 2024 H Share Option Plan, representing approximately 0.64% of the issued Shares as at the date of this annual report.

As at the date of this annual report, 18,134,800 H Shares are available for issue under the 2024 H Share Option Plan, representing 9.36% of the issued Share under the 2024 H Share Option Plan.

A summary of the principal terms of the Share Option Scheme is recapped below.

Purposes:

The purposes of the 2024 H Share Option Plan are:

- (a) to recognize and acknowledge the contributions that Eligible Participants have or may have made or may make to the Group;
- (b) to enhance Eligible Participants' motivation and loyalty, thereby promoting long-term corporate development and increasing shareholder value; and
- (c) to establish a sound mechanism for sharing interests and bearing risks among employees, Shareholders, and the Company.

Duration:

Subject to any early termination as determined by the Board in accordance with the Plan rules, the 2024 H Share Option Plan shall be valid and effective for a period of ten (10) years commencing from the Effective Date, after which no further Option shall be granted under the 2024 H Share Option Plan but the provisions of the 2024 H Share Option Plan shall remain in full force and effect in all other respects. In particular, all Options granted during the term of the 2024 H Share Option Plan shall continue to be valid and shall be administered in accordance with the 2024 H Share Option Plan and the relevant Grant Letter.

As at the date of this annual report, the 2024 H Share Option Plan had a remaining life of approximately eight years and two months.

Directors' Report

Eligible Participants:

Eligible Participants as determined by the Board or the Administrator from time to time shall be eligible to participate under the 2024 H Share Option Plan and shall comprise two categories:

- (a) employee participants, being director(s) (including executive director(s), non-executive director(s) and independent non-executive director(s)) and employee(s) (whether full-time or part-time) of any member of the Group, including any person who is granted Options under the 2024 H Share Option Plan as an inducement to enter into employment contracts with any member of the Group (the **"Employee Participants"**); and
- (b) service providers, being any person (natural person or corporate entity) who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, and falls into any of the following categories (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) (the **"Service Provider Participants"**):

- (i) Contractors and suppliers

This category refers to (1) contractors that undertake sub-contracting work for the Group's research and development, manufacturing and innovation upgrading; (2) suppliers of raw materials, parts and components for the Group's production requirements; and (3) dealers, distributors or sales channels who provide distribution and promotion services which are in the interests of long-term growth of the Group.

- (ii) Consultants and advisers

This category refers to independent consultants and advisers who provide advisory services, consultancy services, and/or other professional services to any member of the Group in connection with the research and development, manufacturing or commercialization of the Group's products, or in areas relating to the Group's principal business activities that are being carried out by the Group from time to time, or on areas that are desirable and necessary from a commercial or strategic perspective and help maintain or enhance the competitiveness of the Group by way of introducing new business opportunities and/or applying their specialized skills and/or knowledge in the abovementioned fields.

In determining the eligibility of an Eligible Participant, the Board or the Administrator may take into account various factors that it in its sole and absolute discretion considers relevant in assessing his/her contribution to the long-term development and growth of the Group.

Overall Mandate Limit: Subject to the limit refreshment and separate approval of the Shareholders as stipulated in the Plan rules, (i) the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans, shall not exceed 19,384,800 H Shares, representing approximately 10.0% of the Shares in issue as at the date of this annual report; and (ii) within the Plan Mandate Limit, the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Plans to Service Provider Participants, shall not exceed 1,938,400 H Shares, representing approximately 1.0% of the Shares in issue as at the date of this annual report.

Individual Limit: Where any grant of Options to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards under all Share Plans granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of all Share Plans) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding any treasury shares of the Company) as at the date of such grant, such grant shall be subject to certain requirements as stipulated in the Plan rules (including separate approval of the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if such Eligible Participant is a connected person of the Company) abstaining from voting).

Any grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the 2024 H Share Option Plan shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Options).

Where any grant of Options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under all Share Plans (excluding any options and awards lapsed in accordance with the terms of all Share Plans) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares of the Company) as at the date of such grant, such further grant of Options shall be subject to certain requirements as stipulated in the Plan rules (including separate approval of the Shareholders in a general meeting with such grantee and their associates and all core connected persons of the Company to abstain from voting).

Vesting Period: The Board or the Administrator may subject to all applicable laws, rules and regulations determine vesting periods for vesting of the Options in its sole and absolute discretion. The vesting period of the Options shall not be less than twelve (12) months, save and except that Options to be granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months (or no vesting period) in the following circumstances:

- (a) grants of "make-whole" Options to a new joiner to replace the Options he forfeited when leaving his/her previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

Directors' Report

- (d) grants that are made in batches during a year for administrative and compliance reasons. They may include Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which the Options would have been granted; and
- (e) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months.

Exercise Period: The Board or the Administrator may in its sole and absolute discretion determine the Exercise Period of the Options, but in all circumstances the Exercise Period shall not be more than ten (10) years from the Grant Date.

Exercise Price: The Exercise Price of the Options shall be at least the highest of:

- (a) the closing price of the H Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date;
- (b) the average closing prices of the H Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Grant Date; and
- (c) the nominal value of the H Share.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds received by the Company from the Global Offering and the partial exercise of the Over-allotment Option (after deducting the underwriting fees and related listing expenses) amounted to approximately RMB124.4 million, and the balance of unutilized net proceeds of approximately RMB0 million as at December 31, 2025.

The net proceeds have been utilized in accordance with the purposes set out in the Prospectus. The table below sets out the planned applications of the net proceeds and actual usage as of the date of this annual report and any discrepancies in this table between the total and sums of amounts are due to rounding.

Use of Proceeds	Allocation of Net Proceeds (RMB in million)	Utilized	Unutilized	Updated Expected Timeline for Full Utilization of the Unutilized Net Proceeds	
		Amount (as of December 31, 2025) (RMB in million)	Amount (as of December 31, 2025) (RMB in million)		
For planned clinical trials, preparation for registration filings, and the planned commercial launch (including sales and marketing activities) of M701	80%	99.5	99.5	0	N/A ⁽¹⁾
For planned clinical trials of Y101D	12%	14.9	14.9	0	N/A ⁽²⁾
For working capital and general corporate purposes	8%	10.0	10.0	0	N/A ⁽³⁾
	100%	124.4	124.4	0	

Notes:

- (1) The net proceeds allocated for planned clinical trials, preparation for registration filings, and commercial launch of M701 were fully utilized in October 2024 in line with the previously disclosed timeline.
- (2) The net proceeds allocated for planned clinical trials of Y101D were fully utilized in January 2025.
- (3) The net proceeds allocated for working capital and general corporate purposes were fully utilized in July 2024 in line with the previously disclosed timeline.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in Note 34 to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the CG Code as its own code of corporate governance practices.

In order to maintain a high standard of corporate governance, the Board will continue to review and monitor the operation of the Company.

Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available and within the knowledge of the Directors, the Company has maintained the prescribed public float as required under the Listing Rules during the Reporting Period and as at the date of this annual report.

FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last four financial years, is set out on page 11 of this annual report. This summary does not form part of the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

Directors' Report

MATERIAL LITIGATION

During the Reporting Period, the Company was not engaged in any material litigation or arbitration of material importance, or the Directors were not aware of any material litigation or claim pending or threatened against the Group.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

As of December 31, 2025, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

AUDITOR

There has been no change in auditor during the Reporting Period and as at the date of this annual report. The consolidated financial statements for the Reporting Period have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Company has complied with the relevant laws and regulations that have a significant impact on the Company, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code in relation to, among other things, information disclosure and corporate governance. During the Reporting Period and up to the date of this annual report, none of the Group and the Directors, Supervisors and senior management of the Company had been subject to any investigation or administrative penalty by the China Securities Regulatory Commission (中國證券監督管理委員會), banned from access to the market, identified as inappropriate candidates, publicly condemned by stock exchanges, subject to mandatory measures, transferred to judicial authorities or held criminally responsible, nor were they involved in any other litigation, arbitration or administrative proceedings that would have a material adverse effect on our business, financial condition or results of operations.

By order of the Board

Wuhan YZY Biopharma Co., Ltd.

