

DualityBio

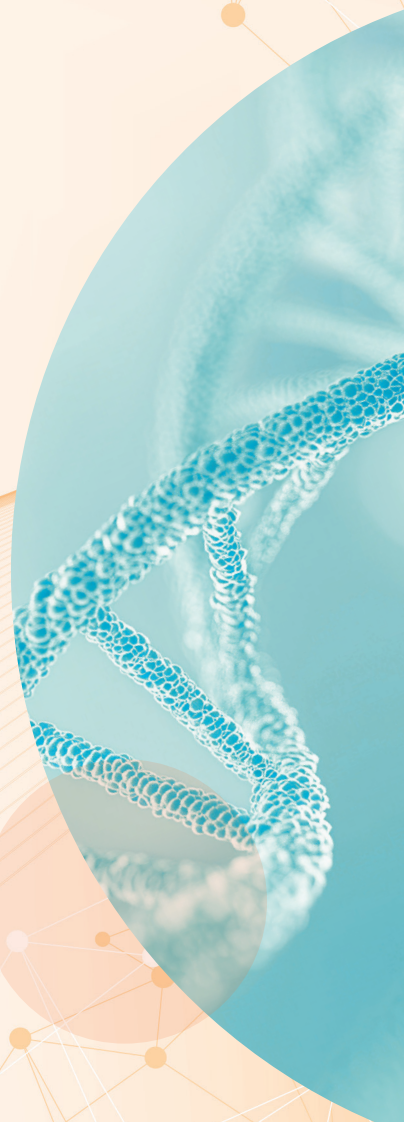
映恩生物

Duality Biotherapeutics, Inc.

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock Code : 9606

2025
ANNUAL
REPORT



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Definitions and Glossary of Technical Terms

“2025 Share Scheme”	the share award scheme adopted by the Company on December 30, 2025, details of which are set out in the circular of the Company dated December 14, 2025
“AACR”	American Association for Cancer Research
“ADAM9”	a disintegrin and metalloprotease domain-containing protein 9
“ADC”	antibody-drug conjugate, a class of biopharmaceutical drugs that comprise an antibody conjugated to a payload molecule, typically a cytotoxic agent, via a chemical linker
“Adcendo”	Adcendo ApS, a biotech company organized under the laws of Denmark on January 7, 2017
“advanced EC”	locally advanced and/or metastatic endometrial cancer, commonly refers to Stages III and IV EC
“affiliate(s)”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“ASCO”	American Society of Clinical Oncology
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Avenzo”	Avenzo Therapeutics, Inc.
“Award(s)”	award(s) granted by the Board to a Participant pursuant to the 2025 Share Scheme, which may take the form of Option Award(s) or Share Award(s), as the Board may determine in accordance with the provisions of the 2025 Share Scheme

Definitions and Glossary of Technical Terms

“BC”	breast cancer
“BDCA2”	Blood Dendritic Cell Antigen 2, a type II C-type lectin receptor expressed on the surface of plasmacytoid dendritic cells
“BeOne”	BeOne Medicines, Ltd. (formerly known as BeiGene, Ltd.)
“BioNTech”	BioNTech SE
“bispecific”	in reference to antibodies, antibodies that combine two antigen-recognizing elements into a single construct, able to recognize and bind to two different antigens (or epitopes)
“bispecific ADCs” or “BsADCs”	a novel type of ADCs in which the payload molecule is conjugated to a bispecific antibody which confers targeting ability against two different antigens
“bispecific antibody” or “BsAb”	bispecific monoclonal antibody
“Board”	the board of Directors
“Board or its Delegate”	has the meaning ascribed to it under the rules of the 2025 Share Scheme, being the Board or Dr. ZHU Zhongyuan (朱忠遠), chairman of the Board, executive director and the chief executive officer of the Company
“Breakthrough Therapy Designation”	a designation by the NMPA and/or the FDA to expedite the development and review of therapies intended for the treatment of serious diseases for which there is no effective treatment and where preliminary evidence indicates the therapy may demonstrate a substantial improvement over available treatment options
“business day(s)”	any day on which the Stock Exchange is open for the business of trading in securities;
“BVI”	the British Virgin Islands
“B7H3” or “B7-H3”	anti – B7 homolog 3 protein

Definitions and Glossary of Technical Terms

“CC”	cervical cancer
“CDE”	the Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for the review and approval of IND and NDA/BLA
“China”, “Mainland China” or “the PRC”	the People’s Republic of China, and for the purpose of this annual report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”, “our Company”, “the Company” or “DualityBio”	Duality Biotherapeutics, Inc. (映恩生物), an exempted company limited by shares incorporated in the Cayman Islands on July 3, 2019, the Shares of which are listed on the Stock Exchange (stock code: 9606)
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Core Products”	has the meaning ascribed thereto in Chapter 18A of the Listing Rules; for the purpose of this annual report, our Core Products refer to DB-1303 and DB-1311
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CRO”	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
“CRPC”	castration-resistant prostate cancer
“Date of Grant”	the date on which the Board or its Delegate resolves to make an Offer of that Award to the Participant under the 2025 Share Scheme, which date must be a business day
“DCR”	disease control rate, the total proportion of patients who demonstrate a response to treatment, equal to the sum of complete responses (CR), partial responses (PR) and stable disease (SD)

Definitions and Glossary of Technical Terms

“Director(s)” or “our Director(s)”	the directors of our Company, including all executive, non-executive and independent non-executive directors
“DOR”	duration of response, the length of time that a tumor continues to respond to treatment without the cancer growing or spreading
“EC”	endometrial cancer
“EGFR”	epidermal growth factor receptor
“EGFRm” or “EGFR-mutant”	cells or tissues harboring mutations in the EGFR gene, which can affect receptor function and are often associated with certain types of cancer
“Employee Participant(s)”	any director (including executive directors, non-executive directors and independent non-executive directors) and employee (whether full-time or part-time) of the Company or any of its subsidiaries (including any persons who are granted Awards under 2025 Share Scheme as an inducement to enter into employment contracts with these companies)
“ESCC”	esophageal squamous cell carcinoma
“ESG”	environmental, social and governance
“ESMO”	European Society for Medical Oncology Congress
“Exercise Period”	with respect to any Option Award, the period during which the Participant may exercise the Option Award as may be determined by the Board or its Delegate, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the grant date in respect of such Option Award
“FDA”	the U.S. Food and Drug Administration, a federal agency of the U.S. Department of Health and Human Services responsible for regulating food and drugs
“FVTPL”	fair value through profit or loss

Definitions and Glossary of Technical Terms

“Global Offering”	the offer of Shares for subscription as described in the Prospectus
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the 2025 Share Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Award in consequence of the death of the original Grantee, or the legal personal representative of such person
“Greater China”	the People’s Republic of China, and for the purpose of this annual report only, except where the context requires otherwise, including Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Group” or “our Group” or “we”	our Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“GSK”	GSK plc
“HCC”	hepatocellular carcinoma
“HER2”	human epidermal growth factor receptor 2
“HER3”	human epidermal growth factor receptor 3
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HNSCC”	head and neck squamous cell carcinoma
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICI(s)” or “immune checkpoint inhibitor(s)”	molecules that release the natural brakes of immune response
“IFRS(s)”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board

Definitions and Glossary of Technical Terms

“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China and clinical trial notification in Australia
“inside information”	has the meaning ascribed to it under the Listing Rules
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	April 15, 2025, being the date on which the Shares are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM
“metastatic”	in reference to any disease, including cancer, disease producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (formerly Appendix 10) to the Listing Rules
“NMPA”	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
“NSCLC”	non-small cell lung cancer
“OC”	ovarian cancer

Definitions and Glossary of Technical Terms

“Offer”	the offer to grant an Award pursuant to the 2025 Share Scheme
“Option(s)”	option(s) to subscribe for or acquire Shares that may be granted by the Company under the 2025 Share Scheme
“Option Award(s)”	award(s) of Option(s) granted pursuant to the 2025 Share Scheme
“Option Share(s)”	any Share(s) underlying any Option
“ORR”	overall objective response rate, the proportion of patients with a complete response or partial response to treatment
“OS”	overall survival
“Osimertinib”	a drug developed by AstraZeneca, a tyrosine kinase inhibitor used to treat EGFR-mutated non-small cell lung cancer
“Participant(s)”	<p>an individual or a corporate entity (as the case may be) under the 2025 Share Scheme, being any of the following:</p> <ul style="list-style-type: none">(i) an Employee Participant; and(ii) a Service Provider, in each case provided that the Board or its Delegate considers, in its sole discretion, have contributed or will contribute to the Group
“PD-L1”	programmed death ligand 1, a protein on the surface of a normal cell or a cancer cell that can attach to programmed cell death protein 1 on the surface of the T-cell that causes the T-cell to turn off its ability to kill the cancer cell
“PFS”	progression free survival
“Pre-IPO Equity Incentive Plan” or the “Plan”	the pre-IPO equity incentive plan adopted by our Company on February 28, 2021 and amended on June 25, 2023
“PROC”	platinum-resistant ovarian cancer

Definitions and Glossary of Technical Terms

“Prospectus”	the prospectus of our Company dated April 7, 2025
“R&D”	research and development
“Relevant Period”	the period commencing from the Listing Date to December 31, 2025
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“rPFS”	radiographic progression free survival
“RSU”	a restricted share unit under the 2025 Share Scheme conferring the Grantee a conditional right upon vesting of the RSU to obtain, as determined by the Board or its Delegate in its absolute discretion, either a Share or an equivalent value in cash with reference to the market value of a Share on or around the vesting date of such RSU as determined by the Board or its Delegate in its absolute discretion, less any tax, fees, levies, stamp duty and other charges applicable
“scheme mandate limit”	has the meaning ascribed to it under the Rule 17.03(3) of the Listing Rules
“SCLC”	small-cell lung cancer
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGO”	Society of Gynecologic Oncology
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.0001 each
“Share Award(s)”	award(s) of RSU(s) granted pursuant to the 2025 Share Scheme
“Share Registrar”	the Hong Kong branch share registrar of the Company from time to time

Definitions and Glossary of Technical Terms

“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“TNBC”	triple-negative BC, any BC that does not express the genes for estrogen receptor (ER), progesterone receptor (PR) and HER2/neu
“TRAE”	treatment-related adverse event, an adverse event that, in the investigator’s opinion, may have been caused by the study medication with reasonable possibility
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“TROP2”	trophoblast cell surface antigen 2
“Trust”	the trust constituted or to be constituted by the Trust Deed
“Trust Deed”	trust deed entered or to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the 2025 Share Scheme
“Trustee”	the trustee or trustee(s) (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the 2025 Share Scheme or any additional or replacement trustee(s)
“U.S. dollar(s)” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

Definitions and Glossary of Technical Terms

“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“VAT”	value-added tax; all amounts are exclusive of VAT in this annual report except where indicated otherwise
“we”, “us” or “our”	our Company or our Group, as the context requires
“%”	per cent

Company Profile

OVERVIEW

Incorporated in 2019, we are a key player in the global antibody-drug conjugate (“**ADC**”) landscape, dedicated to the development of innovative therapeutics in this fast-growing drug modality to treat cancer, autoimmune diseases, and beyond.

We have self-discovered two Core Products, namely trastuzumab pamirtecan (DB-1303/BNT323), a HER2 ADC candidate targeting cancers including endometrial cancer (“**EC**”) and breast cancer (“**BC**”), and DB-1311/BNT324, a B7-H3 ADC candidate targeting cancers including prostate cancer (“**PC**”), small-cell lung cancer (“**SCLC**”), non-small cell lung cancer (“**NSCLC**”), ovarian cancer (“**OC**”), cervical cancer (“**CC**”), melanoma, esophageal squamous cell carcinoma (“**ESCC**”) and head and neck squamous cell carcinoma (“**HNSCC**”). In addition to our Core Products, we have also self-discovered (i) eight other clinical-stage ADCs, with potential in a broad range of indications, each ranking among the most clinically advanced globally in terms of overall or lead indication development progress, and (ii) multiple preclinical ADCs, including one candidate expected to enter into clinical stage in 2026.

Corporate Information

Board of Directors

Executive Directors:

Dr. ZHU Zhongyuan (*Chairman of the Board*)
Mr. ZHANG Shaoren
Ms. SI Wen (resigned on March 23, 2026)
Dr. HUA Haiqing (with effect from March 23, 2026)

Non-executive Directors:

Mr. CAI Zhiyang
Dr. YU Tao

Independent Non-executive Directors:

Mr. XIE Dong
Mr. GAO Fengyong
Ms. CHUAI Shuyin

Audit Committee

Mr. XIE Dong (*Chairman*)
Mr. GAO Fengyong
Ms. CHUAI Shuyin

Remuneration Committee

Ms. CHUAI Shuyin (*Chairwoman*)
Mr. GAO Fengyong
Ms. SI Wen (resigned on March 23, 2026)
Dr. ZHU Zhongyuan (with effect from March 23, 2026)

Nomination Committee

Dr. ZHU Zhongyuan (*Chairman*)
Ms. CHUAI Shuyin
Mr. XIE Dong

Joint Company Secretaries

Ms. YUAN Jiali
Ms. TSANG Wing Man

Authorized Representatives

Dr. ZHU Zhongyuan
Ms. TSANG Wing Man

Corporate Information

**Registered Office
in the Cayman Islands**

Harneys Fiduciary (Cayman) Limited

4th Floor, Harbour Place
103 South Church Street
George Town
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

**Head Office, Registered Offices
and Principal Place of
Business in the PRC**

Unit 301, Building 3, Zone B
Phase III, Biopharmaceutical Industrial Park
No. 99 Jingu Road
Suzhou Industrial Park
Suzhou, Jiangsu Province
the PRC

11th Floor, Building A
No. 868 Yinghua Road
Pudong New Area
Shanghai
the PRC

**Principal Place of Business
in Hong Kong**

40/F
Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

**Legal Advisor as to
Hong Kong Laws**

Kirkland & Ellis

26/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

Auditor

PricewaterhouseCoopers

Certified Public Accountants and Registered Public Interest Entity Auditors

22/F, Prince's Building
Central
Hong Kong

Principal Share Registrar

Harneys Fiduciary (Cayman) Limited

4th Floor, Harbour Place
103 South Church Street
George Town
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Principal Banks

**Industrial and Commercial Bank of China Limited,
Suzhou Industrial Park Branch**

No. 1 Suzhou Avenue West
Suzhou Industrial Park
Suzhou, Jiangsu Province
the PRC

**China Merchants Bank Co., Ltd.
Shanghai Hongqiao Branch**

375 Weining Road
Changning District
Shanghai
the PRC

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited

Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Stock Code

9606

Company Website

www.dualitybiologics.com

Chairman's Statement

Dear Shareholders, Partners, and Dbers,

As time flows and milestones accumulate, our commitment remains steadfast. The year 2025 marked DualityBio's first year as a listed company on the Hong Kong capital market, and a pivotal year as the first step we transitioned from an innovative biotech enterprise toward a global biopharmaceutical leader.

Over the past six years of pioneering progress, starting from a single laboratory with just a team of two, we have forged ahead in the global wave of next-generation ADCs. Rooted in Chinese innovation and driven by our mission to serve patients worldwide, we have built a unique path of globalization, differentiation, and high-quality growth – one solid step at a time.

Over the past year, amid profound shifts in the global biopharmaceutical landscape, we maintained strategic focus and forward-looking vision. We stayed committed to global R&D, global clinical development, and global collaboration, advancing each milestone with steady resolve.