Dr. Zhou Pengfei

*Chairman of the Board, Executive Director
and Chief Executive Officer*

Wuhan, PRC, March 27, 2026

Report of the Supervisory Committee

In 2025, by strictly following the requirements of the Company Law of the People's Republic of China and other laws and regulations, the Articles of Association and the Rules of Procedures of the Supervisory Committee and other relevant rules and requirements, and with the Company's actual situation taken into consideration, the Supervisory Committee earnestly performed its duties and actively carried out relevant work. The Supervisory Committee attended the Board meetings and the general meetings, supervised and verified all major matters of the Company, reviewed the Company's financial situation and financial reports, supervised the duty performance of the Directors, Supervisors and senior management, and safeguarded the legitimate rights and interests of the Company and its Shareholders. The report of the Supervisory Committee for the year 2025 is as follows:

I. THE COMPOSITION AND MEETING CONVENING OF THE SUPERVISORY COMMITTEE

The Supervisory Committee consists of five Supervisors, including two employee representative Supervisors. The number of members and composition of the Supervisory Committee are in compliance with the relevant provisions of laws and regulations. In 2025, the Company convened a total of three meetings of the Supervisory Committee, all of which were convened and presided over by the chairman of the Supervisory Committee. All Supervisors attended the meetings, carefully reviewed and passed various proposals, and effectively performed their supervisory and review duties. Details of the meetings are as follows:

Date	Meeting	Topics of the meeting of the Supervisory Committee
March 28, 2025	The first meeting for 2025 of the first session of the Supervisory Committee	To consider and approve the Proposal on the Company's 2024 Annual Results Announcement and Annual Report, the Proposal on the Report of the Supervisory Committee for 2024, the Proposal on the Election of a New Session of the Supervisory Committee, and the Proposal on Amendments to the Rules of Procedures of the Supervisory Committee
June 25, 2025	The first meeting for 2025 of the second session of the Supervisory Committee	To consider and approve the Proposal on Election of the Chairman of the Second Session of the Supervisory Committee
August 26, 2025	The second meeting for 2025 of the second session of the Supervisory Committee	To consider and approve the Proposal on the Company's 2025 Interim Results and Interim Report

Report of the Supervisory Committee

II. OVERALL EVALUATION OF THE COMPANY BY THE SUPERVISORY COMMITTEE

(I) Election of the New Session of Supervisors and Operational Compliance

The Company held the election for the new session of supervisors in 2025. In accordance with the provisions of the Company's Articles of Association and relevant procedural rules, the election process was conducted in a lawful and compliant manner. All members of the new session of the Supervisory Committee have been actively fulfilling their duties. Members of the Supervisory Committee attended all the meetings held by the Board of the Company to supervise major decisions in the operation and management of the Company. In 2025, the Supervisory Committee held an opinion that not only did the Company operate in accordance with the resolutions and authorizations of the Shareholders' general meetings and the meetings of the Board, but also its decision-making procedures complied with relevant regulations. The Directors and other senior management of the Company did not violate laws, regulations, rules and the Articles of Association or damage the interests of the Company and Shareholders when performing their duties.

(II) Financing Position of the Company

The Supervisors Committee reviewed the 2024 annual results announcement and annual report as well as the 2025 interim results announcement and interim report, and believed that the financial statements of the Group have given an objective view of the financial position and the operating results of the Group and their preparation were in accordance with the Accounting Standards for Business Enterprises, the Accounting System for Business Enterprises, and other relevant financial and accounting regulations. It also believed that the audit report issued by Deloitte Touche Tohmatsu on the Company's financial statements for the year 2024 is objective and unbiased.

(III) Internal Control Performed by the Company

The Company has established and revised its systems and codes, including the "Management System for Internal Audit", "Decision-Making System for Related Transaction", "Code for Directors' Trading of the Company's Securities" and "System for Conflict-of-Interest Avoidance". Thus, the internal control system has been further improved. The Supervisory Committee believes that the Company has established an enhanced internal control system, meeting the requirements of relevant laws and regulations in China and the actual needs of the Company's production and operation management. Moreover, such system can be implemented. With the established internal control system, the Company is able to better prevent and control risks in all aspects of operation and management. The evaluation report on the Company's internal control truly and objectively reflects its development and operation of internal control system. The overall evaluation of internal control is objective and accurate.

(IV) Connected Transactions and Guarantees of the Company

In 2025, the Company did not provide guarantees for controlling shareholders, de facto controllers and other related parties. There were no material connected transactions required to be disclosed but not disclosed, nor any connected transactions that might impair the interests of the Company or the rights and interests of minority shareholders. The operational independence of the Company was not affected by related parties, which is in the interests of Shareholders as a whole and in line with regulatory requirements.

Report of the Supervisory Committee

III. WORK PLAN OF THE SUPERVISORY COMMITTEE FOR 2026

In 2026, in strict compliance with the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Corporate Governance Code, the Articles of Association of the Company and other relevant laws, regulations and rules, and adhering to the principles of independence, objectivity and fairness, the Supervisory Committee will faithfully and diligently perform its supervisory duties. With a focus on its strategic development goals, the Company will concentrate on major decision-making, financial supervision, compliant operation as well as risk prevention and control, so as to further enhance supervision efficiency, promote continuous improvement of the Company's corporate governance, and effectively safeguard the legitimate rights and interests of the Company and all Shareholders.

By order of the Supervisory Committee

Wuhan YZY Biopharma Co., Ltd.

Mr. Wang Junming

Chairman of the Supervisory Committee

March 27, 2026

Independent Auditor's Report

TO THE BOARD OF DIRECTORS OF WUHAN YZY BIOPHARMA CO., LTD.

武漢友芝友生物製藥股份有限公司

(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司) (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 6 to 68, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 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.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER (continued)

Key audit matter

Cut-off of outsourcing research and development expenses

During the year ended December 31, 2025, the Group incurred research and development (“R&D”) expenses of approximately RMB134,321,000 out of which approximately 69.5% or RMB93,405,000 as disclosed in note 11 to the consolidated financial statements were attributed to the outsourcing R&D expenses paid and payable to outsourced service providers including contract research organisations, clinical site management operators, contract manufacturing organisations and contract development and manufacturing organisations (collectively referred to as the “**Outsourced Service Providers**”).

These Outsourced Service Providers provided supports to the Group's various R&D activities in the form of R&D services. And these services are typically performed across the financial report periods.

We identified the Cut-off of outsourcing R&D expenses as a key matter due to its significance and risk of not recording the outsourcing R&D expenses in the appropriate financial reporting period.

How our audit addressed the key audit matter

Our procedures in relation to the Cut-off of outsourcing R&D expenses included:

- Obtaining an understanding of the relevant key controls in relation to the accrual process of the outsourcing R&D expenses and evaluating the design and implementation of these controls;
- Conducting test of details on a sample basis to determine whether the service fees were appropriately accrued based on the respective progress and/or milestones achieved by:
 - (1) Reviewing the key terms set out in the agreements with the Outsourced Service Providers, and evaluating the progress based on inquiry with project managers and inspection on supporting documents reported by the representatives of the Outsourced Service Providers and external clinical trial data platforms;
 - (2) Sending confirmations to the Outsourced Service Providers in respect of the progress of the outsourcing R&D projects.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Man, Ka Lai (practising certificate number: P05570).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

March 27, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

	NOTES	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Revenue	5	66,858	107,813
Cost of revenue		(56,123)	(22,744)
Gross profit		10,735	85,069
Other income	7	10,467	11,096
Other gains and losses	8	23	1,892
Research and development expenses		(78,198)	(164,986)
Administrative expenses		(22,806)	(26,592)
Finance costs	9	(4,953)	(4,078)
Loss before tax	11	(84,732)	(97,599)
Income tax expense	10	–	–
Loss and total comprehensive expense for the year		(84,732)	(97,599)
Loss per share			
– Basic (RMB)	13	(0.44)	(0.50)

Consolidated Statement of Financial Position

As at December 31, 2025

		At December 31,	
	NOTES	2025 RMB'000	2024 RMB'000
Non-current Assets			
Property and equipment	15	34,166	37,039
Right-of-use assets	16	7,870	8,375
Investment properties	17	404	448
Value added tax recoverable		544	511
Prepayment for acquisition of property and equipment		123	135
		43,107	46,508
Current Assets			
Inventories	18	3,285	4,260
Trade and other receivables and prepayments	19	25,553	90,718
Value added tax recoverable		2,997	82
Bank balances and cash	20	100,065	126,275
		131,900	221,335
Current Liabilities			
Trade and other payables	21	45,063	49,378
Bank borrowings	22	100,005	75,820
Contract liabilities	23	15,480	20,591
Lease liabilities	24	253	362
Deferred income	25	240	490
Advance from transfer agreement	26	39,495	39,495
		200,536	186,136
Net Current (Liabilities) Assets		(68,636)	35,199
Total Assets less Current Liabilities		(25,529)	81,707

Consolidated Statement of Financial Position

As at December 31, 2025

		At December 31,	
	NOTES	2025 RMB'000	2024 RMB'000
Non-current Liabilities			
Bank borrowings	22	27,500	51,080
Lease liabilities	24	–	92
		27,500	51,172
Net (Liabilities) Assets		(53,029)	30,535
Capital and Reserves			
Share capital	27	193,849	193,849
Reserves		(246,878)	(163,314)
Total (Deficit) Equity		(53,029)	30,535

The consolidated financial statements on pages 85 to 150 were approved and authorised for issue by the board of directors on March 27, 2026 and are signed on its behalf by:

Zhou Pengfei
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Share capital <i>RMB'000</i> (note 27)	Share premium <i>RMB'000</i>	Share-based payment reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2024	193,849	345,009	1,584	(412,788)	127,654
Loss and total comprehensive expense for the year	-	-	-	(97,599)	(97,599)
Recognition of equity-settled share-based payments (note 28)	-	-	480	-	480
At December 31, 2024	193,849	345,009	2,064	(510,387)	30,535
Loss and total comprehensive expense for the year	-	-	-	(84,732)	(84,732)
Recognition of equity-settled share-based payments (note 28)	-	-	1,168	-	1,168
At December 31, 2025	193,849	345,009	3,232	(595,119)	(53,029)

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Loss for the year	(84,732)	(97,599)
Adjustments for:		
Bank interest income	(759)	(2,566)
Gain on termination of lease agreement	–	(7)
Losses on disposal of property and equipment	15	67
Depreciation of property and equipment	3,759	5,927
Depreciation of right-of-use assets	639	601
Depreciation of investment properties	44	44
Equity-settled share-based payments	1,168	480
Finance costs	4,953	4,078
Net foreign exchange gains	(47)	(1,952)
Operating cash flow before movements in working capital	(74,960)	(90,927)
Decrease (increase) in trade and other receivables and prepayments	65,165	(54,723)
(Increase) decrease in value added tax recoverable	(2,948)	15,951
Decrease in inventories	975	1,510
Decrease in deferred income	(250)	(150)
(Decrease) increase in trade and other payables	(4,446)	7,032
(Decrease) increase in contract liabilities	(5,111)	20,591
Cash used in operations	(21,575)	(100,716)
Income tax paid	–	–
NET CASH USED IN OPERATING ACTIVITIES	(21,575)	(100,716)
INVESTING ACTIVITIES		
Interest received from banks	759	2,566
Purchase of property and equipment	(889)	(1,506)
Refund of advance from transfer agreement	–	(5,728)
NET CASH USED IN INVESTING ACTIVITIES	(130)	(4,668)

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
FINANCING ACTIVITIES		
New bank borrowing raised	79,900	129,400
Repayment of bank borrowings	(79,295)	(92,000)
Repayments of lease liabilities	(335)	(299)
Interest paid on bank borrowings	(4,940)	(4,065)
Interest paid on lease liabilities	(13)	(13)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(4,683)	33,023
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,388)	(72,361)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	126,275	196,684
Effect of foreign exchange rate changes	178	1,952
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	100,065	126,275

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1. GENERAL INFORMATION

Wuhan YZY Biopharma Co., Ltd. (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) on July 8, 2010, as a limited liability company. On January 13, 2022, the Company was converted into a joint stock company with limited liability under the PRC Company Law, with its name changed from Wuhan YZY Biopharma Limited Company (武漢友芝友生物製藥有限公司) to Wuhan YZY Biopharma Co., Ltd. (武漢友芝友生物製藥股份有限公司). The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on September 25, 2023. The respective address of the registered office and the principal place of business is No. 666 Gaoxin Avenue, Wuhan East Lake New Technology Development District, Wuhan, Hubei Province, PRC.

The principal activities of the Company and its subsidiaries (the “**Group**”) are mainly committed to develop bispecific antibody (BsAb)-based targeted and immune-oncology therapies to address the significant unmet medical needs of patients with cancer and age-related ophthalmologic diseases. Particulars and principal activities of the subsidiaries are disclosed in note 34.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard 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 IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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 these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (continued)

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 have been issued which are not yet effective:

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

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 for the new and amendments IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to IFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (continued)

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

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments (continued)

The disclosure requirements in IFRS 7 *Financial Instruments: Disclosures* in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have significant impact on the financial position and performance of the Company.

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 January 1, 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. 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 the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going concern

The Group had net current liabilities of RMB68,636,000, net liabilities of RMB53,029,000 as at December 31, 2025 and incurred a net loss of RMB84,732,000 for the year then ended, while its bank balances and cash amounted to RMB100,065,000.

In view of the circumstances, the directors of the Company have given careful considerations to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been undertaken to mitigate the liquidity pressure and to improve the Group's financial position:

- (i) The Group has been actively negotiating with banks for extension of banking facilities. At the date of the report, the Group has obtained aggregate banking facilities of RMB310,000,000 from reputable banks in the PRC, and subsequent to December 31, 2025 the Group has drawn 1-year bank borrowings of RMB60,000,000 from these banking facilities;
- (ii) The Group has entered into a transfer agreement on January 23, 2026 to dispose certain leasehold land and building of the Group and additional cash will be realised from the disposal;
- (iii) The Group has been actively advance the research and development progress to receive development milestone payments from the licence and collaboration agreement with Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司) which entered in October 2024 as disclosed in note 5; and
- (iv) The Group has planned or implemented various measures to control administrative costs and research and development costs, such as further reprioritisation of pipelines and containment of employee costs.

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which covered a period of 15-month from December 31, 2025. In the opinion of the directors of the Company after taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations and commitments as and when they fall due within the next 15-month period from December 31, 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and 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 statements 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 the 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 in 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.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in notes 4, 5 and 23.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Intangible assets

Internally-generated intangible assets-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 is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible assets 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 assets;
- 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.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents (represented by bank balances and cash) presented on the consolidated statements of financial position include:

- (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.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 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 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use asset includes:

- (a) the amounts of the initial measurement of the lease liabilities.
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) 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 in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, 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 as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments (“**IFRS 9**”) 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

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 are fixed payments (including in-substance fixed payments).

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “**lease modifications**”).

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

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 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 asset.

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 each 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.

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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Borrowing costs (continued)

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

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 income in the consolidated statements 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”.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Employee benefits (continued)

Retirement benefit costs (continued)

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of staff's wages as contributions to the plans. Payments to such retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS Accounting Standard requires or permits their inclusion in the cost of an asset.

Share-based payment

Equity-settled share-based payment transactions

Restricted shares ("RS")/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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Share-based payment (continued)

Equity-settled share-based payment transactions (continued)

Restricted shares (“**RS**”)/share options granted to employees (continued)

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-based payment reserve). 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-based payments reserve. For RS/share options that vest immediately at the date of grant, the fair value of the RS/share options granted is expensed immediately to profit or loss.

When the RSs are vested, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to accumulated loss. 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-based payments reserve will continue to be held in share-based payments.

When share options are vested, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve.

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 each reporting period.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

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 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. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 difference and it is probable that the temporary difference 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 each 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 each 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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 tax levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property and equipment

Property and equipment are tangible assets that are held for use in supply of services, or for administrative purposes other than construction in progress. Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties 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 management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than properties under construction 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 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 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment on property and equipment, investment properties and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, investment properties and right-of-use assets 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).

The recoverable amount of property and equipment, investment properties and right-of-use 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Impairment on property and equipment, investment properties and right-of-use assets (continued)

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 cash-generating unit) 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) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimate selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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 by regulation or convention in the market place concerned.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

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.

(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). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit losses (“ECL”) model on financial assets (including trade and other receivables, bank balances and cash) 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 each reporting date. Assessment 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 current conditions at the reporting date as well as the forecast of future economic conditions.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables is assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless 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 each 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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;
- 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;
- 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(i) Significant increase in credit risk (continued)

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.

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

For internal credit risk management, the Group considers an event of default occurs when 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (continued)

(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 trade 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. For financial assets measured at amortised cost, exchange differences are recognised in profit or loss (note 8) in the 'Other gains and losses' line item as part of the net foreign exchange gains.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the 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 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.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, bank 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 'Other gains and losses' line item in profit or loss (note 8) as part of net foreign exchange gains (losses).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Foreign exchange gains and losses (continued)

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.

Derecognition 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.