Upholding scientific rigor, we deepened our technology platforms, expanded our product pipeline, accelerated clinical translation, and achieved transformative breakthroughs in drug R&D, global partnerships, and operational execution. We have proven with tangible results that Chinese innovation can lead globally and serve patients worldwide.

We anchored our strategy in global clinical development, achieving breakthroughs across our core product portfolio. To date, DualityBio has enrolled over 3,200 patients in global clinical studies, nearly half from overseas, advancing our vision of "Discover in China, Benefit the World."

We have fully entered the new era of IO 2.0 + ADC. Together with our global partner BioNTech, we are advancing four combination therapies with PD-L1/VEGF across three ADC programs, exploring new frontiers in first-line solid tumor treatment and expanding the boundaries of patient care.

Our core product, DB-1303/BNT323, achieved historic progress: the single-arm trial in endometrial cancer completed full enrollment; the pivotal Phase III study in HER2-positive breast cancer in China met its primary endpoint; and its Biologics License Application (BLA) was accepted by the National Medical Products Administration (NMPA).

These milestones mark that just six years after founding, DualityBio has officially stepped into the commercialization phase, evolving from a research-focused company to a commercialized and global enterprise.

Our pipeline delivered robust progress across multiple assets:

- DB-1310 (HER3 ADC) was granted Fast Track Designation (FTD) by the U.S. FDA;
- DB-1418 (EGFR/HER3 bispecific ADC) advanced into Phase I clinical development in the U.S. through our partner Avenzo;
- DB-2304 (BDCA2 ADC) for autoimmune indications completed single-dose escalation and advanced into multiple-dose escalation;
- DB-1317 (ADAM9 ADC) received clinical approval in Australia.

With these advances, the Company has expanded its clinical-stage pipeline to 10 products, establishing a robust portfolio driven by dual pillars of oncology and autoimmunity. Leveraging our proprietary novel payload technology, we continue to pioneer next-generation innovative therapies, broaden treatment boundaries, and improve patient access.

We embrace open innovation and collaboration to bring Chinese innovation to the global stage. DualityBio's voice has grown increasingly influential at top academic venues including ASCO, AACR, and ESMO.

In global partnerships, we continued to leverage our “DualityBio Flywheel” advantages, successfully closing two major collaborations, with upfront and multiple milestone payments received on schedule – reflecting strong global recognition of our technology and value.

Since listing, the Company has been successfully included in major indices including the Hang Seng Biotech Index, Hang Seng Stock Connect, and MSCI China Small Cap Index. Recognition from the capital market represents trust, and also motivation – driving us to build a world-class enterprise that stands up to global scrutiny with higher standards and long-term vision.

I have always believed that DualityBio's mission extends far beyond building an excellent Chinese pharmaceutical company. We aim to create a truly global biopharma leader – originated in China, recognized worldwide, and shaping the future of the industry.

Guided by our C.E.O. spirit: Connect, Excellence, Ownership, we embed global vision, relentless innovation, and responsible leadership into our DNA. We uphold our ADC = CP² global strategy: rooted in platforms, centered on clinical development, and propelled by our pipeline – to deliver superior and more accessible innovative therapies to patients with cancer and autoimmune diseases worldwide.

Chairman's Statement

The journey ahead indeed is long, and only through perseverance can we reach our destination. With ambition in our hearts, we fear no distance.

Going forward, DualityBio will continue to put patients at the center, driven by innovation, and guided by globalization. Together with our global partners, we will deepen integration into the global healthcare ecosystem, contributing Chinese wisdom, solutions, and quality to human health. We strive to become a next-generation biopharmaceutical leader – originated in China, renowned worldwide, and transforming the industry.

On our first year as a listed company, I would like to thank every shareholder for your trust and company, every partner for your collaboration and support, and every Dber for your dedication and hard work.

Let us move forward side by side, toward a future of boundless possibilities, and one day witness together the Chinese innovation shine across the globe!

Dr. ZHU Zhongyuan

Chairman of the Board, executive Director and chief executive officer

April 26, 2026

Financial Highlights

A summary of the results and of the assets and liabilities of the Group for the last three financial years, as extracted from the audited financial information and financial statements is set out below:

	For the year ended December 31,		
	2025 RMB'000	2024 RMB'000	2023 RMB'000
Revenue	1,851,735	1,941,257	1,786,540
Research and development expenses	(837,770)	(836,726)	(558,997)
Loss for the year	(2,594,827)	(1,050,434)	(357,512)
Adjusted (loss)/profit for the year⁽¹⁾	(388,769)	(177,018)	660,387

	As of December 31,		
	2025 RMB'000	2024 RMB'000	2023 RMB'000
Total Assets	3,892,874	2,090,222	1,499,909
Total Liabilities	1,466,210	4,112,121	2,623,822
Cash and Bank Balances⁽²⁾	3,324,529	1,435,827	1,173,534
Total Equity/(Deficits)	2,426,664	(2,021,899)	(1,123,913)

Notes:

- (1) Calculated by deducting fair value change of financial liabilities at fair value through profit or loss from loss for the year. The fair value change of financial liabilities at fair value through profit or loss arose from our preferred shares issued in connection with previous equity financings prior to the Global Offering. Such fair value changes were recognized up until April 15, 2025, the date of completion of our Global Offering. From this date onward, these preferred shares ceased to exist, and there will be no further profit or loss impact of this nature in subsequent financial periods. For years ended December 31, 2023, 2024 and 2025, the fair value change of financial liabilities at fair value through profit or loss amounted to loss of RMB1,017.9 million, RMB873.4 million and RMB2,206.1 million, respectively.
- (2) Comprises cash and cash equivalents, restricted cash and term deposits with initial term over three months.

Profiles of Directors and Senior Management

EXECUTIVE DIRECTORS

Dr. ZHU Zhongyuan (朱忠遠), aged 55, is our founder, chairman of the Board, executive Director and chief executive officer of our Company. He also holds directorships and managerial positions across our subsidiaries. Dr. ZHU was re-designated as our executive Director on August 12, 2024. He is primarily responsible for strategic vision, corporate management and business planning of our Group.

Dr. ZHU is a sophisticated and resourceful veteran in China's biotech industry with strong scientific and business insights. He brings in over 20 years of experience bridging the realms of biotech entrepreneurship and venture investment. Dr. ZHU has been instrumental in investing in and incubating a number of notable emerging biotech companies, including CStone Pharmaceuticals (2616.HK), RemeGen (9995.HK), Gan & Lee Pharmaceuticals (603087.SH), and BGI Genomics (300676.SH). Throughout his career, Dr. ZHU has focused on value creation, and has established a reputation of driving growth and innovation, navigating market dynamics while managing operational risks. He developed company building acumen at two leading biotech venture investment firms, including 6 Dimensions Capital, where he served as a Partner from 2018 to 2019, and Wuxi Healthcare Ventures, where he also held the position of Partner from 2015 to 2017. Prior to these roles, Dr. ZHU held various senior roles at Mingxin Capital, SIG Asia Investment Fund, Greenwoods Investment and HighLight Capital, from 2008 to 2015.

In addition, Dr. ZHU held multiple non-executive directorships at various portfolio companies, including a non-executive director of Phoenix Healthcare Group Co., Ltd. (currently known as China Resources Medical Holdings Company Limited (1515.HK)), from September 2013 to July 2014, and a non-executive director of CStone Pharmaceuticals (2616.HK), from April 2016 to August 2018. In 2006, he was the senior director at Shanghai Genomics, Inc. (上海睿星基因技術有限公司), which was later acquired by GNI Group Ltd, an integrated multinational biopharma.

Dr. ZHU obtained a bachelor's degree in molecular biology from Nankai University (南開大學) in the PRC in July 1992, a Ph.D. in biomedical science from the University of Massachusetts at Worcester in the United States in June 2001, and an MBA from the University of California at Berkeley in the United States in December 2005. In July 2020, Dr. ZHU was honored with "14th Jinji Lake Leading Scientific Talent of Suzhou Industrial Park" (蘇州工業園區第十四屆金雞湖科技領軍人才) by the Suzhou Industrial Park Administrative Committee (蘇州工業園區管委會).

Profiles of Directors and Senior Management

Mr. ZHANG Shaoren (張韶王), aged 40, is our executive Director and chief financial officer. Mr. ZHANG has been our Director since April 23, 2021, and re-designated as our executive Director on August 12, 2024. He is primarily responsible for the overall financial strategy, corporate finance and capital management of our Group. Mr. ZHANG served as various senior positions within our Group previously, including a director (總監) from May 2020 to July 2021, and an executive director (執行總監) from August 2021 to February 2024 and vice president of finance (財務副總裁) from April 2021 to March 2026.

Mr. ZHANG's extensive financial management, strategic investment, and financing experience spans over 18 years. He honed his expertise during his tenure as manager at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合伙)) from September 2008 to November 2015, with his last position as manager at the audit department where he was primarily responsible for providing audit services to multiple clients. From December 2015 to June 2017, Mr. ZHANG served as the deputy general manager for Shanghai Yikang Medical Laboratory Co., Ltd. (上海億康醫學檢驗所有限公司), a company dedicated to the R&D of single-cell whole genome amplification and sequencing technology for the field of eugenics and early cancer diagnosis, responsible for overseeing financial and operational management. From February 2017 to December 2019, Mr. ZHANG served as the deputy general manager of Shanghai Shihao International Logistics Co., Ltd. (上海世灝國際物流有限公司), a logistics service company and an affiliate of Y.U.D. Yangtze River Investment Industry Co., Ltd. (長發集團長江投資實業股份有限公司), a comprehensive logistics company listed on Shanghai Stock Exchange (stock code: 600119), where he was responsible for the company's overall operations.

Mr. ZHANG obtained a bachelor's degree in international accounting from Shanghai Institute of Foreign Trade (上海對外貿易學院) (currently known as Shanghai University of International Business and Economics (上海對外經貿大學)) in July 2008, and a Finance MBA from China Europe International Business School (中歐國際工商學院) in November 2022, both in the PRC. He was accredited as a non-practicing Certified Public Accountant by Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in December 2015.

Dr. HUA Haiqing (花海清), aged 46, first joined our Group as our vice president and head of drug discovery in July 2021 and was further promoted as senior vice president and head of drug discovery in March 2024. Dr. HUA was further appointed as executive Director on March 23, 2026. He is mainly responsible for the pipeline development strategies, new drug discovery and R&D of our Group.

Profiles of Directors and Senior Management

Dr. HUA's career in the field of drug discovery and development spans for over 15 years. Dr. HUA had his postdoctoral training focusing on stem cell and gene therapy at Columbia University Medical Center from 2009 to January 2014. From January 2014 to February 2018, he served as a principal scientist at the Lilly China Research and Development Co., Ltd. (禮來(中國)研發有限公司), an affiliate of Eli Lilly, a company listed on the New York Stock Exchange (ticker symbol: LLY). From February 2018 to June 2021, Dr. HUA worked for Shanghai Hansoh BioMedical Co., Ltd. (上海翰森生物醫藥科技有限公司), an indirect wholly-owned subsidiary of Hansoh Pharmaceutical Group Company Limited (翰森製藥集團有限公司), whose shares are listed on the Stock Exchange (stock code: 3692).

Dr. HUA obtained a bachelor's degree in biological science from Tsinghua University (清華大學) in the PRC in July 2003, recognized as a doctor of natural sciences by University of Zurich in Switzerland in July 2009. Dr. HUA was elected as a talent in Jiangsu Province High-Level Creative Talent Strategic Plan (江蘇省高層次創新創業人才引進計劃) in July 2019.

NON-EXECUTIVE DIRECTORS

Mr. CAI Zhiyang (蔡志洋), aged 44, has been appointed as a Director on July 22, 2024 and re-designated as our non-executive Director on August 12, 2024. He is mainly responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group.

For more than 14 years, Mr. CAI has been focusing on the private equity and M&A practices, spearheading investment sourcing, management, consulting and execution. He is the partner of Suzhou Qingtan Private Fund Management Partnership (Limited Partnership) (蘇州青檀私募基金管理合夥企業(有限合夥)), since January 2023. From April 2012 to July 2016, he served at Fountain Investment Consulting (Shanghai) Co., Ltd. (方源投資顧問(上海)有限公司) with his last position as the vice president of investment, primarily responsible for the evaluation and post-investment management of investment projects. Subsequently, from March 2017 to December 2022, he was a partner at Suzhou Kington Capital Co., Ltd. (蘇州翼樸股權投資基金管理有限公司).

Mr. CAI obtained a bachelor's degree in economics from Fudan University (復旦大學) in the PRC in July 2004 and an MBA from the Wharton School of the University of Pennsylvania in the United States in May 2009.

Dr. YU Tao (余濤), aged 40, has been our Director since April 23, 2021 and re-designated as our non-executive Director on August 12, 2024. He is mainly responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group.

Profiles of Directors and Senior Management

Dr. YU has over ten years professional experience in investment management, with a specialized focus on the biotechnology sector for over eight years. He has been serving as managing director at Lilly Asia Ventures, a biomedical venture capital firm focused on healthcare investment, since February 2025, where he started in March 2018 and served as executive director before February 2025. Dr. YU's early career, from July 2015 to February 2018, was with McKinsey & Company, where he served as an engagement manager as his last position.

Dr. YU obtained a bachelor's degree in biological science from Peking University (北京大學) in the PRC in July 2008 and a Ph.D. in biomedical engineering from Johns Hopkins University in the United States in May 2015.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. XIE Dong (謝東), aged 45, has been appointed as an independent non-executive Director on April 15, 2025. He is mainly responsible for providing independent advice and judgment to our Board.

Mr. XIE has nearly 19 years of professional experience in sectors of financial management, auditing, investment and financing, and capital markets. He has served as the (i) chief financial officer, director and senior vice president of Qimengdao Group Limited, a Chinese leading IP trendy toy operator listed on the Nasdaq (ticker symbol: HERE), since January 2021, June 2022 and October 2025, respectively; (ii) independent non-executive director of China BlueChemical Ltd. (中海石油化學股份有限公司), a state-owned chemical fertilizer producer and leading methanol producer listed on the Stock Exchange (stock code: 3983), since May 2021; and (iii) an independent non-executive director of Wuhan Dazhong Dental Medical Co., Ltd. (武漢大眾口腔醫療股份有限公司), a joint stock company listed on the Stock Exchange (stock code: 2651), since October 2025.

Prior to the above positions, from October 2006 to October 2007, Mr. XIE worked as a staff accountant of the auditing department of Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)). From April 2010 to September 2010, he was appointed as vice president of CCB International (China) Limited (建銀國際(中國)有限公司). From October 2010 to August 2014, he served as associate director at Deloitte China. From September 2014 to December 2018, he served as the chief financial officer and company secretary of FinUp Finance Technology Group (Holding) Limited. From January 2019 to March 2020, he served as the director and chief financial officer of Renmai Technology Group (Holding) Limited (任買科技集團(控股)有限公司).

Mr. XIE obtained a bachelor's degree in economics and a master's degree in world economics from Nankai University in June 2003 and June 2006, respectively. He is a holder of Chinese Institute of Certified Public Accountants (CICPA), Certified Internal Auditor (CIA), Certified Tax Agent (CTA) and Chinese Legal Professional Qualification.

Profiles of Directors and Senior Management

Mr. GAO Fengyong (高鳳勇), aged 56, has been appointed as an independent non-executive Director on April 15, 2025. He is mainly responsible for providing independent advice and judgment to our Board.