4. CRITICAL ACCOUNTING JUDGMENTS

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

4. CRITICAL ACCOUNTING JUDGMENTS (continued)

Critical judgments in applying accounting policies (continued)

Research and development expenses

Development expenses incurred on the Group's drug product pipelines are capitalised and deferred only when the Group can demonstrate (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the Group's intention to complete and the Group's ability to use or sell the asset; (iii) how the asset will generate future economic benefits; (iv) the availability of resources to complete the pipeline; and (v) the ability to measure reliably the expenditure during the development. Research and development expenses which do not meet these criteria are expensed when incurred. The management of the group assesses the progress of each of the research and development projects and determine whether the criteria are met for capitalisation. During the year, all research and development costs are expensed when incurred.

Determination of performance obligations and allocating transaction price in contracts with customers

In determining performance obligations in contracts with customers, the Group used judgements and interpretation of the contracts in identification of contractual components and related performance obligations, based on which the management of the Group concluded those services and/or goods as single or combined performance obligations. Details of determination of performance obligations are disclosed in Note 5.

The Group used judgements and interpretation of the contracts to allocate the transaction price to each performance obligation on a relative stand-alone selling price basis at contract inception. The stand-alone selling price represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Changes to these judgements and estimates used in contract with customers would result in changes in revenue the Group recognised and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5. REVENUE

The Group derives its revenue from contracts with customers in relation to the transfer of goods and services over time and at a point in time, as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Types of goods or services		
<i>Recognised at a point in time</i>		
Licence fee income	4,038	82,795
<i>Recognised over time</i>		
R&D service income	62,820	25,018
	66,858	107,813

In October 2024, the Group entered into a licence and collaboration agreement with Chia Tai Tianqing Pharmaceutical Group Co. Ltd. (正大天晴藥業集團股份有限公司) (“**CT Tianqing**”), pursuant to which the Group granted to CT Tianqing an exclusive, sublicensable licence to develop, register, manufacture and commercialise the Licenced Product within the Licenced Territory and the Licenced Field.

The considerations for the licence and collaboration agreement comprise fixed element (i.e. the first non-refundable upfront payment and payments to provision of research and development services) and variable elements (i.e. the second non-refundable upfront payment, development and sales milestone payments and sales-based royalties). The Group determined that the consideration relates to multiple distinct performance obligations which including the grant of a right to use the licence to intellectual property rights (the “**Licence**”), provision of research and development services (the “**R&D services**”) and option to additional licence of intellectual property right.

Licence fee income

For the grant of a right to use the Licence, revenue is recognised at a point in time when the Group has granted the licence to the customer and the customer obtains control on the usage of the licence. During the year ended December 31, 2025, the Group recognised a total revenue of RMB4,038,000 in relation to development milestone payments (2024: RMB82,795,000 in relation to the grant of a right to use the license), and the remaining fixed transaction price is allocated to the performance obligation of provision of R&D services and option to additional licence of intellectual property right as stated below.

The estimated amount of variable consideration in relation to development and sales milestone payments and sales-based royalties are included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group update the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

5. REVENUE (continued)

Licence fee income (continued)

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a licence of intellectual property only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

The normal credit term is 30 days (2024: 30 days) upon issuance of invoices.

R&D services income

R&D services under contract with CT Tianqing is performance obligation which is capable of being distinct. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the services.

Revenue is recognised over time as the Group does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. For over time revenue recognition, the progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

When another party is involved in providing R&D services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide specified services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent). The Group concluded that the Group acts as the principal for provision of R&D services as it controls the specified services before it is transferred to the customer.

Contract liabilities represents the Group's obligation to R&D services to the customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The normal credit term is 30 days (2024: 30 days) upon issuance of invoices.

Option to additional licence of intellectual property right

The Group evaluated the non-refundable payments for option to additional licence of intellectual property right to determine if the option represents a material right and is distinct from the other performance obligations identified in the arrangement. The Group determined that the option to additional licence of intellectual property right is a material right and distinct. The Group defers the non-refundable payments allocated to the option as contract liability and recognises revenues at a point in time, at the earlier of when the option is exercised or lapses unexercised.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

6. SEGMENT INFORMATION

For the purpose of resource allocation and performance assessment, the Group's chief executive officer, being the chief operating decision maker ("CODM"), reviews the overall results and financial position of the Group as a whole and no further analysis of the single segment is presented.

Geographical information

The Group's operations and all of the Group's non-current assets are located in the PRC.

Information about the Group's revenue and non-current assets is presented based on the location of operations and the geographical location of the assets.

	Revenue from external customer		Non-current Assets	
	Year ended December 31,		At December 31	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
PRC	66,858	107,813	43,107	46,508

Information about the major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Customer A	66,858	107,813

7. OTHER INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Government grants (note)	9,695	8,508
Bank interest income	759	2,566
Others	13	22
	10,467	11,096

Note: The amounts represent government grants received from various PRC government authorities as incentives for the Group's research and development activities. Unconditional government grants are recognised in profit and loss when received while conditional government grants are recognised in profit or loss when the Group fulfilled the conditions. Further details of conditional government grants are set out in Note 25.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

8. OTHER GAINS AND LOSSES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Losses on disposal of property and equipment	(15)	(67)
Gain on termination of lease agreement	–	7
Net foreign exchange gains	69	1,952
Others	(31)	–
	23	1,892

9. FINANCE COSTS

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Interest expenses on bank borrowings	4,940	4,065
Interest expenses on lease liabilities	13	13
	4,953	4,078

10. INCOME TAX EXPENSE

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

Since November 11, 2023, the Company has been accredited as a High and New Technology Enterprise and enjoys a preferential tax rate of 15% for a term of three years starting from 2023 to 2026. Accordingly, the profit derived by the Company is subject 15% EIT rate for the reporting period.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

10. INCOME TAX EXPENSE (continued)

The tax expense for the year can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive expenses as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss before tax	(84,732)	(97,599)
Income tax expense calculated at 15% (2024: 15%)	(12,710)	(14,640)
Tax effect of different tax rates of subsidiaries	107	(43)
Tax effect of expenses not deductible for tax purpose	111	66
Effect of research and development expenses that are additionally deducted	(14,406)	(21,558)
Utilisation of deductible temporary differences previously not recognised	(102)	(824)
Tax effect of tax losses not recognised	27,000	36,999
	–	–

Note: Pursuant to Caishui 2023 circular No. 7, the Group enjoys super deduction of 200% (2024: 200%) on qualified research and development expenditures for the year ended December 31, 2025.

As at December 31, 2025, the Group has unrecognised tax losses of approximately RMB1,330,530,000 (2024: RMB1,150,530,000) which will expire at various dates up to and including 2035. As at December 31, 2025, the Group has deductible temporary differences of approximately RMB28,181,000 (2024: RMB28,860,000). No deferred tax asset has been recognised in respect of the tax losses or temporary differences due to the unpredictability of future profit streams.

The unrecognised tax losses will be carried forward and expire in years as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
2028	44,222	44,222
2029	117,457	117,457
2030	117,756	117,756
2031	106,312	106,312
2032	247,064	247,064
2033	271,060	271,060
2034	246,659	246,659
2035	180,000	–
	1,330,530	1,150,530

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

11. LOSS BEFORE TAX

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Loss before tax for the year has been arrived at after charging:		
Directors' emoluments (note 12)	3,732	3,903
Other staff costs:		
— salaries and other benefits	22,221	23,043
— discretionary bonuses (note)	2,009	3,454
— retirement benefit scheme contributions	3,328	3,536
— share-based payments	1,168	480
	32,458	34,416
Depreciation of property and equipment	3,759	5,927
Depreciation of right-of-use assets	639	601
Depreciation of investment properties	44	44
	4,442	6,572
Auditors' remuneration	1,900	2,350
Cost of inventories recognised as an expense	9,139	17,322
Research and development expenses		
— Technical service fees (included in cost of revenue: RMB48,417,000 (2024: RMB19,888,000))	93,405	135,005
— Raw material costs	9,139	17,322
— Employee benefit expenses (included in cost of revenue: RMB7,706,000 (2024: RMB2,856,000))	21,925	23,849
— Depreciation and amortisation expenses	3,016	5,070
— Others	6,836	6,484
	134,321	187,730

Note: Discretionary bonuses are determined based on the duties and performances of the relevant individuals and the operating result of the Group.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

12. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Directors', chief executive's and supervisors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

(a) Directors', chief executive officer's and supervisors' emoluments

	Fees RMB'000	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended December 31, 2025					
<i>Chief Executive Officer and executive director:</i>					
Dr. Zhou Pengfei	–	1,633	57	660	2,350
<i>Executive director:</i>					
Mr. Wen Zhicheng (溫植成) (note i)	–	310	–	–	310
<i>Non-executive directors:</i>					
Dr. Hui Xiwu (惠希武)	–	–	–	–	–
Ms. Liang Qian (梁倩) (note ii)	–	–	–	–	–
Dr. Yuan Qian (袁謙)	–	–	–	–	–
Dr. Zhou Hongfeng (周宏峰)	–	–	–	–	–
Mr. Pang Zhenhai (龐振海)	–	–	–	–	–
Mr. Xie Shouwu (謝守武)	–	–	–	–	–
<i>Independent non-executive directors:</i>					
Dr. Cheng Bin (程斌)	268	–	–	–	268
Ms. Fu Lili (付黎黎)	268	–	–	–	268
Dr. Deng Yuezhen (鄧躍臻)	268	–	–	–	268
Dr. Chen Bin (陳斌)	268	–	–	–	268
<i>Supervisors:</i>					
Mr. Zhang Jing (張敬) (note iii)	–	487	43	3	533
Ms. Xiao Ying (肖瑩)	–	234	39	24	297
Mr. Wang Tao (王濤) (note iv)	–	354	24	–	378
Ms. Liu Fang (劉芳)	–	–	–	–	–
Mr. Ji Changtao (紀昌濤)	–	–	–	–	–
Mr. Sun Jumin (孫聚民) (note v)	–	–	–	–	–
Mr. Wang Junming (王軍明) (note vi)	–	–	–	–	–
Dr. Shi Jian (石劍) (note vii)	–	–	–	–	–
	1,072	3,018	163	687	4,940

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

12. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors', chief executive officer's and supervisors' emoluments (continued)

	Fees RMB'000	Salaries and other benefits RMB'000	Retirement benefit scheme contributions RMB'000	Discretionary bonuses RMB'000	Total RMB'000
For the year ended					
December 31, 2024					
<i>Chief Executive Officer and executive director:</i>					
Dr. Zhou Pengfei	–	2,196	56	423	2,675
<i>Non-executive directors:</i>					
Dr. Hui Xiwu (惠希武)	–	–	–	–	–
Ms. Liang Qian (梁倩)	–	–	–	–	–
Dr. Yuan Qian (袁謙)	–	–	–	–	–
Dr. Zhou Hongfeng (周宏峰)	–	–	–	–	–
Mr. Pang Zhenhai (龐振海)	–	–	–	–	–
Dr. Liu Dan (柳丹) (note vii)	–	–	–	–	–
Dr. Guo Hongwei (郭宏偉) (note ix)	–	–	–	–	–
Mr. Xie Shouwu (謝守武)	–	–	–	–	–
Mr. Wen Zhicheng (溫植成) (note i)	–	–	–	–	–
<i>Independent non-executive directors:</i>					
Dr. Cheng Bin (程斌)	268	–	–	–	268
Ms. Fu Lili (付黎黎)	268	–	–	–	268
Dr. Dai Weiguo (note x)	156	–	–	–	156
Dr. Deng Yuezhen (鄧躍臻)	268	–	–	–	268
Dr. Chen Bin (陳斌)	268	–	–	–	268
<i>Supervisors:</i>					
Mr. Zhang Jing (張敬)	–	714	56	70	840
Ms. Xiao Ying (肖瑩)	–	214	35	27	276
Ms. Liu Fang (劉芳)	–	–	–	–	–
Mr. Ji Changtao (紀昌濤)	–	–	–	–	–
Mr. Sun Jumin (孫聚民)	–	–	–	–	–
	1,228	3,124	147	520	5,019

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For the year ended December 31, 2025

12. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors', chief executive officer's and supervisors' emoluments (continued)

Notes:

- i. Mr. Wen Zhicheng was appointed as non-executive director on October 22, 2024, retired as non-executive director and was re-appointed as executive director of the Company on June 25, 2025.
- ii. Ms. Liang Qian retired as non-executive director of the Company on June 25, 2025.
- iii. Mr. Zhang Jing resigned as supervisor of the Company on September 18, 2025.
- iv. Mr. Wang Tao was appointed as supervisor of the Company on September 18, 2025, and resigned as supervisor of the Company on December 31, 2025.
- v. Mr. Sun Jumin retired as supervisor of the Company on June 25, 2025.
- vi. Mr. Wang Junming was appointed as supervisor of the Company on June 25, 2025.
- vii. Dr. Shi Jian was appointed as supervisor of the Company on December 31, 2025.
- viii. Dr. Liu Dan resigned as non-executive director of the Company on April 30, 2024.
- ix. Due to Dr. Guo Hongwei being under the disciplinary review and investigation as disclosed in the Company's announcement dated August 27, 2024, he was removed as non-executive director of the Company on October 22, 2024.
- x. Dr. Dai Weiguo resigned as independent non-executive directors of the Company on July 30, 2024.
- xi. The executive directors' emoluments shown above was for his services in connection with the management of the affairs of the Company and the Group.
- xii. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- xiii. None of the directors or supervisors of the Company waived or agreed to waive any emoluments during the years ended December 31, 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

12. DIRECTORS', CHIEF EXECUTIVE OFFICER'S AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Five highest paid employees

The five highest paid individuals of the Group during the year included 1 (2024: 1) director, details of whose remuneration is included in the disclosures set out above. Details of the emoluments for the year of the remaining 4 (2024:4) highest paid employees who are not directors of the Company are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and other benefits	3,724	3,441
Discretionary bonuses	456	1,262
Retirement benefit scheme contributions	224	222
Share-based payment expenses	1,168	281
	5,572	5,206

The emoluments of the five highest paid individuals for the years ended December 31, 2025 and 2024 are within the following bands:

	Year ended December 31,	
	2025	2024
	No. of employees	No. of employees
Nil to Hong Kong Dollars ("HK\$")1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	1	2
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$2,000,001 to HK\$2,500,000	1	–
HK\$2,500,001 to HK\$3,000,000	1	1
	5	5

During the years ended December 31, 2025 and 2024, no emoluments was paid by the Group to any of the executive director, non-executive directors, independent non-executive directors, supervisors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

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For the year ended December 31, 2025

13. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss for the year for the purpose of calculating basic loss per share	(84,732)	(97,599)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	193,849,000	193,849,000

No diluted loss per share for the years ended December 31, 2025 and 2024 were presented as there was no potential ordinary shares in issue for both years.

14. DIVIDENDS

No dividend was declared or paid by the Company during the years ended December 31, 2025 and 2024.

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For the year ended December 31, 2025

15. PROPERTY AND EQUIPMENT

	Buildings RMB'000	Leasehold improvement RMB'000	Equipment RMB'000	Furniture and fixture RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At January 1, 2024	15,044	1,760	64,164	3,167	1,003	16,845	101,983
Additions	359	-	1,085	40	-	-	1,484
Disposals	-	-	(1,226)	(74)	-	-	(1,300)
At December 31, 2024	15,403	1,760	64,023	3,133	1,003	16,845	102,167
Additions	-	-	127	57	-	717	901
Disposals	-	-	(189)	(8)	-	-	(197)
At December 31, 2025	15,403	1,760	63,961	3,182	1,003	17,562	102,871
DEPRECIATION							
At January 1, 2024	9,161	1,309	46,220	2,877	867	-	60,434
Provided for the year	740	167	4,850	98	72	-	5,927
Eliminated on disposals	-	-	(1,163)	(70)	-	-	(1,233)
At December 31, 2024	9,901	1,476	49,907	2,905	939	-	65,128
Provided for the year	782	167	2,719	79	12	-	3,759
Eliminated on disposals	-	-	(175)	(7)	-	-	(182)
At December 31, 2025	10,683	1,643	52,451	2,977	951	-	68,705
CARRYING AMOUNTS							
At December 31, 2025	4,720	117	11,510	205	52	17,562	34,166
At December 31, 2024	5,502	284	14,116	228	64	16,845	37,039

The above items of property and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Buildings	20 years
Leasehold improvement	Over the shorter of the relevant lease terms or 10 years
Equipment	7–10 years
Furniture and fixture	3–5 years
Motor vehicles	4 years

As at December 31, 2025, the Group has pledged buildings with carrying amounts of RMB4,510,000 (2024: RMB5,502,000) to secure general banking facilities granted to the Group.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

16. RIGHT-OF-USE ASSETS

	Leasehold lands <i>RMB'000</i>	Leased properties <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2024	8,076	754	8,830
Addition for the year	–	722	722
Depreciation charge for the year	(211)	(390)	(601)
Termination of lease agreement	–	(576)	(576)
At December 31, 2024	7,865	510	8,375
Addition for the year	–	134	134
Depreciation charge for the year	(211)	(428)	(639)
At December 31, 2025	7,654	216	7,870
		Year ended December 31,	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Expenses relating to short-term leases		287	211
Total cash outflow for leases		635	523

During the years ended December 31, 2025 and 2024, the Group leases various properties for its research and development activities. Lease contracts are entered into for fixed term of 1 year to 4 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for equipment and properties. As at December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

In addition, the Group's interests in leasehold lands represent prepaid operating lease payments for land located in the PRC and the remaining lease term is 37 years (2024: 38 years).