Since the nineties, Mr. GAO has been engaged in investment and financing activities. Concurrently outside our Group, Mr. GAO is (i) the founder and director of Shanghai Leading Investment Management Co., Ltd. (上海力鼎投資管理有限公司) since July 2007, (ii) the founder, partner and chairman of the board of Shanghai Blue Ocean Capital Co., Ltd. (上海灤海投資管理有限公司) since September 2012, and (iii) a supervisor of Wuhan Guide Technology Co., Ltd. (武漢港迪技術股份有限公司), a company specializing in development, production and sales in industrial automation, since January 2022. In his early career, Mr. GAO worked at Southern Securities Co., Ltd. (南方證券有限公司), engaged in underwriting and sponsorship activities, and Bridge Trust Co., Ltd. (百瑞信託有限責任公司), an affiliate of SPIC Industry-Finance Holdings Co., Ltd. (國家電投集團產融控股股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000958), with his last position being vice president.

Mr. GAO has been holding and held directorships or supervisory roles in the following listed companies:

- a director of Henan BCCY Environmental Energy Co., Ltd (河南百川暢銀環保能源股份有限公司), an environmentally-focused technology enterprise listed on Shenzhen Stock Exchange (stock code: 300614), since January 2016;
- an independent director of CNFinance Holdings Limited, a leading home equity loan service provider listed on both the New York Stock Exchange (ticker symbol: CNF), since November 2018;
- an independent director of Nanjing Xinjiekou Department Store Co., Ltd. (南京新街口百貨商店股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 600682), since December 2019;
- a supervisor of Shaanxi Construction Machinery Co., Ltd. (陝西建設機械股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 600984), from October 2015 to November 2017;
- an independent director of China Haisum Engineering Co., Ltd. (中國海誠工程科技股份有限公司), a comprehensive engineering service company listed on Shenzhen Stock Exchange (stock code: 002116), from August 2016 to May 2023; and
- an independent director of Great Wall Movie and Television Co., Ltd. (長城影視股份有限公司), a company previously listed on Shenzhen Stock Exchange (stock code: 002071) and delisted in May 2021, from February 2017 to April 2020.

Mr. GAO obtained both his bachelor's degree and master's degree in finance from Nankai University in July 1992 and January 2002, respectively.

Profiles of Directors and Senior Management

Ms. CHUAI Shuyin (揣姝茵), aged 49, has been appointed as an independent non-executive Director on April 15, 2025. She is mainly responsible for providing independent advice and judgment to our Board.

Ms. CHUAI is the founder of Shanghai Meishen Enterprise Management Consulting Co., Ltd. (上海美深企業管理諮詢有限公司), also known as Mission Consulting (使命諮詢), acting as its executive director. From January 2007 to May 2008, she was employed by the Shanghai branch of Zhirui Enterprise Consulting (Shenzhen) Co., Ltd. (智睿企業諮詢(深圳)有限公司) (currently known as Zhirui Zhuocai Enterprise Consulting (Shanghai) Co., Ltd. (智睿卓才企業諮詢(上海)有限公司)). From May 2008 to December 2008, she was recruited by Hewitt Consulting (Shanghai) Co., Ltd. (currently known as Aon Enterprise Services (Shanghai) Co., Ltd. (怡安企業服務(上海)有限公司)). From March 2009 to April 2010, she worked for Shanghai Maizhi Enterprise Management Consulting Office (上海邁智企業管理諮詢事務所). Later from December 2011 to March 2020, she was employed by McKinsey & Consulting Company Inc., Shanghai (麥肯錫(上海)諮詢有限公司).

Ms. CHUAI obtained a bachelor's degree in Korean language and culture and a master's degree in Asian and African languages and literatures from Peking University in July 1998 and June 2001, respectively. She also obtained a master's degree in art and in human resources and industrial relations from the University of Illinois at Urbana-Champaign in the United States in May 2003 and December 2004, respectively. She is now the honorary president of the Shanghai Alumni Chapter of the University of Illinois Urbana-Champaign and director of Peking University Shanghai Alumni Association.

Except as otherwise disclosed in this annual report, none of our Directors held a position of director in any other listed companies during the three years prior to the date of this annual report, and no other information relating to our Directors is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and no other matters are required to be brought to the attention of our Shareholders.

SENIOR MANAGEMENT

Dr. ZHU Zhongyuan (朱忠遠), aged 55, is our chief executive officer. For his biography, see “—Executive Directors—Dr. ZHU Zhongyuan” in this section.

Mr. ZHANG Shaoren (張韶王), aged 40, is our chief financial officer. For his biography, see “—Executive Directors—Mr. ZHANG Shaoren” in this section.

Dr. HUA Haiqing (花海清), aged 46, is our senior vice president and head of drug discovery. For his biography, see “—Executive Directors—Dr. HUA Haiqing” in this section.

Ms. SI Wen (司文), aged 46, is the executive director (執行總監) of human resources of the Company. Ms. SI first joined our Group as director of human resources in October 2020. She has been our Director since April 23, 2021 and was re-designated as our executive Director on August 12, 2024. Ms. SI resigned from her position as executive Director with effect from March 23, 2026. Ms. SI is primarily responsible for the management of human resources affairs of our Group.

Profiles of Directors and Senior Management

Ms. SI's career demonstrates a consistent dedication to human resources expertise. With over 24 years of industry experience spanning diverse sectors, including, among others, pharmacology, chemicals, and healthcare, she has established herself as a human resources trailblazer. Ms. SI began her career honing her operational expertise at Kentucky Fried Chicken (Guangdong) Co., Ltd. (廣東肯德基有限公司) (currently known as Yum! Restaurants (Guangdong) Co., Ltd. (百勝餐飲(廣東)有限公司)), an affiliate of Yum China Holdings, Inc. (百勝中國控股有限公司), a restaurant company listed on both the Stock Exchange (stock code: 9987) and the New York Stock Exchange (ticker symbol: YUMC), from January 2002 to November 2002.

Prior to joining our Group, Ms. SI served as various positions in several companies, including but not limited to:

- at Wrigley Confectionery (China) Limited (箭牌糖果(中國)有限公司) (currently known as Mars Wrigley Confectionery (China) Limited (瑪氏箭牌糖果(中國)有限公司)), from December 2002 to April 2006;
- at the China-based subsidiaries of Novartis AG, a medicines company listed on both the New York Stock Exchange (ticker symbol: NVS) and the SIX Swiss Exchange (ticker symbol: NOVN), from January 2009 to November 2011;
- at Tecan (Shanghai) Trading Co., Ltd. (帝肯(上海)貿易有限公司) (currently known as Tecan (Shanghai) Laboratory Equipment Co., Ltd. (帝肯(上海)實驗器材有限公司)), an associate of Tecan Group AG, a healthcare company listed on the SIX Swiss Exchange (ticker symbol: TECN), from December 2011 to November 2013, and from August 2014 to December 2018, respectively, being, among others, its director of human resources;
- at Dow Chemical (China) Investment Company Limited (陶氏化學(中國)投資有限公司), an associate of Dow Inc., a global materials science company listed on the New York Stock Exchange (ticker symbol: DOW), from November 2013 to August 2014; and
- at Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. (上海復星醫藥產業發展有限公司), a wholly-owned subsidiary Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司), a pharmaceutical manufacturing company listed on both the Stock Exchange (stock code: 2196) and Shanghai Stock Exchange (stock code: 600196), from December 2018 to October 2020, being its senior director of human resources.

Ms. SI obtained a bachelor's degree in economics from Southwest University of Science and Technology (西南科技大學) in the PRC in June 2001, and a postgraduate diploma in managerial psychology from the Institute for China Business, School of Professional and Continuing Education of the University of Hong Kong in November 2023.

Profiles of Directors and Senior Management

Dr. QIU Yang (邱楊), aged 53, first joined our Group as senior vice president of translational medicine in July 2021 and was then promoted to our chief scientific officer in March 2022. Dr. QIU is also the general manager of Duality U.S. She is mainly responsible for directing the R&D, providing scientific insights and leadership, and progressing key assets of our Group.

Dr. QIU brings over 20 years of global leadership experience in the biopharmaceutical industry, with a demonstrated track record of success in drug discovery, translational medicine and early clinical development. Prior to joining our Group, from March 2004 to December 2015, Dr. QIU worked at the China-based subsidiaries of GlaxoSmithKline plc., a global healthcare company listed on both the London Stock Exchange (stock code: GSK) and the New York Stock Exchange (ticker symbol: GSK), with her last position being a director, leading the progress of early drug discovery. From April 2016 to May 2019, Dr. QIU joined Johnson & Johnson (China) Investment Ltd. (強生(中國)投資有限公司), a subsidiary of Johnson & Johnson, whose shares are listed on the New York Stock Exchange (ticker symbol: JNJ). During her tenure, she worked at the division Janssen (China) Research & Development Center (楊森(中國)研發中心) as its director of biomarker research, where she was responsible for the design and delivery of multiple biomarker studies in clinical development programs of the company's oncology portfolio. From May 2019 to July 2021, Dr. QIU served at a pharmaceutical company Daiichi Sankyo Inc., an affiliate of Daiichi Sankyo Company, Limited, which is listed on Tokyo Stock Exchange (stock code: 4568), where she was responsible for the development of global translational medicine and early development strategy for ADC programs.

Dr. QIU obtained a master's degree and a Ph.D. from University of Texas at Austin in the United States in December 1994 and December 1997, respectively.

Dr. MU Hua (牟驊), aged 62, is our global chief medical officer. He is mainly responsible for leading global clinical development team and developing clinical development strategies of our Group.

Dr. MU is a seasoned biotechnology executive and drug developer with decades of global experience in pharmaceutical research, translational medicine and clinical development. He assumed leadership roles across multinational corporations, biopharmaceutical enterprises and investment firm, including, among others, (i) the director of medical research at Biogen Idec, a biotechnology company listed on NASDAQ (ticker symbol: BIIB), from May 2006 to April 2008; (ii) the medical director at Genentech, Inc. from May 2008 to April 2010; (iii) successively the senior vice president, clinical research and regulatory affairs and the chief medical officer and executive vice president at Hutchison MediPharma (Shanghai) Co., Ltd. (和記黃埔醫藥(上海)有限公司), a subsidiary of Hutchison China MediTech Limited, a company listed on the NASDAQ (ticker symbol: HCM), from May 2010 to January 2014; (iv) the senior vice president of product and business development at the group of WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司), a company listed on both the Stock Exchange (stock code: 2359) and Shanghai Stock Exchange (stock code: 603259), from February 2014 to July 2016; (v) the chief medical officer at the group of Simcere Pharmaceutical Group Limited (先聲藥業集團有限公司), a company listed on the Stock Exchange (stock code: 2096), from August 2016 to January

Profiles of Directors and Senior Management

2020; (vi) the venture partner at Hillhouse Bioventure from February 2020 to April 2021; (vii) the interim chief executive officer and chief medical officer at Overland Pharmaceuticals (瓴路藥業) from December 2020 till his departure to next voyage; and (viii) the chief executive officer, interim chief medical officer and China head at Zenas BioPharma Inc., a company listed on the NASDAQ (ticker symbol: ZBIO), from April 2021 to December 2023.

Dr. MU obtained a bachelor's degree of medicine from Sichuan Medical College (四川醫學院) (currently known as West China Hospital, Sichuan University (四川大學華西醫院)) in the PRC in April 1985, and a master's degree in medicine from West China University of Medical Sciences (華西醫科大學) (currently known as The West China Medical Center, Sichuan University (四川大學華西醫學中心)) in the PRC in July 1987. He further obtained a Ph.D. in epidemiology from the University of California at Berkeley in the U.S. in December 1995.

Mr. WANG Xin (王昕), aged 54, our Chartered Financial Analyst, first joined our Group as our senior vice president of strategy and business development and was further promoted as chief business officer in March 2025. He is mainly responsible for the business development, external cooperation and licensing strategies of our Group.

Mr. WANG brings nearly 20 years of experience in healthcare research and banking, accumulating from his tenure successively as an assistant scientist II, scientist I and then associate scientist at Schering-Plough Research Institute from October 1997 to December 2001. Mr. WANG joined the equity research team of Thomas Weisel Partners LLC as an associate in January 2003 and then joined UBS Securities LLC in May 2004 as an associate research analyst in equities. In March 2007, Mr. WANG joined Mizuho Bank, Ltd. as a vice president, primarily responsible for researching and analyzing industries including healthcare, pharmaceuticals and biotechnology, and held positions including director, senior vice president with his last position as executive director when his journey with Mizuho Bank, Ltd. came to a close in September 2021.

Mr. WANG obtained a bachelor's degree in microbiology from Nankai University in the PRC in July 1994, a master's degree in biochemistry from University of British Columbia in Canada in November 1996, and an MBA in finance and marketing from New York University in the United States in January 2003. In September 2023, he received the Community Service Excellence Award at the 2023 Sino-American Pharmaceutical Professionals Association Annual Conference.

Profiles of Directors and Senior Management

Mr. YU Xin (于鑫), aged 43, first joined our Group as head of regulatory affairs in August 2021 and was also appointed as our vice president in September 2022. He is mainly responsible for overseeing regulatory affairs and product registration operations of our Group.

Mr. YU is a seasoned biotechnology professional with nearly 21 years' experience in pharmaceutical industry. In August 2004, he began his career at the Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心), where he obtained a pharmacist qualification in September 2006. Mr. YU's career further expanded through his senior roles in several pharmaceutical companies, with the focus staying at drug regulatory affairs and novel drug development, including (i) an officer at Shanghai Roche Pharmaceutical Co., Ltd. (上海羅氏製藥有限公司) from October 2006 to December 2007, responsible for imported drugs registration in the PRC, (ii) the director of R&D center as his last position at Beijing Fresenius Kabi Pharmaceutical Co., Ltd. (北京費森尤斯卡比醫藥有限公司), a company mainly engaged in R&D and production in the fields of infusion, blood transfusion, clinical nutrition, pharmaceuticals and medical device, from July 2009 to November 2016, managing the drug registration affairs and the center's development, and (iii) a vice president at Alpha Biopharma (Jiangsu) Co., Ltd. (江蘇晨泰醫藥科技有限公司), a drug innovation specializer, from December 2017 to July 2021, responsible for the R&D management and registration of innovative drugs R&D.

Mr. YU obtained a bachelor's degree in pharmaceutical engineering, and a master's degree in pharmacy (pharmaceutical administration) from Shenyang Pharmaceutical University (沈陽藥科大學) in the PRC.

Dr. SHI Rong (施榕), aged 44, is our vice president of development science. She is mainly responsible for leading team of clinical pharmacologists and bioanalysis of our Group.

Dr. SHI brings approximately 14 years of experience in global clinical research. From February 2012 to January 2018, Dr. SHI served as a clinical pharmacologist of oncology at E.R. Squibb & Sons LLC, a subsidiary of Bristol-Myers Squibb Company, Dr. SHI joined Genentech Inc., a biotechnology company and subsidiary of Roche Holding AG, and Daiichi Sankyo Inc. in January 2018 and February 2020, respectively.

Dr. SHI obtained a bachelor's degree in pharmaceutical engineering from Zhejiang University of Technology (浙江工業大學) in the PRC in June 2004, a master's degree of science in chemistry from Missouri University of Science and Technology in the United States in December 2006, and a Ph.D. from University of Florida in the United States in May 2011. Dr. SHI was a participant in the research participation program at the Center for Drug Evaluation and Research of FDA from May 2011 to January 2012.

Ms. ZHOU Lan (周嵐), aged 55, is our vice president of commercial strategy. She is mainly responsible for the product commercialization strategy and government relationship of our Group.

Profiles of Directors and Senior Management

Ms. ZHOU brings nearly 20 years of experience in the healthcare and biotechnology sectors. From August 2007 to December 2011, she worked for Shanghai branch of Eisai China Inc. (衛材(中國)藥業有限公司), which is indirectly wholly owned by Eisai Co., Ltd., a Japanese pharmaceutical company listed on the Tokyo Stock Exchange (stock code: 4523). From January 2012 to May 2018, she worked for Shanghai Roche Pharmaceuticals Limited (上海羅氏製藥有限公司). From May 2018 to October 2020, she worked for Innovent Biologics Technology Co., Ltd. (信達生物科技股份有限公司), an indirect wholly-owned subsidiary of Innovent Biologics, Inc. (信達生物製藥), a biopharmaceutical company listed on the Stock Exchange (stock code: 1801). Subsequently from November 2020 to November 2023, Ms. ZHOU worked within the group of I-Mab, a company listed on the Nasdaq (ticker symbol: IMAB) with her last position as vice president of operations.

Ms. ZHOU obtained an MBA from University of Leicester in the United Kingdom in July 2001 and an EMBA from Washington University in St. Louis in the United States in July 2020.

Save as disclosed above, none of our Directors and senior management held any directorship in any public companies, the shares of which are listed in the Stock Exchange or overseas stock markets during the three years prior to the date of this annual report.

To the best of the Board's knowledge, information and belief, save as disclosed in the annual report, our Directors and senior management do not have any relationship amongst them.

JOINT COMPANY SECRETARIES

Ms. YUAN Jiali (袁佳麗), aged 39, is our head of legal and compliance and has been appointed as one of the joint company secretaries of our Company on April 15, 2025.

Ms. YUAN has nearly 17 years of experience in legal services. Prior to joining our Group, from September 2022 to July 2023, she served as the head of legal in Taizhou EOC Jing'ang Pharmaceutical Co., Ltd. (泰州億騰景昂藥業股份有限公司). From November 2017 to August 2022, she was employed within the group of Fosun International Limited (復星國際有限公司), whose shares are listed on the Stock Exchange (stock code: 656), and Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司), a company listed on both the Stock Exchange (stock code: 2196) and Shanghai Stock Exchange (stock code: 600196), successively serving as legal director, senior legal director, legal executive director and general manager assistant. From April 2011 to May 2017, Ms. YUAN served as an attorney in Beijing Dentons (Shanghai) Law Office (北京大成(上海)律師事務所), focusing on domestic and outbound investment, financing, merger and acquisitions, and commercial dispute resolution. From August 2009 to February 2011, she worked in Rolmax Law Offices.

Profiles of Directors and Senior Management

Ms. YUAN obtained a bachelor's degree in international economics law from Shanghai Institute of Foreign Trade (上海對外貿易學院) (currently known as Shanghai University of International Business and Economics (上海對外經貿大學)) in June 2009, and a master's degree in public policy from the University of Tokyo in Japan in June 2017.

Ms. TSANG Wing Man (曾穎雯) was appointed as one of the joint company secretaries of our Company with effect from August 12, 2024. Ms. TSANG holds a bachelor's degree in business administration from City University of Hong Kong. She currently serves as a manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 10 years of experience in company secretarial matters. She is an associate member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes to the information of the Directors since the date of the Company's latest published interim report are set out below.

With effect from March 23, 2026, Ms. SI Wen resigned as an executive Director and ceased to be a member of the Remuneration Committee due to personal career development reasons. Dr. HUA Haiqing has been appointed as an executive Director. Mr. ZHANG Shaoren has been appointed as the chief financial officer of the Company, and Dr. ZHU Zhongyuan has been appointed as a member of the Remuneration Committee.

Save as disclosed above, there are no other changes to the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Management Discussion and Analysis

BUSINESS REVIEW

Overview

Incorporated in 2019, we are a key player in the global ADC landscape, dedicated to the development of innovative therapeutics in this fast-growing drug modality to treat cancer, autoimmune diseases, and beyond.

Since our inception, we have focused primarily on the independent discovery and development of ADC assets. We have assembled a highly experienced team of experts in all facets of ADC drug development. Leveraging our experienced R&D team, insights into ADC design, and strong execution capabilities, we have established four cutting-edge ADC technology platforms to push the boundaries of ADC treatment and a pipeline of 13 internally discovered ADC candidates covering a diverse range of indications.

PRODUCT PIPELINE

We have self-discovered two Core Products, namely trastuzumab pamirtecan (DB-1303/BNT323), a HER2 ADC candidate targeting cancers including EC and BC, and DB-1311/BNT324, a B7-H3 ADC candidate targeting cancers including PC, SCLC, NSCLC, OC, CC, melanoma, ESCC and HNSCC. In addition to our Core Products, we have also self-discovered (i) eight other clinical-stage ADCs, with potential in a broad range of indications, each ranking among the most clinically advanced globally in terms of overall or lead indication development progress, and (ii) multiple preclinical ADCs, including one candidate expected to enter into clinical stage in 2026.

Program	Target	Indications (Lines of Treatment)	Mono/Combo	Preclinical / IND-Enabling	Phase 1	Phase 1/2a Phase 2	Phase 3	NCT Number	Expected Milestones: Year	Commercial Rights	Partners
DTAC - Leading TOP1/ADC Platform											
★ DB-1493 /BNT1326	HER2	HER2-expressing EC (2L+)	Mono	Global (Single-arm, Potential Registration Study)	✓			NCT05160691	Est. BLA submission: 2026	Mainland China, Hong Kong, Macau	BIONTECH
		HR+/HER2-low BC (chemo naive)	Mono	Global (Phase 3 Confirmatory Trial)				NCT06340568	Est. trial completion: 2029		
		HER2+ BC (2L+)	Mono	Global				NCT06018337	Est. top-line results: 2028		
		Advanced BC: HR+, HER2+, HER2-low, HER2-high or HER2-neg	Mono	China				NCT06285428	Est. BLA submission: 2026		
★ DB-1311 /BNT1324	B7-H3	mCRPC (1L)	Mono / + NHT	Global (Planned Phase 3 Trial)				NCT07365995	Est. trial completion: 2031	Mainland China, Hong Kong, Macau, cost & profit / loss share and co-promote	BIONTECH
		Prostate Cancer	Mono	Global				NCT05914116	Est. trial completion: 2027		
		ESCC	Mono	Global				NCT06892548	Est. trial completion: 2027		
		SCLC	+ anti-PDL1 x VEGF-A*	Global				NCT06892548	Est. trial completion: 2027		
★ DB-1310	HER3	NSCLC	+ anti-PDL1 x VEGF-A*	Global				NCT06892548	Est. trial completion: 2027	Global	
		Others (HNSCC, HCC, PROCa, CC, melanoma, etc.)	Mono / + Osimertinib	Global				NCT06892548	Est. trial completion: 2027		
		EGFRn NSCLC	Mono / + Tisotumumab	Global				NCT06892548	Est. trial completion: 2027		
		HR+ HER2- BC	Mono	Global				NCT06892548	Est. trial completion: 2027		
★ DB-1495 /BNT1325	TROP2	HER2+ BC (post-Ehertu)	Mono	Global				NCT05785741	Est. trial completion: 2027	Global	
		Other Solid Tumors	Mono	Global				NCT05785741	Est. trial completion: 2027		
		OC (2L+)	Mono	Global				NCT05785741	Est. trial completion: 2027		
		Solid Tumors (TNBC, NSCLC, OC, CC, etc.)	Mono	Global				NCT05785741	Est. trial completion: 2027		
★ DB-1329 /BG-59074	B7-H4	Solid Tumors (TNBC, NSCLC, OC, CC, etc.)	+ anti-PD-L1 x VEGF-A*	Global				NCT05438329	Est. trial completion: 2026	Mainland China, Hong Kong, Macau	BIONTECH
		Solid Tumors	Mono	Global				NCT06233942	Est. trial completion: 2027		
		Solid Tumors	Mono / + Tisotumumab	Global				NCT06233942	Est. trial completion: 2027		
		Solid Tumors	Mono	Global				NCT06233942	Est. IND submission: 2026		
★ DB-1419	B7-H3 x PD-L1	Solid Tumors	Mono	Global				NCT07141706	Est. trial completion: 2028	Global	BeOne
		Solid Tumors	Mono	Global				NCT07141706	Est. trial completion: 2028		
★ DB-1421	EGFR x MUC1	Solid Tumors	Mono	Global				NCT07263594	Est. trial completion: 2028	Mainland China, Hong Kong, Macau	GSK
		Solid Tumors	Mono	Global				NCT07263594	Est. trial completion: 2028		
DUPAC - Leading Bispecific ADC Platform											
★ DB-1418 /AVZO-1418	HER3 x EGFR	Solid Tumors	Mono	Global				NCT07038343	Est. trial completion: 2030	China	AVENZO
		Solid Tumors	Mono	Global				NCT06554795	Est. trial completion: 2027		
		Solid Tumors	Mono	Global				NCT06554795	Est. trial completion: 2027		
		Solid Tumors	Mono	Global				NCT06554795	Est. IND submission: 2027		
★ DB-1328*	TA-MUC1	Solid Tumors	Mono	Global				/	Est. IND submission: 2027	Global	
		Solid Tumors	Mono	Global				/	Est. IND submission: 2027		
★ DB-2304	BDC2A2	SLE, CLE	Mono	Global				NCT06625671	Est. trial completion: 2026	Global	
		SLE, CLE	Mono	Global				NCT06625671	Est. trial completion: 2026		

Notes: (1) Based on the Company's current forecasts. Estimated trial completion year refers to the primary completion (estimated) as disclosed in clinicaltrials.gov; (2) DB-1326 is a novel dual-payload TMA-MUC1 ADC; (3) Punitumab (BNT327/BMS985845) is an investigational bispecific immunomodulator being jointly developed by BionTech and Bristol Myers Squibb.

DualityBio

Abbreviations:

Mono = Monotherapy, Combo = Combination Therapy, IND= Investigational New Drug, NCT = National Clinical Trial, ADC = Antibody-drug Conjugate, HER2 = Human Epidermal Growth Factor Receptor 2, HER2-expressing = HER2 Status of Tumor Cells Identified with a Test Score of IHC 1+ or Above, EC = Endometrial Cancer, HR+ = Hormone Receptor Positive, HER2-low=HER2 Status of Tumor Cells Identified with a Test Score of IHC 1+ or IHC 2+/ISH-, BC = Breast Cancer, Chemo = Chemotherapy, HER2+ = HER2 Status of Tumor Cells Identified with a Test Score of Either IHC 3+ or IHC 2+/ISH+, OC = Ovarian Cancer, CRC = Colorectal Cancer, SCLC = Small Cell Lung Cancer, NSCLC = Non-small Cell Lung Cancer, HER3 = Human Epidermal Growth Factor Receptor 3, EGFRn = EGFR Mutant, TKI = Tyrosine Kinase Inhibitor, CRPC = Castration-resistant Prostate Cancer, HNSCC = Head and Neck Squamous Cell Carcinoma, BTC = Biliary Tract Cancer, TROP2= Human Trophoblast Cell-surface Antigen 2, CC = Cervical Cancer, TNBC = Triple-negative Breast Cancer, PD-L1 = PD-1 Ligand 1, VEGF = Vascular Endothelial Growth Factor, bsAb = Bispecific Antibody, EGFR = Epidermal Growth Factor Receptor, BDC2A2 = Blood Dendritic Cell Antigen 2, MOA = Mechanism of Action, SLE = Systemic Lupus Erythematosus, CLE = Cutaneous Lupus Erythematosus

FDA Breakthrough Therapy Designation
 FDA Fast Track Designation
 NMPA Breakthrough Therapy Designation
 FDA Orphan Drug Designation
 Primary Endpoint(s) Achieved

Management Discussion and Analysis

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR CORE PRODUCTS, OR ANY OF OUR DRUG CANDIDATES.

Our Core Products

Trastuzumab Pamirtecan (DB-1303/BNT323)

Trastuzumab pamirtecan (DB-1303/BNT323) is a clinical-stage HER2 ADC candidate that is being evaluated in two ongoing registrational trials (one global trial and one in China) and one potentially registrational cohort in a global Phase 1/2 clinical trial. Trastuzumab pamirtecan is designed with a stable, cleavable linker and proprietary topoisomerase-based payload that aims to lower off-target toxicity and enhance anti-tumor activity, including bystander killing effects. These features may enable trastuzumab pamirtecan to potentially serve as a new therapeutic option for patients with advanced/unresectable, recurrent, or metastatic HER2-expressing solid tumors, including patients with both high and low expression levels of HER2.

Trastuzumab pamirtecan has obtained Fast Track and Breakthrough Therapy Designations from the FDA and Breakthrough Therapy Designation from the NMPA for the treatment of advanced EC in patients who progressed on or after treatment with immune checkpoint inhibitors, demonstrating trastuzumab pamirtecan's potential to treat advanced EC patients who currently have low survival rates and an unmet medical need for new and more effective treatments. Moreover, trastuzumab pamirtecan's responses have been observed in a range of tumors, including BC, OC, CRC and esophageal cancer, and are supported by clinical data from patients across the U.S., China, Australia and other countries.

To advance trastuzumab pamirtecan, we have formed a global strategic partnership with BioNTech to accelerate its development and maximize its global value:

BC

- A randomized, multi-site, open-label, pivotal global Phase 3 clinical trial (DYNASTY-Breast02; NCT06018337) is being conducted to evaluate trastuzumab pamirtecan compared with the investigator's choice of chemotherapy in advanced or metastatic HR+, HER2-low breast cancer. The primary endpoint is PFS. In February 2026, this trial completed enrollment.

Based on current event accrual projections, we and our partner BioNTech expect interim data from this trial in 2026.

- A Phase 3 registrational trial (NCT06265428) is being conducted in China for trastuzumab pamirtecan versus T-DM1 in patients with HER2+ unresectable and/or metastatic BC previously treated with trastuzumab and taxane.

As of September 5, 2025, the IDMC has reviewed the trial's interim data and confirmed that this Phase 3 trial has achieved the primary endpoint of PFS as evaluated by BICR relative to the T-DM1 control arm.

In April 2026, the BLA for trastuzumab pamirtecan in this indication has been accepted for review by the CDE of the NMPA.

- A global Phase 1/2 clinical trial (NCT06827236) is being conducted to evaluate trastuzumab pamirtecan in combination with pumitamig (PD-L1xVEGF bsAb) in patients with HR+ or HR-, HER2-low, ultralow, or null advanced metastatic breast cancer or TNBC. In May 2025, the first patient was dosed in this trial. We and BioNTech expect data from this trial in 2026.

EC

- A global, multi-cohort Phase 1/2a clinical trial (NCT05150691) is being conducted to evaluate trastuzumab pamirtecan in patients with advanced/unresectable, recurrent, or metastatic HER2-expressing solid tumors.

In April 2026, in an oral session at the 2026 SGO Annual Meeting, BioNTech announced positive results from the primary analysis of a Phase 2 cohort evaluating trastuzumab pamirtecan in patients with HER2-expressing, advanced endometrial cancer whose disease progressed on or after first-line chemotherapy with or without prior checkpoint inhibitor treatment. This cohort is part of the global Phase 1/2a clinical trial. The data demonstrated clinically meaningful efficacy and a manageable safety profile for trastuzumab pamirtecan monotherapy across all HER2 immunohistochemistry ("IHC") expression levels (IHC3+, 2+, 1+). Outcomes were consistent among patients regardless of prior checkpoint inhibitor treatment.

BioNTech and Duality plan to file a BLA in 2026, subject to regulatory feedback from the FDA.