As at December 31, 2024, the Group has pledged leasehold lands with carrying amounts of RMB7,865,000 to secure general banking facilities granted to the Group.

Restrictions or covenants for leases

In addition, as at December 31, 2025, the Group's lease liabilities of RMB253,000 (2024: RMB454,000) are recognised with related right-of-use assets of RMB216,000 (2024: RMB510,000), respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Except for the leasehold lands, leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in Note 22 and 32b.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

18. INVENTORIES

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Materials for research and development project	3,285	4,260

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Trade receivables from licence and collaboration agreement	11,600	51,108
Prepayments for research and development services (note)	13,372	32,090
Receivables from transfer agreement (note 26)	–	6,752
Advance to staff	400	203
Others	181	565
	25,553	90,718

Note: Prepayments mainly include upfront fee paid for research and development services for the clinical and non-clinical study of drugs.

As at January 1, 2024, no trade receivables from licence and collaboration agreements.

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the revenue recognition dates:

	At December 31,	
	2025	2024
	RMB'000	RMB'000
0–90 days	11,600	51,108

Details of impairment assessment of trade and other receivables are set out in Note 32.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

20. BANK BALANCES AND CASH

Bank balances and cash include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.05% to 0.25% (2024: 0.1% to 4.0%).

Bank balances and cash is denominated in the following currencies:

	At December 31,	
	2025	2024
	RMB'000	RMB'000
RMB	71,924	76,683
HK\$	28,141	49,592
	100,065	126,275

Details of the impairment assessment of bank balances are set out in Note 32.

21. TRADE AND OTHER PAYABLES

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables for research and development expenses	4,499	6,516
Accrued research and development expenses	30,937	32,420
Other payables to government (note i)	3,600	3,600
Accrued staff costs and benefits	4,701	5,183
Accrued audit fee	900	1,050
Other tax payables	398	470
Others	28	139
	45,063	49,378

Note:

- (i) This amount was asset related government subsidy and attached with conditions that the construction of the buildings should be completed and approved by the respective PRC government authority before December 31, 2016. The Company has not fulfilled the conditions attached to this subsidy at December 31, 2025 and 2024. Therefore, the amount was repayable to the respective PRC government authority on demand.

The credit period on purchases of goods/services of the Group is 0 to 90 days (2024: 0 to 90 days).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

21. TRADE AND OTHER PAYABLES (continued)

The following is an aging analysis of trade payables presented based on the invoice dates:

	At December 31,	
	2025	2024
	RMB'000	RMB'000
0–30 days	2,757	1,989
31–90 days	548	2,704
91–180 days	112	1,456
181–365 days	361	26
Over 365 days	721	341
	4,499	6,516

Analysis of trade payables and other payables denominated in currencies other than the functional currency of relevant group entities is set out below:

	At December 31,	
	2025	2024
	RMB'000	RMB'000
United States dollars (“ US\$ ”)	28	28
Swiss Franc (“ CHF ”)	885	754
	913	782

22. BANK BORROWINGS

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Secured bank loans (note i & ii)	68,505	76,900
Unsecured bank loans (note iii & iv)	59,000	50,000
	127,505	126,900

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

22. BANK BORROWINGS (continued)

	At December 31,	
	2025 RMB'000	2024 RMB'000
The carrying amounts of the above borrowings are repayable based on scheduled repayment terms:		
Within one year	100,005	75,820
Within a period of more than one year but not exceeding two years	27,500	23,580
Within a period of more than two year but not exceeding five years	–	27,500
	127,505	126,900
Less: Amount due within one year shown under current liabilities	(100,005)	(75,820)
Amounts shown under non-current liabilities	27,500	51,080

Notes:

- (i) The bank borrowings of RMB47,500,000 as at December 31, 2025 (2024: RMB57,500,000) were secured, unguaranteed, and carried a fixed-rate interest rate (also being the effective interest rate) of 3.15% to 3.50% (2024: 3.50%) per annum, which are repayable within one year to three years. Such bank borrowings were secured with the Group's property and equipment, right-of-use assets and investment properties as at December 31, 2025, with carrying amounts of RMB4,510,000, Nil and RMB404,000 (2024: RMB5,502,000, RMB7,865,000 and RMB448,000), respectively.
- (ii) The bank borrowings of RMB21,005,000 as at December 31, 2025 (2024: RMB19,400,000) were secured, unguaranteed, and carried a fixed-rate interest rate (also being the effective interest rate) of 3.40% to 3.50% per annum, which are repayable within one year. Such bank borrowings were secured with the Group's patent rights of drug candidate.
- (iii) The bank borrowings of RMB40,000,000 as at December 31, 2025 (2024: RMB50,000,000) were unsecured, unguaranteed, and carried a fixed-rate interest rate (also being the effective interest rate) of 3.00% to 3.40% (2024: 3.40% to 3.80%) per annum, which are repayable within one year.
- (iv) The bank borrowings of RMB19,000,000 as at December 31, 2025 (2024: nil) were unsecured, unguaranteed, and carried a variable-rate interest rate (also being the effective interest rate) of Loan Prime Rate ("LPR") plus a margin per annum, which are repayable within one year.

The exposure of the Group's borrowings are as follows:

	At December 31,	
	2025 RMB'000	2024 RMB'000
Fixed-rate borrowings	108,505	126,900
Variable-rate borrowings	19,000	–

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

22. BANK BORROWINGS (continued)

The ranges of effective interest rates per annum on the Group's borrowings are as follows:

	At December 31, 2025	2024
Effective interest rate:		
Fixed-rate borrowings	3.00%–3.50%	3.40%–3.80%
Variable-rate borrowings	2.80%–3.20%	N/A

23. CONTRACT LIABILITIES

	At December 31, 2025 RMB'000	2024 RMB'000
Contract liabilities		
— from licence and collaboration agreement	15,480	20,591

The contract liabilities represent unrecognised received consideration (or an amount of consideration is due) in relation to the licence and collaboration agreement, where there are still implied obligations to be provided by the Company as stipulated in the agreement.

	At December 31, 2025 RMB'000	2024 RMB'000
Analysed as:		
— Current	15,480	20,591

As at December 31, 2025, contract liabilities amounted to RMB15,480,000 (2024: RMB20,591,000) are expected to be recognised as income within one year and are classified as current liabilities.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

24. LEASE LIABILITIES

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	253	362
Within a period of more than one year but not exceeding two years	–	92
	253	454
Less: Amount due for settlement with 12 months shown under current liabilities	(253)	(362)
Amount due for settlement after 12 months shown under non-current liabilities	–	92

The weighted average incremental borrowing rates applied to lease liabilities is 3.5% (2024: 5.81%) per annum for the years ended December 31, 2025.

25. DEFERRED INCOME

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Subsidies related to research and development activities (note)	240	490

The movements in deferred income during the years ended December 31, 2025 and 2024 are as follows:

	At December 31,	
	2025	2024
	RMB'000	RMB'000
At beginning of the year	490	640
Received during the year	250	–
Recognised in profit for loss during the year	(500)	(150)
At end of the year	240	490

Note: Subsidies are in relation to research and development activities of the Group. The subsidies can be regarded as fully granted until certain conditions are fulfilled. As at December 31, 2025 and 2024, the relevant conditions have not been fully fulfilled and therefore the government subsidies were classified as deferred income. Such deferred income is categorised as current liabilities because the fulfilment date are reasonably estimated within one year.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

26. ADVANCE FROM TRANSFER AGREEMENT

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Upfront fee received from transfer agreement	39,495	39,495

In July 2022, the Company entered into an agreement with an independent third party (the “**Transferee**”) (the “**Agreement**”) to transfer all of the rights and assets relating to one of its drug candidates (the “**Transfer**”).

The Company is entitled to a fixed upfront fee amounting to USD5,000,000 for the Transfer and a fixed milestone fee amounting to USD1,000,000 when the Transferee get an approval for clinical trial of the drug candidate from the National Medical Products Administration of the People’s Republic of China (the “**NMPA**”). On April 27, 2023, the Transferee received an approval for drug clinical trials from NMPA. The Transferee settled the upfront fee and milestone fee in October 2022 and June 2023, respectively.