- A global Phase 3 trial (NCT06340568) is being conducted by BioNTech to evaluate trastuzumab pamirtecan compared to investigator's choice of chemotherapy in previously treated patients with HER2-expressing, recurrent endometrial cancer. The trial aims to enroll approximately 480 patients. The primary endpoints are PFS and ORR.

Management Discussion and Analysis

TRASTUZUMAB PAMIRTECAN (DB-1303/BNT323) MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

DB-1311/BNT324

DB-1311/BNT324 is a clinical-stage B7-H3 ADC candidate under global development. B7-H3 is a prominent member of the B7 family that plays a critical role in promoting tumor progression and metastasis. DB-1311/BNT324 is designed to harness the potential of B7-H3 as a therapeutic target, leveraging its widespread overexpression in a broad range of tumor types, including PC, SCLC, NSCLC, OC, CC, melanoma, ESCC and HNSCC. Notably, DB-1311/BNT324 demonstrates strong selectivity by targeting a specific isoform predominantly found on B7-H3-overexpressing tumor cells, which, combined with its potent payload, stable linker-payload and fragment crystallizable region silenced (“**Fc-silenced**”) mAb, is designed to translate into a favorable safety profile and a wide therapeutic window.

In 2024, the FDA granted DB-1311/BNT324 Fast Track Designation for the treatment of patients with advanced/unresectable, or metastatic CRPC and Orphan Drug Designations for the treatment of ESCC and SCLC. In collaboration with BioNTech, we are pursuing a comprehensive clinical development plan to unlock the full potential of DB-1311/BNT324:

PC

- An open-label, global Phase 1/2 clinical trial (NCT05914116) is being conducted to evaluate DB-1311/BNT324 in patients with advanced solid tumors.

In June 2025, in an oral session at the ASCO Annual Meeting, data from this trial were presented. As of March 4, 2025, the data cut-off date, 73 heavily pretreated mCRPC patients were enrolled. DB-1311/BNT324 achieved a uORR of 42.3%, a cORR of 30.8%, a DCR of 90.4% (n=52), and a 6-month rPFS rate of 67.7% (n=68). DB-1311/BNT324 demonstrated a manageable safety profile in the CRPC population (n=73), with Grade ≥ 3 TRAEs occurring in 42.5% of patients.

In February 2026, at the ASCO GU Cancers Symposium, updated data from this trial were presented. As of December 29, 2025, the data cutoff date, 146 patients with heavily pretreated mCRPC were enrolled, with a median of 4 prior lines of therapy. DB-1311 demonstrated a median rPFS of 11.3 months and a median OS of 22.5 months. In patients with no prior exposure to Lu-177, the median rPFS reached 13.6 months.

Among 52 patients who had previously received Lu-177, median number of prior lines was 5, 87% had received prior taxane-based therapy, with 40% having received both docetaxel and cabazitaxel. Outcomes were comparable to the overall population, with a median rPFS of 11.3 months and median OS not yet reached (n=45 evaluable).

Safety findings were consistent with prior reports, with nausea and hematologic events as the most common adverse events, mainly Grade 1-2. Among 110 patients treated with the 6 mg/kg regimen, 22 patients (20.0%) experienced Grade 3 TRAEs. The discontinuation rate due to TRAEs was 6 (5.5%), with no treatment-related deaths reported.

Building on this encouraging clinical activity, a global open-label, randomized Phase 3 clinical trial (NCT07365995) to evaluate DB-1311/BNT324 compared to docetaxel in patients with taxane-naïve mCRPC, is planned to start in 2026. The primary endpoints are PFS and OS.

Other Solid Tumors

- In this same global Phase 1/2 clinical trial (NCT05914116), DB-1311/BNT324 is being investigated in multiple solid tumors besides PC, including SCLC, NSCLC, HNSCC, HCC, OC, CC, and melanoma, with encouraging preliminary data presented in an oral session at 2024 ESMO Asia Congress.

In December 2025, in an oral session at the ESMO Asia Congress, data from this trial in patients with previously treated cervical cancer or PROC were presented. As of September 5, 2025, being the data cut-off, DB-1311/BNT324 demonstrated a uORR of 43.3%, a cORR of 33.3%, a DCR of 86.7%, and a 7.0-month mPFS in cervical cancer (n=30), and a cORR of 58.3%, a DCR of 75.0%, and an 8.2-month mPFS in PROC (n=12). The safety profile was manageable, primarily involving Grade 1-2 nausea and hematological events, with a low (4.7%) discontinuation rate and no treatment-related deaths.

In April 2026, in a rapid oral session at the 2026 SGO Annual Meeting, updated data from this trial were presented. At a data cut-off of December 29, 2025, DB-1311/BNT324 demonstrated a uORR of 42.4%, a DCR of 81.8%, and a 7.0-month mPFS in 2L/3L cervical cancer (n=33), and a uORR of 53.3%, a DCR of 83.3%, and a 9.5-month mPFS in PROC (n=30). The safety profile remained consistent with no new signals observed in the larger total cohort of 74 patients. Both the treatment-related discontinuation rate (2.7%) and the incidence of ILD remained low, supporting the favorable benefit-risk profile of DB-1311/BNT324 in gynecologic cancers.

- We, together with BioNTech, are actively exploring DB-1311/BNT324's combination potential to expand into earlier treatment lines in various solid tumors.

A global Phase 1/2 clinical trial (NCT06892548) is being conducted to evaluate DB-1311/BNT324 in combination with pumitamid in patients with advanced lung cancers. In May 2025, the first patient was dosed in this trial. We and BioNTech expect data from this trial in 2026.

A global Phase 2 clinical trial (NCT06953089) is being conducted to evaluate DB-1311/BNT324 in combination with pumitamid or with TROP2 ADC candidate DB-1305/BNT325 in patients with advanced solid tumors. In July 2025, the first patient was dosed in this trial. We and BioNTech expect data from this trial in 2026.

Management Discussion and Analysis

A global Phase 1 clinical trial (NCT05142189) is being conducted to evaluate DB-1311/BNT324 in combination with BNT116 (mRNA-based lung cancer vaccine) in patients with advanced NSCLC. In May 2025, the first patient was dosed in this trial.

DB-1311/BNT324 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Our Key Products

DB-1310

DB-1310 is one of the world's most clinically advanced HER3 ADC candidates. HER3 – along with EGFR and HER2 – is a key driver of tumor survival, yet has remained underexplored due to two decades of drug development challenges around signaling inhibition and pathway escape. Leveraging deep in-house expertise in HER3 biology (dimerization patterns, cross-talk with EGFR/HER2, and resistance mechanisms), we designed DB-1310 with enhanced internalization to deliver payloads directly into HER3-expressing cancer cells – enabling targeted tumor killing.

We believe HER3 ADCs offer broad patient coverage and potential to overcome resistance to standard of care. Our clinical strategy is therefore focused on selected high-potential indications to maximize commercial impact:

NSCLC

- A global Phase 1/2 clinical trial (NCT05785741) is being conducted to evaluate DB-1310 in patients with advanced solid tumors who have progressed on or after standard therapies.

In June 2025, in an oral session at the ASCO Annual Meeting, data from this trial were presented. As of April 11, 2025, the data cut-off date, DB-1310 demonstrated a manageable safety profile across the 1.5 mg/kg to 6.5 mg/kg dose range (n=172). Grade ≥ 3 TRAEs occurred in 36% of patients, with a low treatment-related discontinuation rate of 3.5%. Among 46 efficacy-evaluable patients with EGFRm NSCLC who received at least one dose of DB-1310 and had at least one post-baseline assessment, the uORR was 43.5%, cORR was 28.3%, and the DCR was 91.3%. Median PFS was 7.03 months, and the median OS was 18.89 months. At 5 mg/kg (n=16), the cORR was 37.5%, and the DCR was 87.5%; mPFS was 8.28 months, and mOS was not reached.

- Building on the preliminary efficacy observed as a late-line monotherapy in EGFRm NSCLC, DB-1310 is also being investigated in combination with osimertinib in patients with EGFRm NSCLC.
- In July 2025, DB-1310 received Fast Track Designation from the FDA for the treatment of adult patients with advanced, unresectable or metastatic non-squamous NSCLC with an EGFR exon 19 deletion or L858R mutation with disease progression on or after treatment with a third generation EGFR TKI and platinum-based chemotherapy.

BC

- In this same global Phase 1/2 clinical trial (NCT05785741), DB-1310 is also being investigated in patients with breast cancer. In December 2025, at the SABCS, data in patients with pretreated HR+/HER2 – breast cancer was presented. DB-1310 achieved a uORR of 55.6%, a cORR of 50.0% and a confirmed DCR of 94.4% in patients receiving DB-1310 at the doses of 5.0-5.5 mg/kg (n=18). The safety profile was manageable, primarily Grade 1-2 hematologic and gastrointestinal events, with a low discontinuation rate due to TRAEs (4.5%) and no new safety signals.
- Building on DB-1310's preliminary efficacy observed in late-line breast cancer, DB-1310 is also being investigated in combination with trastuzumab in HER2+ breast cancer in post-Topo1i ADC setting.
- In December 2025, DB-1310 received Fast Track Designation from the FDA for the treatment of adult patients with advanced/unresectable or metastatic HR-positive/HER2-negative (IHC 0, IHC 1+ or IHC 2+/ISH-) breast cancer who have received prior endocrine-based therapy, CDK4/6 inhibitor, with or without chemotherapy for unresectable or metastatic disease, or developed disease recurrence during or within 6 months of completing adjuvant chemotherapy.

DB – 1310 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

DB-1305/BNT325

DB-1305/BNT325 is a TROP2 ADC candidate with a global development strategy. TROP2, a validated and highly expressed ADC target across a wide spectrum of cancers, plays a pivotal role in tumor progression. In January 2024, DB-1305/BNT325 was granted Fast Track Designation by the FDA for patients with platinum-resistant epithelial ovarian, fallopian tube, or primary peritoneal cancer.

In collaboration with BioNTech, we are advancing DB-1305/BNT325's global clinical development:

- A non-randomized, open-label, multiple-dose, global Phase 1/2 clinical trial (NCT05438329) is being conducted to evaluate DB-1305/BNT325 in patients with advanced solid tumors.

In March 2025, at the Society of Gynecologic Oncology Annual Meeting, data from this trial was presented. As of December 15, 2024, DB-1305/BNT325 showed a manageable safety profile and early signs of anti-tumor activity in patients with advanced ovarian cancer, with a uORR of 41.4%, cORR of 32.8%, a DCR of 82.8%, a mDOR of 7.3 months, and a mPFS of 7.4 months across several dose levels (n=58).

In October 2025, at the ESMO Congress, data from this trial in patients with pretreated TNBC were presented. DB-1305/BNT325 achieved a cORR of 34.6%, a DCR of 80.8%, and a mPFS of 5.55 months in heavily pretreated patients with TNBC (n=26). The safety profile was generally well-tolerated, with stomatitis (69.2%) being the most common TRAE, and only one patient (3.8%) discontinued treatment due to a TRAE.

Management Discussion and Analysis

- As part of this clinical trial, DB-1305/BNT325 is being studied in combination with pumitamidg in various solid tumor indications.

In April 2025, the first clinical data evaluating the combination of pumitamidg and DB-1305/BNT325 were presented at the AACR Annual Meeting. The interim data (n=67) showed the combination therapy's (i) manageable safety profile, with low incidence of overlapping toxicities and a 4.5% discontinuation rate due to TRAEs, and (ii) early signs of anti-tumor activity in a cohort with patients with PROC: among evaluable patients (n=13), seven achieved partial response and three had stable disease. Responses were also observed in patients with NSCLC or TNBC.

We and BioNTech expect data from the Phase 2 part of this trial in patients with TNBC in 2026.

DB-1305/BNT325 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

DB-2304

DB-2304 is an innovative BDCA2 ADC candidate for SLE and cutaneous lupus erythematosus (“**CLE**”), being one of the most advanced BDCA2 ADCs in terms of development progress. DB-2304 offers a selective therapeutic approach specifically targeting the upstream signaling pathways of SLE/CLE pathogenesis, differentiating it from existing lupus treatments that often have broader effects on the immune system. We believe DB-2304 holds promise to substantially improve upon the standard of care for SLE and CLE, such as glucocorticoids and immunosuppressants, and represents a major step in the innovation of autoimmune ADCs.

- In November 2025, at the AIC, data from a global Phase 1/2a clinical trial (NCT06625671) was presented. DB-2304 was well-tolerated in healthy volunteers, showed approximately linear PK, and effectively engaged its target, confirming its pharmacologic mechanism.

DB-2304, total antibody, and payload P2025 exposures increased approximately dose-proportionally from 3-20 mg/kg, consistent with typical ADC linear PK. DB-2304 was generally well-tolerated. All four reported TRAE were Grade 1; no drug-related serious adverse events were observed. Mechanism-related safety findings included only transient decreases in circulating plasmacytoid dendritic cells, consistent with functional inhibition rather than cell depletion.

- In November 2025, the first patient was dosed in the Phase 2a portion of this trial. This randomized, double-blind trial is designed to evaluate the safety, tolerability, PK/PD, and preliminary clinical activity of DB-2304 in SLE patients.

DB-1418/AVZO-1418

DB-1418/AVZO-1418 is a novel EGFRxHER3 BsADC with differentiated molecule design. We entered into a collaboration and license agreement with Avenzo which was publicly announced in January 2025, pursuant to which we granted Avenzo an exclusive license to develop, manufacture and commercialize DB-1418/AVZO-1418 globally excluding Greater China.

- In April 2025, at the AACR Annual Meeting, preclinical data were presented and highlighted DB-1418/AVZO-1418's novel design and additive binding affinity in EGFR and HER3 co-expressing tumor cells. In addition, DB-1418/AVZO-1418 demonstrated efficacy in in vivo xenograft models across multiple tumor types, including in an EGFR TKI-resistant NSCLC model.
- In July 2025, our partner Avenzo announced that the first patient was dosed in the Phase 1 portion of a global Phase 1/2 trial evaluating DB-1418/AVZO-1418 in patients with advanced solid tumors.
- In November 2025, Avenzo announced DB-1418/AVZO-1418 received Fast Track designation from the FDA for the treatment of patients with unresectable, locally advanced, or metastatic NSCLC with an EGFR exon 19 deletion or exon 21 L858R mutation, whose disease has progressed on or after therapy with an EGFR TKI.

DB-1419

DB-1419 is an innovative B7-H3xPD-L1 BsADC candidate with a DNA topoisomerase I inhibitor payload, being the only B7-H3xPD-L1 BsADC currently under clinical development globally. The simultaneous action of delivering the toxin to tumor cell and modulate T cell activation provides potential synergistic anti-tumor effect. Combining payload mediated cytotoxicity with antibody mediated immunotherapy activity, DB-1419 provides an innovative approach for cancer treatment.

- A global Phase 1/2a trial (NCT06554795) is being conducted in patients with advanced/metastatic solid tumors and currently enrolling patients. In April 2025, at the AACR Annual Meeting, the study design for this trial was presented.

DB-1317

DB-1317 is a next-generation ADAM9 ADC developed based on DITAC platform. The target, ADAM9, is highly expressed in various gastrointestinal cancers, such as gastric, colorectal, and pancreatic cancers, while showing low expression in normal tissues. Preclinical data have demonstrated that DB-1317 exhibits significant and potent anti-tumor activity in multiple gastrointestinal cancer models, indicating broad clinical translational potential.

- A global Phase 1a/1b clinical trial (NCT07141706) is being conducted to evaluate DB-1317 in patients with selected advanced/metastatic solid tumors and currently enrolling patients.

Management Discussion and Analysis

DB-1324

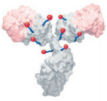
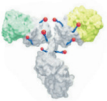

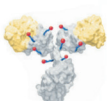
DB-1324 is a next-generation CDH17 ADC developed based on DITAC platform. In 2024, DualityBio entered into an exclusive ex-China option and license agreement with GSK for DB-1324.

- In December 2025, DB-1324 received IND clearance from the FDA. A global Phase 1/2, open-label, first-in-human trial (NCT07263594) is being conducted to assess the safety, tolerability, PK, and preliminary antitumor activity of DB-1324 in patients with advanced/metastatic gastrointestinal tumors and currently enrolling patients.

DB-2304, DB-1418/AVZO-1418, DB-1419, DB-1317 AND DB-1324 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Our In-House Developed ADC Platform

Leveraging our experienced R&D team, insights into ADC design, and strong execution capabilities, we have established four cutting-edge ADC technology platforms: DITAC, DIBAC, DIMAC, and DUPAC, to push the boundaries of ADC treatment. Our technology platforms serve as the foundation for continuous and sustained innovation and value creation, whose value and versatility have been validated by our pipeline assets and recognized by global multinational corporation partners.

 <p>DITAC Duality Immune Toxin Antibody Conjugate 7 clinical assets 1 preclinical asset</p>	<ul style="list-style-type: none">▪ Topoisomerase-based ADC platform▪ Higher therapeutic window▪ Good tolerability profile demonstrated in 3,200+ patients
 <p>DIBAC Duality Innovative Bispecific Antibody Conjugate 2 clinical assets 1 preclinical asset</p>	<ul style="list-style-type: none">▪ Enhanced tumor selectivity and payload delivery▪ Function synergy and pathway cross-talk▪ Potential best-in-class and frontline therapy
 <p>DIMAC Duality Immune Modulating Antibody Conjugate 1 clinical asset</p>	<ul style="list-style-type: none">▪ First-in-class ADC platform for autoimmune diseases▪ "Smart steroid" targeted delivery of steroid with limited exposure to normal tissue▪ Superior to traditional antibody therapy in efficacy
 <p>DUPAC Duality Unique Payload Antibody Conjugate 3 payloads 1 preclinical asset</p>	<ul style="list-style-type: none">▪ Potential to overcome resistance to Dxd (TOP1i)▪ Targeting hard-to-treat tumor types▪ Potential to reshape the ADC treatment paradigm

- *Duality Immune Toxin Antibody Conjugate (DITAC)*, our proprietary topoisomerase inhibitor-based ADC platform, is validated by the global clinical data from over 3,200 patients across the U.S., China, Europe, Australia and other major markets. Compared to non-topoisomerase ADCs, Topoisomerase-based ADCs have demonstrated a wide therapeutic window which potentially translates into improved efficacy and safety in the clinical setting. This platform is developed by screening and optimizing a library of proprietary ADC components, including our proprietary payloads P1003 and P1021, through meaningful technological improvements. As such, DITAC provides critical flexibility to design our ADCs with improved systemic stability, tumor-specific payload release, bystander-killing effects, and rapid payload clearance.
- *Duality Innovative Bispecific Antibody Conjugate (DIBAC)*, one of the few BsADC platforms in the world, is leading a new wave of ADC innovation. BsADCs can potentially offer improved efficacy over traditional monospecific ADCs and their combination therapies, by incorporating two distinct binding moieties in a single therapeutic entity. While promising, the complexity of BsADCs introduces new challenges in antibody engineering, stability and manufacturing, setting a high entry barrier. Our innovative DIBAC platform features our understanding of disease and target biology, rich experience in bispecific antibody engineering, and artificial intelligence-enabled target selection and antibody design.
- *Duality Immune-Modulating Antibody Conjugate (DIMAC)*, supported by our proprietary immune-modulating payload, holds the potential to open the ADC modality to a significant white-space market in autoimmune and other therapeutic areas. DIMAC is one of the very few ADC platforms in the world that targets major autoimmune diseases. Many patients with chronic autoimmune diseases, such as SLE and CLE, are currently treated with therapies that often lead to severe side effects. Long term use of glucocorticoids, for example, are commonly associated with increased risks of bone fractures, weight gain, diabetes, immune system suppression, and other chronic conditions. We believe ADCs can reshape the treatment paradigm of autoimmune diseases by offering a targeted treatment with low systemic exposure, enhanced efficacy and reduced side effects. Molecules designed under our DIMAC platform have demonstrated potent and broad anti-inflammatory activity, long duration of action, sustained stability, and low systemic exposure in preclinical studies.
- *Duality Unique Payload Antibody Conjugate (DUPAC)* reflects our foresight into the future landscape of ADC innovation. DUPAC is one of the few ADC platforms globally dedicated to the development of linker payload complexes with novel mechanisms of action, beyond traditional cytotoxic agents, to combat growing drug resistance and hard-to-treat tumors. Notably, DUPAC has shown the potential to overcome resistance to Dxd and other topoisomerase-based inhibitors. We have made promising progress in a number of unique payload mechanisms and have obtained prototypes with broad-spectrum anti-tumor activity across multiple solid tumors, and potent direct and bystander killing effects in preclinical studies. We presented the preclinical data derived from the DUPAC platform at the 2025 AACR Annual Meeting and 2025 ENA.

Management Discussion and Analysis

Collaboration and Licensing Arrangements

In line with our global strategy, we have established an array of strategic partnerships to accelerate the development of our pipeline across key global markets, expand our global clinical development capabilities, and fuel our future innovation and long-term growth. We have entered into multiple out-licensing and collaboration deals with leading industry players worldwide to date, including BioNTech (for trastuzumab pamirtecans (DB-1303), DB-1311 and DB-1305), BeOne (for DB-1312), Adcendo (for ADC assets using our proprietary payload linkers), GSK (for DB-1324), and Avenzo (for DB-1418), with over US\$6.0 billion in total deal value.

Strategic Partnership with BioNTech

BioNTech is a global leader in next-generation immunotherapy, pioneering innovative treatments for cancer, infectious diseases, and other serious conditions. Our partnership with BioNTech is driven by a shared strategy to develop innovative therapies that could potentially complement or replace chemotherapy, addressing the needs of cancer patients across the entire disease continuum.

We have entered into three licensing and collaboration agreements with BioNTech, each of which relates to one of our in-house discovered ADC assets, namely trastuzumab pamirtecans (DB-1303), DB-1311 and DB-1305. Under each agreement, (i) we granted to BioNTech an exclusive, royalty-bearing and sublicensable license under certain patents and know-how owned or otherwise controlled by us to develop, manufacture, commercialize or otherwise exploit the respective licensed compounds and licensed products for all uses worldwide except mainland China, Hong Kong and Macau; and (ii) we retain the full rights to develop, manufacture, commercialize or otherwise exploit the respective licensed compounds and licensed products in mainland China, Hong Kong and Macau. For DB-1311, BioNTech granted us an exclusive option to share the development and commercialization costs and profits and losses from the exploitation of the first DB-1311 product in the United States, in accordance with the terms set out in the agreement. As of the date of this annual report, we have not exercised this cost & profit/loss sharing option and retain the right to do so in the future.

Together with BioNTech, we are actively exploring the therapeutic potential of trastuzumab pamirtecans (DB-1303), DB-1311 and DB-1305 through a comprehensive global clinical development plan.

Collaboration with BeOne

BeOne is a global oncology company that is discovering and developing innovative treatments that are more affordable and accessible to cancer patients worldwide. We have granted to BeOne a global license to develop and commercialize DB-1312, our in-house discovered B7-H4-targeted ADC. This agreement enables BeOne to advance DB-1312 globally, leveraging our industry-leading research capabilities and BeOne's end-to-end ADC manufacturing expertise to create a synergistic approach to drug development. As of the date of this annual report, BeOne is advancing continued monotherapy dose escalation for DB-1312's Phase 1 trial.

Collaboration with Adcendo

Adcendo was founded in 2017 as a spin-out from The University of Copenhagen and Rigshospitalet, dedicated to the development of breakthrough ADCs. Our strategic partnership with Adcendo was established in 2022, which reflects the mutual recognition of each party's unique strengths in ADC discovery and development. This collaboration enables Adcendo to utilize our proprietary DITAC platform in the advancement of their novel programs, including uPARAP-directed ADCs. On November 4, 2024, Adcendo entered into a new license agreement with us to develop ADC products directed to an additional target using our proprietary DITAC platform, with terms similar to the existing agreement with Adcendo.

Collaboration with GSK

In December 2024, we entered into an exclusive option agreement with GSK for DB-1324, a preclinical ADC asset developed with our DITAC platform. Pursuant to the agreement, we agreed to grant GSK an exclusive option to obtain a license to develop and commercialize DB-1324 worldwide, excluding Mainland China, Hong Kong, and Macau. GSK paid US\$30 million in upfront payment and has agreed to pay additional pre-option milestone payments. If GSK exercises the option, we are eligible to receive an option exercise fee as well as potential development, regulatory and commercial milestone payments, plus tiered royalties on DB-1324's global net sales outside Mainland China, Hong Kong, and Macau. GSK is eligible to receive potential royalties on DB-1324's net sales in Mainland China, Hong Kong, and Macau. As of the date of this annual report, GSK has not exercised the option.

Collaboration with Avenzo

In January 2025, we announced that we entered into a collaboration and license agreement with Avenzo, a clinical-stage biotechnology company developing next-generation oncology therapies, pursuant to which we granted Avenzo an exclusive license to develop, manufacture and commercialize DB-1418, our EGFR/HER3 BsADC, globally excluding Greater China.

Intellectual Properties

We are committed to the development and protection of our intellectual properties. Our future success depends significantly on our ability to obtain and maintain strong patent coverage, as well as our ability to secure other forms of intellectual property and proprietary rights protection, including protection of key technologies, inventions, and trade secrets that are important to our drug pipeline and technology platform. Equally important is our capacity to defend and enforce these patents, preserve the confidentiality of our trade secrets, and ensure our freedom to operate without infringing upon, misappropriating, or otherwise violating the valid and enforceable intellectual property rights held by third parties.

We have a global portfolio of patents to protect our drug candidates and technologies. As of the end of the Reporting Period, we owned 15 patents, including 4 issued patents in China, 7 issued patents in the U.S., 4 issued patents in other jurisdictions, as well as 180 patent applications, including 31 in China, 13 in Europe, 16 in the U.S. (154 under the Patent Cooperation Treaty (PCT), and 26 in other jurisdictions).

Management Discussion and Analysis

Research and Development

We conduct R&D activities primarily through our in-house R&D team. We also engage contract research organization (“**CROs**”) from time to time to support our preclinical research and clinical trials. In addition, we have established strategic partnerships in relation to our pipeline assets and R&D programs, details of which are set out in the section headed “Business – Our Collaboration and Licensing Arrangements.” of the Prospectus.

We have built an in-house R&D team that represent the leaders and experts of ADC development. Our R&D team is led by Dr. QIU Yang, our chief scientific officer, Dr. MU Hua, our global chief medical officer, and Dr. HUA Haiqing, our senior vice president and head of drug discovery, each of whom have extensive prior experience in ADC research and a demonstrated track record contributing to the advancement of this innovative drug modality. Our core R&D team members are led by our seasoned senior management team and strategically placed to be responsible for different aspects of drug discovery and development, all of which contribute to the success of a drug program.

We have also built strong relationships with renowned industry experts. Regularly, we engage our scientific advisory board of distinguished scientists to advise on our research strategy and clinical development plan. Our scientific advisory board is led by Dr. Antoine Yver and Dr. Pasi A. Jänne, two leading minds in ADC drug development in the world. In addition to our in-house R&D activities, we also collaborate with reputable CROs to manage, conduct, and support our preclinical research and clinical trials. When selecting CRO partners, we consider a range of factors such as their professional qualifications, relevant research experience, service quality and efficiency, industry reputation, and pricing competitiveness.

Our costs and expenses in relation to R&D activities, which represented our cost of revenue and research and development expenses, were the largest component of our cost structure. In 2025 and 2024, our costs and expenses in relation to R&D activities were RMB2,100.4 million and RMB1,993.3 million, respectively. Our costs and expenses in relation to R&D activities increased as we rapidly advanced multiple ADC programs in or towards the clinic, including our initiation of various clinical trials. In 2025 and 2024, costs and expenses in relation to R&D activities incurred for our Core Products were RMB1,168.3 million and RMB1,275.3 million, respectively, accounting for 55.6% and 64.0% of our total costs and expenses in relation to R&D activities for the corresponding periods.

Manufacturing

To date, our manufacturing activities are conducted through contract development and manufacturing organizations (“**CDMOs**”) to support our drug development. We currently outsource our manufacturing activities to industry recognized CDMOs. We intend to continue this practice in the near term and at the initial stage of commercialization, as we believe it is cost-effective and efficient to engage CDMOs for manufacturing activities and enables us to focus on, and allocate our resources to, the discovery and clinical development of our ADC candidates. We plan to continue to work together with our industry-leading CDMO partners to optimize our manufacturing process, technologies, and know-how to enhance product quality, improve cost efficiency, and shorten the time from bench to bedside. In line with our commitment to sustainable development, we also collaborate with our CDMO partners to uphold high ESG standards, promoting environmental responsibility and business ethics across the value chain.

We enter into long-term master service agreements and/or commercialization agreements with our CDMO partners and place specific orders as our R&D activities progress. When selecting CDMOs we take into account a number of factors, including manufacturing capacity, qualifications, geographic, track record, adherence to applicable regulations and standards, as well as compatibility with our R&D priorities. We establish robust quality assurance system and conduct quality assurance audit programs to monitor and evaluate the services of our CDMOs.

Commercialization

As of the date of this annual report, we had not obtained marketing approval for any drug candidates, nor had we generated any revenue from product sales. As we anticipate the commercialization of our late-stage ADCs in the coming years, we plan to maximize the value of our drug candidates by optimizing our commercial model. This includes developing internal commercialization capabilities and/or collaborating with third parties such as distributors, contract sales organizations (“**CSOs**”), and licensing partners. Our commercialization strategy may integrate licensing, collaborative sales, and direct sales, etc., to flexibly adapt to diverse market environments and maximize product value and market coverage.

We have built a professional and efficient core commercial team to support the launch of trastuzumab pamirtecán (DB-1303/BNT323) in China. This team covers key commercialization functional areas including market access, marketing, post-marketing medical support, channel operations management, and partnership alliance management, and is committed to developing and strengthening core commercialization capabilities including market access, distribution network development, and brand strategy planning across the Greater China region to lay a solid foundation for successful product launch and market promotion. This team will be responsible for developing the commercialization and launch strategy for trastuzumab pamirtecán in Mainland China, Hong Kong, and Macau (“**Territory**”).

Management Discussion and Analysis

In January 2025, we entered into a collaboration agreement with 3SBIO Inc. (HKEX: 1530, “**3SBIO**”), leveraging its professional CSO capabilities to advance launch preparations for trastuzumab pamirtecan, ensuring rapid and targeted access to key markets and customer segments. In the Territory, 3SBIO will also provide related commercialization services – including market access, medical affairs, and channel management – to support the product’s commercial activities.

Significant Investments, Material Acquisitions and Disposals

The Group did not make or hold any significant investments on a standalone basis as of December 31, 2025 (including any investment in an investee company with a value of 5% or more of the Group’s total assets as of December 31, 2025). The Group 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

Save as disclosed above and further explained in section headed “Use of Proceeds from the Global Offering” below, the Group had no future plans for material investments or capital assets as of the date of this annual report.