According to the Agreement, the upfront fee and the milestone fee will be required to refund upon the condition, which is not possible to predict the possibility of occurrence, and the upfront fee and the milestone fee were recognised as advance from transfer agreement and classified as current liabilities.

In April 2024, the Company entered into a supplemental agreement (the “**Supplemental agreement**”) with the Transferee and a subsidiary of the Transferee. Pursuant to the Supplemental agreement, all rights and assets relating to the drug candidate in Mainland China, Hong Kong Special Administrative Region, Macao Special Administrative Region was transferred to the Transferee, while rights and assets relating to the drug candidate in other territories of the world was transferred to the subsidiary of the Transferee. In addition, the total amount of received upfront fee and milestone fee (collectively referred as the “**Upfront Fee**”) was modified from USD6,000,000 to RMB39,495,000 (excluding Value added tax). The Upfront Fee amounting to RMB35,115,000 and RMB6,752,000 (including Value added tax) should be paid by the Transferee and the subsidiary of the Transferee respectively, since the Transferee already paid RMB40,843,000, the Company should refund RMB5,728,000 to the Transferee. In June 2024, the Company refunded RMB5,728,000 to the Transferee. Meanwhile, the Company declared output VAT on the advance from the transfer agreement. In July 2025, the Upfront Fee of RMB6,752,000 was received from the subsidiary of the Transferee.

27. SHARE CAPITAL

Share capital as at December 31, 2025 and 2024 represented the issued share capital of the Company.

Share capital

	Number of shares	Nominal value of shares RMB'000
Authorised and issued At January 1, 2024, December 31, 2024 and December 31, 2025	193,849,200	193,849

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28. SHARE-BASED PAYMENT TRANSACTIONS

RS plan under Caizhi I RS Scheme

The Company adopted equity incentive plan (“**ESOP Plan**”) in order to provide incentives to employees and directors to promote the success of the business of the Group.

To implement the ESOP plan, the founders of the Company established an employee stock ownership platform, namely Caizhi in August 2015, to hold the Company’s paid-in capital of RMB16,500,000, which was transferred from the founders. Upon exercise of the options, eligible employees and directors shall subscribe for partnership interest of Caizhi at a consideration price ranges from RMB0.8 to RMB6.36 for RMB1 registered capital and indirectly hold the equity interests of the Company. In August 2021, the Company terminated the ESOP Plan and all the share options granted. The share options which account for RMB3,285,000 of the Company’s paid-in capital, have been exercised in Caizhi before termination.

As a replacement for the ESOP Plan, the Company has formulated restricted shares scheme (“**Caizhi I RS Scheme**”). To implement Caizhi I RS Scheme, another two employee stock ownership platforms, namely Nanjing Huiyou Jucai Enterprise Management Partnership (Limited Partnership) (“**Huiyou Jucai**”) and Nanjing Huiyou Juzhi Enterprise Management Partnership (Limited Partnership) (“**Huiyou Juzhi**”) were established in August 2021. On the date of establishment, Caizhi transferred the Company’s paid-in capital of RMB8,375,000 and RMB4,840,000 to Huiyou Jucai and Huiyou Juzhi respectively, and the Company’s paid-in capital of RMB3,285,000 were retained in Caizhi.

Under the Caizhi I RS Scheme, eligible employees and directors shall subscribe for partnership interest of Huiyou Jucai and Huiyou Juzhi at a consideration price ranges from RMB1.58 to RMB6.36 for RMB1 registered capital and indirectly hold the incentive shares of the Company.

The RS issued under Caizhi I RS Scheme have been vested upon issuance in August 2021.

From issue date to January 31, 2024, several granted employees terminated their employments with the Company and transferred the partnership interests of Huiyou Juzhi which representing 550,000 ordinary shares of the par value of RMB1 each in the share capital of the Company to Dr. Zhou Pengfei, the general partner of Huiyou Juzhi, at the original grant price.

In February 2024, 275,000 RSs in Huiyou Juzhi were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

In June 2025, 39,375 RSs in Huiyou Jucai and 820,000 RSs in Huiyou Juzhi were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

The directors of the Group determined the fair values of the RSs at the grant date based on the market trading price of the share with reference to valuation reports carried out by AVISTA Valuation Advisory Limited (“**AVISTA**”), an independent qualified valuer. During the year ended December 31, 2025, RMB109,000 share-based payment expenses has been recognised by the Company (2024: RMB150,000), related to the Caizhi I RS scheme.

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For the year ended December 31, 2025

28. SHARE-BASED PAYMENT TRANSACTIONS (continued)

RS plan under Caizhi II Enterprise Management

In August 2021, Mr. Yuan Qian and Mr. Zhou Hongfeng, two of the founders and investors who entered into investment agreements with the Company in December 2020 (“**Series A investors**”) of the Company established an employee stock ownership platform, namely Nanjing Caizhi No. 2 Enterprise Management Partnership (Limited Partnership) (“**Caizhi II**”) to hold the Company’s paid-in capital of RMB11,418,000, to implement RS scheme (“**Caizhi II RS Scheme**”).

Under the Caizhi II RS Scheme, eligible employees and directors shall subscribe for partnership interest of Caizhi II at a consideration of RMB6.36 for RMB1.00 registered capital and indirectly hold the incentive shares of the Company.

All restricted shares issued under Caizhi II RS Scheme have been vested upon issuance in August 2021.

From issue date to January 31, 2024, one granted employee terminated his employment with the Company and transferred the 575,000 RSs back to Caizhi II at the original grant price.

In February 2024, 575,000 RSs in Caizhi II were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

In June 2025, 1,000,000 RSs in Caizhi II were granted to certain selected employees who make contribution to the development of the Company with the price of RMB6.36 each share, 25% of RSs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

The directors of the Company determined the fair values of the RSs at the grant date based on the market trading price of the share with reference to valuation reports carried out by AVISTA. During the year ended December 31, 2025, no share-based payment expenses has been recognised by the Company (2024: RMB330,000), related to the Caizhi II RS scheme.

Share Option Scheme

In May 2025, 3,550,000 share options were granted to certain selected employees who make contribution to the development of the Company with the exercise price of HK\$4.23 each share. 25% share options are vested on February 1, of 2026, 2027, 2028 and 2029 respectively with performance targets requirement.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

28. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share Option Scheme (continued)

The following table disclose movements of the Company's share options:

Date of grant	Exercise price HK\$	Vesting date	Expiry date	Number of share options			
				Outstanding at January 1, 2025	Granted during the year	Forfeited during the year	Outstanding at December 31, 2025
May 27, 2025	4.23	February 1, 2026	May 27, 2035	-	887,500	(575,000)	312,500
May 27, 2025	4.23	February 1, 2027	May 27, 2035	-	887,500	(575,000)	312,500
May 27, 2025	4.23	February 1, 2028	May 27, 2035	-	887,500	(575,000)	312,500
May 27, 2025	4.23	February 1, 2029	May 27, 2035	-	887,500	(575,000)	312,500
				-	3,550,000	(2,300,000)	1,250,000
Exercisable at the end of the year							1,250,000
Weighted average exercise price (HK\$)				-	4.23	4.23	4.23

The directors of the Company determined the fair values of the share options at the grant date based on the market trading price of the share with reference to valuation reports carried out by AVISTA. During the year ended December 31, 2025, RMB1,059,000 share-based payment expenses has been recognised by the Company related to the share options.

The estimated fair value of the share options granted on May 27, 2025 was RMB7,398,000. The closing price of the Company's shares immediately before May 27, 2025, the date of grant, was HK\$4.23. The share options outstanding at December 31, 2025 had a weighted average remaining contractual life of 10 years.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

29. RELATED PARTY TRANSACTIONS

The Group has the following transactions and balances with the related parties during the years ended December 31, 2025 and 2024.

(a) Related party transactions

Purchase of research and development service from a related party:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
CSPC Zhongqi Pharmaceutical Technology (Shijiazhuang) Co., Ltd* (石藥集團中奇製藥技術(石家莊)有限公司) (“CSPC Zhongqi”)(note)	–	152

Note:

CSPC Zhongqi is a wholly-owned subsidiary of CSPC NBP Pharmaceutical Co., Ltd* (石藥集團恩必普藥業有限公司), one of the Series A investors.

(b) Related party balances

As at December 31, 2025 and 2024, the Group has no outstanding balances with related parties.