Important Events after the Reporting Period

On April 13, 2026, the Board has approved the issuance of ordinary shares to be listed and traded in RMB (the “**RMB Share Issue**”), on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**Sci-Tech Board**”) which is conditional upon and subject to, among other things, market conditions, further approval of the shareholders at a general meeting of the Company and the necessary regulatory approval(s). For further details, please refer to the Company’s announcement dated April 13, 2026 and the circular dated April 14, 2026 published on the Stock Exchange’s website. As of the date of this annual report, the Company has not submitted any application to the relevant regulatory authorities for the proposed issuance, and the specific plan is subject to subsequent updates and reports in accordance with applicable laws and regulations.

Save as disclosed above, no other significant events affecting the Group have occurred between the end of the Reporting Period and the date of this annual report.

Future Development

Looking ahead, we will continue to focus on the discovery and development of innovative ADC therapies for patients with cancer and autoimmune diseases. Our key priorities are to advance the late-stage development and launch preparation of our Core Products, further mature our broader clinical pipeline, continue to develop our proprietary ADC technology platforms, and maintain disciplined capital and operational management.



Management Discussion and Analysis

For our Core Products, we will work to support the ongoing regulatory review of trastuzumab pamirtecan (DB-1303/BNT323) in China following the NMPA's acceptance of the BLA for HER2-positive metastatic breast cancer, and to prepare for a potential launch thereafter. Together with BioNTech, we will continue to advance the global clinical development of trastuzumab pamirtecan across breast cancer and endometrial cancer indications. For DB-1311/BNT324, we will continue its global clinical development across B7-H3-expressing solid tumors, including castration-resistant prostate cancer, and explore its combination potential with other agents.

For our broader pipeline, we plan to continue advancing our Key Products and other clinical-stage ADC candidates, and to progress additional preclinical candidates toward clinical development in due course. In parallel, we will continue to invest in our four proprietary ADC technology platforms — DITAC, DIBAC, DIMAC and DUPAC — to support the sustained generation of differentiated drug candidates across oncology and autoimmune indications.

We will continue to build out our commercial capabilities in China, in coordination with our commercialization services partner, in preparation for the potential launch of trastuzumab pamirtecan. We will also continue to outsource manufacturing activities to established CDMO partners in the near term, while applying disciplined prioritization of R&D investment across our portfolio.

As a newly listed company, we remain committed to deploying the net proceeds from our Global Offering in accordance with the use of proceeds disclosed in the Prospectus, and to maintaining sound financial and operational discipline. We will continue to work closely with our shareholders, partners and employees in pursuing our mission of bringing innovative ADC therapies to patients globally.

Management Discussion and Analysis

FINANCIAL REVIEW

Overview

We recorded total revenue of RMB1,851.7 million for the year ended December 31, 2025 (2024: RMB1,941.3 million) and recorded total cost of revenue of RMB1,262.6 million for the corresponding period (2024: RMB1,156.6 million). The R&D expenses of our Group amounted to RMB837.8 million in 2025, as compared with RMB836.7 million in 2024. The administrative expenses amounted to RMB214.6 million for the year ended December 31, 2025 as compared with RMB158.7 million for the year ended December 31, 2024. In 2025, our Group recorded other income of RMB8.3 million, as compared with RMB7.3 million for the year ended December 31, 2024. We recorded other losses, net of RMB31.9 million for the year ended December 31, 2025, as compared to other gains, net of RMB14.4 million for the year ended December 31, 2024. We recorded finance income of RMB99.3 million for the year ended December 31, 2025 as compared with RMB48.1 million for the year ended December 31, 2024. Finance cost amounted to RMB1.2 million for the year ended December 31, 2025 as compared with RMB0.3 million for the year ended December 31, 2024. The fair value change of financial liabilities at fair value through profit or loss of our Group amounted to loss of RMB2,206.1 million for the year ended December 31, 2025, as compared with loss of RMB873.4 million for the year ended December 31, 2024.

Revenue

For the year ended December 31, 2025, we recorded revenue of RMB1,851.7 million, representing a decrease of 4.6% compared to RMB1,941.3 million for the year ended December 31, 2024, which was primarily attributable to the decrease of revenue from milestone as certain milestone is delayed to be received next year.

Our Group mainly generated revenue from out-license and collaboration agreements, including income in relation to upfront payments, milestone payments, and reimbursement for R&D activities we undertake for our out-licensed candidates.

During the Reporting Period, the Group's revenue by nature categories was as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue from the license and collaboration agreements	1,849,132	1,937,049
Others	2,603	4,208
Total	1,851,735	1,941,257

Cost of Revenue

Our cost of revenue primarily related to the R&D activities we conducted in accordance with our out-license and collaboration agreements. The costs were either incurred by us internally, or by third parties to whom we were obligated to make payments.

During the Reporting Period, our cost of revenue increased by 9.2% from RMB1,156.6 million for the year ended December 31, 2024, to RMB1,262.6 million for the year ended December 31, 2025, primarily due to the further clinical development of our collaboration projects.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 24.9% from RMB784.7 million for the year ended December 31, 2024 to RMB589.1 million for the year ended December 31, 2025, and the gross profit margin decreased by 8.6 percentage points from 40.4% for the year ended December 31, 2024 to 31.8% for the year ended December 31, 2025, primarily due to the higher proportion of reimbursement in this year's revenue.

R&D Expenses

Our Group's research and development expenses primarily consisted of (i) technical service expenses, primarily representing CRO and CDMO service fees, (ii) staff costs, including wages, bonus, social insurance and other welfare, as well as share incentive expenses in relation to Pre-IPO Equity Incentive Plan for our R&D personnel, (iii) depreciation of property, plant and equipment and right-of-use assets, (iv) asset impairment loss, representing impairment provision in relation to an in-licensed antibody, and (v) others, including expenses for warehouse, logistics, insurance and miscellaneous items.

Our research and development expenses increased by 0.1% from RMB836.7 million for the year ended December 31, 2024 to RMB837.8 million for the year ended December 31, 2025, primarily attributable to (i) the increase in staff costs attributable to the expansion of our research and development personnel, including salaries, social security contributions and bonuses, partially offset by the decrease in share-based compensation expense recognized in 2025 over the vesting period of the share incentive plan; (ii) a slight increase in technical service expenses as more clinical trials were conducted; and (iii) no asset impairment loss was recognized in 2025. The following table sets forth the breakdown of our research and development expenses for the years indicated.

Management Discussion and Analysis

	Years ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Technical service expenses	605,384	72.3	598,112	71.5
Staff costs	211,454	25.2	203,422	24.3
Depreciation of property, plant and equipment and right-of-use assets	6,721	0.8	4,365	0.5
Asset impairment loss	—	—	21,350	2.6
Others	14,211	1.7	9,477	1.1
Total	837,770	100.0	836,726	100.0

Administrative Expenses

Our Group's administrative expenses primarily consisted of (i) staff costs, including wages, bonus, social insurance and other welfare, as well as share incentive expenses in relation to Pre-IPO Equity Incentive Plan for our administrative personnel, (ii) professional services expenses, primarily in relation to our equity financing and business collaboration activities, (iii) listing expenses, (iv) depreciation of property, plant and equipment and right-of-use assets, and (v) office, traveling and other expenses.

Our administrative expenses increased by 35.2% from RMB158.7 million for the year ended December 31, 2024 to RMB214.6 million for the year ended December 31, 2025, primarily attributable to (i) increased staff costs as a result of the expansion of our personnel; and (ii) the listing expenses increased in 2025.

Other Income

Our Group's other income primarily consisted of government grants, primarily representing government subsidies from government authorities in relation to our R&D activities.

For the year ended December 31, 2025, we recorded RMB8.3 million in other income, compared to RMB7.3 million for the year ended December 31, 2024, primarily due to the increase in government grants received during the year.

Other (Losses)/Gains, net

Our Group's net other (losses)/gains primarily consisted of net foreign exchange (losses)/gains, as a result of fluctuations in currency exchange.

For the year ended December 31, 2025, we recorded RMB31.9 million of net other losses, compared to RMB14.4 million of net other gains for the year ended December 31, 2024. The change was mainly due to (i) the appreciation of Renminbi against the U.S. dollar in 2025; and (ii) the exchange rate fluctuations between U.S. dollar and HK dollar in 2025, and our proceeds from the Global Offering were received in HK dollar.

Finance Income

Our finance income represents interest income from bank deposits, which amounted to RMB99.3 million for the year ended December 31, 2025, and RMB48.1 million for the year ended December 31, 2024.

Finance Costs

Our finance costs represent interest expenses on lease liabilities, bank borrowings and note discounting. Our finance costs increased to RMB1.2 million for the year ended December 31, 2025, as compared to RMB0.3 million for the year ended December 31, 2024, primarily due to the increase of bank interest expenses for bank borrowings and note discounting.

Fair Value Change of Financial Liabilities at Fair Value through Profit or Loss

Our financial liabilities at fair value through profit or loss represented our preferred shares issued in our previous equity financings prior to the Global Offering.

The fair value changes of our financial liabilities are recognized in profit or loss unless they are related to our own credit risk, which are recognized in other comprehensive loss. Our fair value change of financial liabilities at fair value through profit or loss amounted to loss of RMB2,206.1 million for the year ended December 31, 2025, and loss of RMB873.4 million for the year ended December 31, 2024. For more details, please refer to note 27 to the consolidated financial statements.

Income Tax Expenses

Our income tax expenses were mainly in relation to withholding tax on our overseas income. Our income tax expenses decreased from RMB35.9 million for the year ended December 31, 2024 to nil for the year ended December 31, 2025, primarily attributable to revenue recognized in 2025 not being subject to withholding tax.

Loss for the Year

As a result of the foregoing, we recorded a loss of RMB2,594.8 million and RMB1,050.4 million for the years ended December 31, 2025 and 2024, respectively.

Prepayments and Other Receivables

Our Group's prepayments and other receivables primarily consisted of (i) prepayments to suppliers in our R&D activities, (ii) deposits for our leases and in relation to staff compensation, (iii) deferred listing expenses, and (iv) others. Our prepayments and other receivables increased from RMB24.6 million as of December 31, 2024, to RMB59.1 million as of December 31, 2025, primarily due to the expansion of clinical trials and business operation.

Management Discussion and Analysis

Contract Liabilities

Our contract liabilities, including both current and non-current contract liabilities, primarily represented amounts paid by our collaboration partners in relation to our out-license and collaboration agreements before we fulfilled corresponding performance obligations. The excess of our cumulative billings to customers over the cumulative revenue recognized in profit or loss is recognized as contract liabilities. Our contract liabilities decreased from RMB328.5 million as of December 31, 2024 to RMB316.3 million as of December 31, 2025, primarily because the revenue recognized that was included in the contract liabilities at beginning of the year was RMB71.2 million.

Financial Liabilities at Fair Value Through Profit or Loss

As of December 31, 2024, our financial liabilities at fair value through profit or loss represented the Preferred Shares issued in our previous equity financings. Our Preferred Share is converted into Ordinary Share after Listing, after which the amount of our financial liabilities at fair value through profit or loss has been derecognized from our liabilities and recorded as equity. For more details, please refer to note 27 to the consolidated financial statements.

Other Non-current Liabilities

Our other non-current liabilities consisted of non-refundable upfront fee relating to marketing and commercialization service arrangement, which will be amortized during the service period. Our other non-current liabilities increased from nil as of December 31, 2024 to RMB169.5 million as of December 31, 2025, primarily due to the upfront pursuant to our new 3SBIO CSO collaboration agreement executed during the Reporting Period.

Cash flows

The following table sets out our cash flows derived from operating activities, investing activities and financing activities for the year ended December 31, 2025 and 2024 respectively:

	Year ended December 31,	
	2025 RMB' 000	2024 RMB '000
Net cash inflow from operating activities	194,583	285,781
Net cash outflow from investing activities	(1,912,570)	(211,151)
Net cash inflow/(outflow) from financing activities	1,808,809	(7,621)
Net increase in cash and cash equivalents	90,822	67,009
Cash and cash equivalents at the beginning of the year	1,208,906	1,130,889
Effect of foreign exchange rate changes on cash and cash equivalents	(23,329)	11,008
Cash and cash equivalents at end of the year	1,276,399	1,208,906

Our net cash inflow from operating activities decreased from RMB285.8 million for the year ended December 31, 2024 to RMB194.6 million for the year ended December 31, 2025, primarily due to (i) a decrease in milestone payments received in 2025 as compared with 2024; and (ii) an increase in R&D expenses in 2025 as compared with 2024.

Our net cash outflow from investing activities increased from RMB211.2 million for the year ended December 31, 2024 to RMB1,912.6 million for the year ended December 31, 2025, primarily attributable to an increase in term deposits with initial term over three months, as part of our ongoing cash management strategy.

We recorded a net cash inflow from financing activities of RMB1,808.8 million for the year ended December 31, 2025, compared to a net cash outflow of RMB7.6 million for the year ended December 31, 2024. The significant inflow was primarily driven by the proceeds from our initial public offering completed in 2025.

Management Discussion and Analysis

Liquidity and Capital Resource

Our primary uses of cash were to fund our research and development activities. During the Reporting Period, we primarily funded our working capital requirements through proceeds from the Global Offering and pre-IPO financing. Currently, we follow a set of funding and treasury policies to manage our capital resources and prevent risks involved. In order to better control and minimize the cost of funds, our Group's treasury activities are centralized, and all cash transactions are dealt through reputable commercial banks. We closely monitor uses of cash and cash balances and strive to maintain a healthy liquidity for our operations.

As of December 31, 2025, there was a balance of unutilized net proceeds from the Global Offering and pre-IPO financing. For details on the net proceeds from the Global Offering, please refer to the section headed "Use of Proceeds from the Global Offering" in this annual report.

We believe that we have sufficient funds to satisfy our working capital and capital expenditure requirements in 2026.

Key Financial Ratios

The following table sets forth the key financial ratios for the years indicated:

	As of December 31, 2025	As of December 31, 2024
Current ratio ⁽¹⁾	3.6	0.5
Gearing ratio ⁽²⁾⁽³⁾	—	—

Notes:

- (1) Current ratio represents current assets divided by current liabilities as of the same date.
- (2) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by total equity and multiplied by 100%.
- (3) Gearing ratio is not applicable as our interest-bearing borrowings less cash equivalents was negative as of December 31, 2025, and there was no borrowings as of December 31, 2024.

Material Investments

We did not make any material investments during the year ended December 31, 2025. In addition, there is no plan of our Group for material investments or additions of material capital assets as of the date of this annual report.

Material Acquisitions and Disposals

We did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures in 2025.

Contingent Liabilities

As of December 31, 2025, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

Foreign Exchange Exposure

During the Reporting Period, we mainly operated in China and a majority of our transactions were settled in RMB, the functional currency of our Company's primary subsidiaries. As of December 31, 2025, a significant amount of our Group's bank balances and cash was denominated in U.S. dollars. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Except for certain bank balances and cash, other receivables, trade and other payables, and other financial liabilities denominated in foreign currencies, our Group did not have significant foreign currency exposure from its operations as of December 31, 2025.

Employees and Remuneration

As of December 31, 2025, our Group had 231 employees (as of December 31, 2024: 170 employees). The total remuneration cost incurred by our Group for the year ended December 31, 2025 was RMB395.4 million, as compared to RMB355.5 million for the year ended December 31, 2024.