(c) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Company during the years ended December 31, 2025 and 2024 were as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and other benefits	4,273	4,752
Discretionary bonuses	801	724
Retirement benefit scheme contributions	215	222
Share-based payments expense	1,083	–
	6,372	5,698

* English name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

30. CAPITAL COMMITMENT

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements:		
– Property and equipment	18	18

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes bank borrowings and lease liabilities disclosed in notes 22 and 24 respectively, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the new share issues as well as the issue of new debt.

32. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Amortised cost	111,846	184,700
Financial liabilities		
Amortised cost	135,632	137,155

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

The risks associated with these financial instruments include market risks (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risks

Certain bank balances and cash, trade and other payables are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management of the group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Assets		
HK\$	28,141	49,592
Liabilities		
US\$	28	28
CHF	885	754
	913	782

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against HK\$. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting date for a 5% (2024: 5%) change in foreign currency rates. A negative number below indicates a increase in loss where RMB strengthen 5% (2024: 5%) against HK\$. For a 5% (2024: 5%) weakening of RMB against HK\$, there would be an equal and opposite impact on the loss and other comprehensive expense and the amounts below would be positive.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risks (continued)

Sensitivity analysis (continued)

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Impact on profit or loss		
HK\$	(1,407)	(2,480)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings, lease liabilities and cash flow interest rate risk in relation to variable-rate bank balances and variable-rate bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank borrowings.

The Group currently does not have interest rate risk hedging policy. However, directors of the Company closely monitor the exposure of future cash flow interest rate risk as a result of change in market interest rate and will consider hedging changes in market interest rates should the need arise.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables and other receivables, bank balances and cash. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except for the credit risks associated with trade receivables.

In order to minimise the credit risk, the directors of the Company review the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The following table shows the Group's credit risk grading framework in respect of financial assets:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default, and does not have any past-due amounts	Lifetime ECL-not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL-not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL-not credit-impaired	Lifetime ECL-not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL-credit-impaired	Lifetime ECL-credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

Notes	External credit rating	Internal credit rating	12m or lifetime ECL	At December 31,	
				2025 RMB'000	2024 RMB'000
Financial assets at amortised cost					
Trade receivables from license and Collaboration agreement	19	N/A	Low risk Lifetime ECL	11,600	51,108
Other receivables	19	N/A	Low risk 12m ECL	181	7,317
Bank balances	20	Baa1 to A1	N/A 12m ECL	100,065	126,275

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables

The Group has concentration of credit risk as 100% (2024: 100%) of the total trade receivables was due from the Group's licensing fee and R&D service income for one (2024: one) customer. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables is assessed individually. Since the balances were from a counterparty which has low risk of default and usually settled within credit period, the directors of the Company are in the opinion that the exposure to credit risk for these balances is assessed within lifetime ECL (not-credit impaired) and the expected credit loss for the trade receivables from this customer is insignificant as at December 31, 2025 and 2024.

Other receivables

For other receivables, the management of the Group has applied 12m ECL in IFRS 9 to measure the loss allowance. The ECL on other receivables are assessed individually based on historical settlement records and past default experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions. The 12m ECL on other receivables is considered to be insignificant.

Bank balances and cash

Credit risk on bank balances and cash is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The 12m ECL on Bank balances and cash is considered to be insignificant.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of bank borrowings and relies on issuance of shares as a significant sufficient financial resource to meet its financial obligation as they fall due and to sustain its operations for the foreseeable future after reviewing the Group's cash flow projection, and taking into account the unutilised committed bank facilities of RMB162,500,000 (2024: RMB140,000,000) as at the report date.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

32. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Within 1 year or on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total undiscounted balances RMB'000	Carrying amount RMB'000
At December 31, 2025						
Trade and other payables	-	8,127	-	-	8,127	8,127
Bank borrowings	3.33	130,078	27,969	-	158,047	127,505
Lease liabilities	3.50	262	-	-	262	253
		138,467	27,969	-	166,436	135,885
	Weighted average effective interest rate %	Within 1 year or on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total undiscounted balances RMB'000	Carrying amount RMB'000
At December 31, 2024						
Trade and other payables	-	10,255	-	-	10,255	10,255
Bank borrowings	3.57	78,752	25,031	27,969	131,752	126,900
Lease liabilities	5.81	372	93	-	465	454
		89,379	25,124	27,969	142,472	137,609

(c) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with general accepted pricing models based on discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of the counterparty.

The directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values based on the discounted cash flow analysis.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

33. RETIREMENT BENEFIT PLANS

The employees of the Group entities in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss are RMB3,385,000 and RMB3,592,000 for the years ended December 31, 2025 and 2024, respectively.

34. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

Name of subsidiaries	Place/country and date of establishment/ incorporation/ operations	Issued and fully paid-in/ registered capital	Equity interest attributable to the Company		Principal activities
			December 31, 2025	December 31, 2024	
<i>Directly held:</i>					
Shijiazhuang Shiyou Biotechnology Co., Ltd.* (石家莊石友生物技術有限公司)	Shijiazhuang April 21, 2020	Nil	100%	100%	Research and development of innovative drugs
Nanjing Youbodi Biotechnology Co., Ltd.* (南京友博迪生物技術有限公司)	Nanjing December 29, 2020	RMB20,000,000 (note i)	100%	100%	Research and development of innovative drugs
Wuhan Youwei Biotechnology Co., Ltd.* (武漢友微生物技術有限公司)	Wuhan March 22, 2021	RMB1,000,000 (note ii)	100%	100%	Research and Development of innovative drugs

Notes:

- (i) The registered capital was fully paid by the Company on January 29, 2021.
- (ii) The registered capital was fully paid by the Company on August 23, 2021.

All subsidiaries are limited liability companies and adopted December 31 as financial year end date.

None of the subsidiaries had issued any debt securities at the end of the year.

* English name is for identification purpose only.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2024	89,500	614	90,114
Financing cash flows	33,335	(312)	33,023
Non-Cash transactions:			
New leases entered	–	722	722
Termination of lease agreements	–	(583)	(583)
Finance costs	4,065	13	4,078
At December 31, 2024	126,900	454	127,354
Financing cash flows	(4,335)	(348)	(4,683)
Non-Cash transactions:			
New leases entered	–	134	134
Finance costs	4,940	13	4,953
At December 31, 2025	127,505	253	127,758

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	At December 31, 2025 RMB'000	2024 RMB'000
Non-current assets		
Property and equipment	34,166	37,039
Right-of-use assets	7,870	8,375
Investment properties	404	448
Investments in subsidiaries	20,000	20,000
Prepayment for acquisition of property and equipment	123	135
	62,563	65,997
Current assets		
Inventories	3,285	4,260
Trade and other receivables and prepayments	25,454	90,618
Amount due from a subsidiary	707	–
Value added tax recoverable	2,997	82
Bank balances and cash	99,432	125,684
	131,875	220,644
Current liabilities		
Trade and other payables	45,029	48,267
Bank borrowings	100,005	75,820
Contract liabilities	15,480	20,591
Amount due to a subsidiary	21,519	21,001
Deferred income	240	490
Lease liabilities	253	362
Advance from transfer agreement	39,495	39,495
	222,021	206,026
Net current (liabilities) assets	(90,146)	14,618
Total assets less current liabilities	(27,583)	80,615
Non-current liabilities		
Bank borrowings	27,500	51,080
Lease liabilities	–	92
	27,500	51,172
Net (liabilities) assets	(55,083)	29,443
Capital and reserves		
Share capital	193,849	193,849
Reserves	(248,932)	(164,406)
Total (deficit) equity	(55,083)	29,443

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(continued)

Movement in the Company's reserves

	Share premium <i>RMB'000</i>	Share-based payment reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2024	345,009	1,584	(411,700)	(65,107)
Loss and total comprehensive expense for the year	–	–	(99,779)	(99,779)
Equity-settled share-based payments	–	480	–	480
At December 31, 2024	345,009	2,064	(511,479)	(164,406)
Loss and total comprehensive expense for the year	–	–	(85,694)	(85,694)
Equity-settled share-based payments	–	1,168	–	1,168
At December 31, 2025	345,009	3,232	(597,173)	(248,932)

37. EVENT AFTER THE REPORTING PERIOD

On January 23, 2026, the Group entered into a transfer agreement with Wuhan Yiruide Medical Treatment Equipment New Technology Co., Ltd (“**Wuhan Yiruide**”) pursuant to which Wuhan Yiruide agreed to acquire, and the Group agreed to transfer the leasehold land and building for total consideration of RMB36,880,000.