The remuneration package of our employees includes salary, bonus and equity incentives, 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. Our Company has also adopted Pre-IPO Equity Incentive Plan and 2025 Share Scheme to provide incentives for our employees.

Use of Proceeds from the Global Offering

Our Company's Shares were listed on the Stock Exchange on April 15, 2025. The net proceeds from the Global Offering amounted to approximately HK\$1,512.62 million, after deducting of underwriting fees and commissions, and the expenses payable by our Company.

Management Discussion and Analysis

On May 6, 2025, the over-allotment option was fully exercised in respect of an aggregate of 2,599,800 Shares (the “**Over-allotment Shares**”). Our Company received additional net proceeds of approximately HK\$234.9 million from the issue of the Over-allotment Shares, after deducting of underwriting fees and commissions, and the expenses payable by our Company in connection with the full exercise of the over-allotment option.

As of December 31, 2025, approximately HK\$689.9 million of the net proceeds of the Global Offering had been utilized as follows:

	Allocation and in the proportion of net proceeds from the Global Offering		Proceeds from the Global Offering utilized during the Relevant Period		Proceeds from the Global Offering utilized as of December 31, 2025		Amounts not yet utilized as of December 31, 2025		Expected timeframe for unutilized net proceeds	
	HK\$ million	Percentage	HK\$ million	Percentage	HK\$ million	Percentage	HK\$ million	Percentage		
the R&D and commercialization of Core Products DB-1303 and DB-1311										
the ongoing and planned clinical trials of DB-1303/BNT323	349.5	20.0%	161.2	23.4%	161.2	23.4%	188.3	17.8%	Within the next two to three years	
the ongoing and planned clinical trials of DB-1311/BNT324	349.5	20.0%	61.8	9.0%	61.8	9.0%	287.7	27.2%	Within the next three to four years	
commercialization, registration filings and other regulatory matters for DB-1303 and DB-1311	87.4	5.0%	11.3	1.6%	11.3	1.6%	76.1	7.2%	Within the next three to four years	
Subtotal	786.4	45.0%	234.3	34.0%	234.3	34.0%	552.1	52.2%		
the R&D of Key Products										
the ongoing and planned clinical trials for DB-1310	218.4	12.5%	90.0	13.0%	90.0	13.0%	128.4	12.1%	Within the next two to three years	
the ongoing and planned clinical trials for DB-1305/BNT325	131.1	7.5%	37.9	5.5%	37.9	5.5%	93.2	8.8%	Within the next three to four years	
advance the ongoing and planned clinical trials for DB-1419	87.4	5.0%	35.9	5.2%	35.9	5.2%	51.5	4.9%	Within the next two to three years	
advance the clinical development of DB-2304 for SLE and CLE	87.4	5.0%	59.0	8.6%	59.0	8.6%	28.4	2.7%	Within the next two to three years	
Subtotal	524.3	30.0%	222.8	32.3%	222.8	32.3%	301.5	28.5%		

Management Discussion and Analysis

	Allocation and in the proportion of net proceeds from the Global Offering		Proceeds from the Global Offering utilized during the Relevant Period		Proceeds from the Global Offering utilized as of December 31, 2025		Amounts not yet utilized as of December 31, 2025		Expected timeframe for unutilized net proceeds
	<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		
	<i>million</i>	<i>Percentage</i>	<i>million</i>	<i>Percentage</i>	<i>million</i>	<i>Percentage</i>	<i>million</i>	<i>Percentage</i>	
Fund the continued development of our ADC technology platforms, advance our other pipeline assets, and explore and develop new drug assets	262.1	15.0%	191.3	27.7%	191.3	27.7%	70.8	6.7%	Within the next two to three years
Working capital and other general corporate purposes	174.7	10.0%	41.5	6.0%	41.5	6.0%	133.2	12.6%	Within the next three to four years
Total	1,747.5	100.0%	689.9	100.0%	689.9	100.0%	1,057.6	100.0%	

There has been no change in the intended use of the net proceeds as set out in the Prospectus under the section headed “Future Plans and Use of Proceeds”. The net proceeds will be utilized in the same manner, proportion and expected timeframe as set out in the Prospectus. We plan to utilize the balance of net proceeds of the Global Offering within the next two to four years. The expected timeline for utilizing the net proceeds from the Global Offering is based on the best estimation of future progress of regulatory approvals and market conditions made by our Company and subject to changes in accordance with our actual business operations and markets conditions. Going forward, the net proceeds will be applied in the manner as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus and there is no change in the intended use of net proceeds as previously disclosed in the Prospectus.

Directors' Report

The Board is pleased to present this report of Directors together with the consolidated financial statements of the Group for the year ended December 31, 2025.

BOARD OF DIRECTORS

The Board currently comprises three executive Directors, two non-executive Directors and three independent non-executive Directors.

The Directors during the year ended December 31, 2025 and up to the date of this annual report are:

Executive Directors

Dr. ZHU Zhongyuan (*Chairman of the Board*)

Mr. ZHANG Shaoren

Ms. SI Wen (*resigned on March 23, 2026*)

Dr. HUA Haiqing (*with effect from March 23, 2026*)

Non-executive Directors

Mr. CAI Zhiyang

Dr. YU Tao

Independent Non-executive Directors

Mr. XIE Dong

Mr. GAO Fengyong

Ms. CHUAI Shuyin

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on July 3, 2019 as an exempted limited liability company under the laws of the Cayman Islands. The Shares have been listed on the Main Board of the Stock Exchange since April 15, 2025.

PRINCIPAL ACTIVITIES

Incorporated in 2019, we are a key player in the global ADC landscape, dedicated to the development of innovative therapeutics in this fast-growing drug modality to treat cancer, autoimmune diseases, and beyond.

Since our inception, we have focused primarily on the independent discovery and development of ADC assets. We have assembled a highly experienced team of experts in all facets of ADC drug development. Leveraging our experienced R&D team, insights into ADC design, and strong execution capabilities, we have established four cutting-edge ADC technology platforms to push the boundaries of ADC treatment and a pipeline of 13 internally discovered ADC candidates covering a diverse range of indications.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss on page 127 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Management Discussion and Analysis" in this annual report. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year are set out in the section headed "Management Discussion and Analysis – Important Events after the Reporting Period" in this annual report. The discussion of the Company's key relationships with its employees, customers, suppliers and others that have a significant impact on the Company is set out in the section headed "Relationships with Key Stakeholders" in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business, financial condition and results of operations could be materially and adversely affected by certain risks and uncertainties. The following list is a summary of certain principal risks and uncertainties faced by the Group:

- We depend substantially on the success of our drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected.
- We face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.
- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of preclinical studies and early phases of clinical trials may not be predictive of future trial results.
- We may not be able to discover or identify new drug candidates, or to expand the therapeutic opportunities for our drug candidates.
- We may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success.

Directors' Report

- If we encounter delays or difficulties enrolling subjects in our clinical trials, our clinical development progress could be delayed or otherwise adversely affected.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We are committed to integrating ESG considerations into our business operations and ensuring compliance with applicable environmental protection, occupational health and safety laws and regulations. We recognize the risks and opportunities associated with ESG matters and strive to manage these factors through appropriate policies, procedures and internal management practices.

Our Board is responsible for overseeing the Company's ESG matters and monitoring compliance with relevant ESG laws and regulations. Management regularly reports to the Board on ESG matters, and the Board reviews and supervises the implementation of relevant policies and practices.

We are committed to fostering a culture of compliance and ensuring that our employees are informed of and adhere to applicable ESG requirements. We strive to provide a safe working environment for our employees and have implemented work safety guidelines covering safety practices, accident prevention and incident reporting procedures.

During the Reporting Period, we were not aware of any incidents or complaints that had a material adverse effect on our business, financial condition or results of operations.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the Reporting Period and up to the date of this annual report, the Group had complied with the applicable laws, regulations and regulatory requirements of the places where the Group operates in all material respects, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the Corporate Governance Code for, among other things, the disclosure of information and corporate governance.

EMPLOYEE AND REMUNERATION POLICIES

As of December 31, 2025, our Group had 231 employees (as of December 31, 2024: 170 employees). The total remuneration cost incurred by our Group for the year ended December 31, 2025 was RMB395.4 million, as compared to RMB355.5 million for the year ended December 31, 2024.

The remuneration package of our employees includes salary, bonus and equity incentives, 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. Our Company has also adopted Pre-IPO Equity Incentive Plan and 2025 Share Scheme to provide incentives for our employees.

MAJOR SUPPLIERS

During the Reporting Period, our major suppliers primarily included (i) CROs and CDMOs, (ii) licensing partners, and (iii) equipment and device suppliers and renovation/construction service providers for our R&D facilities and offices. We have maintained stable business relationships with our major suppliers. During the Reporting Period, we did not experience any material disputes with our suppliers, difficulties in the procurement of raw materials or services, disruptions to our operations due to a shortage of or delay in supply of raw materials or services, or significant fluctuations in raw material and/or service prices.

For the year ended December 31, 2025, our purchases from our five largest suppliers amounted to RMB1,208.3 million (2024: RMB1,185.1 million), accounting for 62.4% (2024: 67.1%) of our total purchases for the year. Our purchases from our largest supplier in 2025 accounted for 22.9% (2024: 25.7%) of our total purchases for the year.

None of the Directors, their respective close associates, or any shareholder of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest suppliers.

For the year ended December 31, 2025, the Group did not experience any significant disputes with its suppliers.

MAJOR CUSTOMERS

For the year ended December 31, 2025, our revenue generated from our five largest customers amounted to RMB1,851.7 million (2024: RMB1,941.3 million), accounting for 100% (2024: 100%) of our total revenue for the year. For the year ended December 31, 2025, our revenue generated from our largest customer accounted for 75.4% (2024: 80.7%) of our total revenue for the year.

To the best knowledge of the Company, save for the interest held by LAV Fund VI, L.P. in one of the Group's five largest customers, none of the Directors, their respective close associates, or any Shareholders who owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest customers.

For the year ended December 31, 2025, the Group did not experience any significant disputes with its customers.

Directors' Report

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group recognizes that various stakeholders including customers, 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.

Employees

The Company builds its success on employees' dedication and commitment. Our Company is committed to providing as much opportunities as possible for employees' skills enhancement and career development. We aim at cultivating talents in the long run, encouraging employees to realize their full potential and to keep pace with growth of the Company.

For further details of our Company's environmental performance and relationships with its employees, please refer to the Environmental, Social and Governance Report of the Company, which will be published at the same time as this annual report on the websites of the Company and the Stock Exchange.

Customers and Suppliers

The Group's principal customers are our partners from our license and collaboration agreements.

The Group selects its suppliers by considering their product quality, industry reputation and compliance with relevant regulations and industry standards. The Group has maintained strict control over the quality of services offered by its suppliers. The Group understands the importance of maintaining a good relationship with its suppliers to meet its immediate and long-term goals. It strives to cultivate a mutually beneficial and trusting relationship with its suppliers so that they are able to deliver services of the highest standard in an efficient manner.

Shareholders

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance and strategies. Apart from transparent and timely disclosure of corporate information in accordance with the Listing Rules, the Company has kept effective communication with Shareholders through the Company's website, WeChat platform, Shareholder's hotline, and IR mailbox. Senior managements are also glad to receive the Shareholders' on-site visit and have one-on-one meetings with them to share the information which they are concerned and enable them to make rational investment decisions.

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last three financial years, as extracted from the audited consolidated financial statements, is set out on page 19 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 Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

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

SUBSIDIARIES

Particulars of the Company's major subsidiaries are set out in note 38 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group for the year ended December 31, 2025 are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2025 are set out in note 25 to the consolidated financial statements.

DONATION

For the year ended December 31, 2025 the Group made charitable donations of RMB0.2 million.

DEBENTURE ISSUED

The Group did not issue any debenture for the year ended December 31, 2025.

EQUITY-LINKED AGREEMENTS

Save for the 2025 Share Scheme and Pre-IPO Equity Incentive Plan as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed for the year ended December 31, 2025.

FINAL DIVIDENDS

The Board does not recommend a final dividend for the Reporting Period (for the year ended December 31, 2024: nil).

Directors' Report

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and the Company during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on page 130 and in note 26 to the consolidated financial statements, respectively.

BANK LOANS AND OTHER BORROWINGS

Details of the bank borrowings of the Group as of December 31, 2025 are set out in note 30 to the consolidated financial statements.

CONVERTIBLE BONDS

As of the date of this annual report, the Company has not issued any convertible bonds.

DIRECTORS' SERVICE CONTRACTS

Details of Directors' service contracts are set out in "Appointment, Re-election and Removal of Directors" section of the Corporate Governance Report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

None of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors was interested in any business which competes or is likely to compete with the businesses of the Group for the year ended December 31, 2025.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed for the year ended December 31, 2025.

PENSION SCHEME

The employees of the Group's subsidiaries which operate in mainland China are required to participate in a statutory pension scheme operated by the local municipal government. The subsidiaries operating in mainland China are required to contribute a certain percentage of its payroll costs to the statutory pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the statutory pension scheme.

During the Reporting Period, the Group did not use forfeited contributions to reduce the current level of contributions.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY OF ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, the interests and short positions of the Directors and chief executives of our Company and their associates in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows

Name of Directors/ Chief Executive	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding interest ⁽²⁾
Dr. Zhu Zhongyuan <i>(Chairman of the Board, Executive Director and Chief Executive Officer)</i>	Interest in controlled	6,500,000(L) ⁽³⁾	7.27%
	corporation	2,599,800(S)	2.91%
	Beneficial owner	9,485,523(L)	10.61%
Mr. Zhang Shaoren <i>(Executive Director and chief financial officer)</i>	Beneficial owner	592,500(L)	0.66%
Ms. Si Wen <i>(Executive director of Human Resources)</i> ⁽⁴⁾	Beneficial owner	1,367,959(L)	1.53%

Directors' Report

Notes:

- (1) The letter "L" denotes the person's long position in the Shares, and the letter "S" denotes the person's short position in the Shares.
- (2) The calculation is based on the total number of 89,415,414 Shares in issue as of December 31, 2025.
- (3) DualityBio Ltd. directly holds 6,500,000 Shares as beneficial owner. As DualityBio Ltd. is wholly owned by Dr. ZHU Zhongyuan, Dr. ZHU Zhongyuan is deemed to be interested in the Shares held by DualityBio Ltd. by virtue of the SFO.
- (4) Ms. SI Wen resigned as an executive Director due to personal career development reasons, with effect from March 23, 2026.

Save as disclosed above, as of December 31, 2025, none of the Directors or chief executives of our Company or their associates had or was deemed to have any interests or long positions in the Shares, underlying Shares or debentures of our Company or any of our associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executives of our Company or their associates) had interests or short positions in the Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholders	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding interest ⁽²⁾
LAV Asset Management (Hong Kong) Limited	Investment manager	11,652,921(L)	13.03%
Dr. SHI Yi ⁽³⁾	Interest of controlled corporation	11,652,921(L)	13.03%
LAV Corporate VI GP, Ltd. ⁽³⁾	Interest of controlled corporation	7,873,521(L)	8.81%
LAV Fund VI, L.P. ⁽³⁾	Beneficial owner	7,873,521(L)	8.81%
LAV GP VI, L.P. ⁽³⁾	Interest of controlled corporation	7,873,521(L)	8.81%
DualityBio Ltd. ⁽⁴⁾	Beneficial owner	6,500,000(L) 2,599,800(S)	7.27% 2.91%
上海樞伽企業管理合夥企業(有限合夥)	Beneficial owner	6,387,649(L)	7.14%
King Star Med LP	Beneficial owner	5,279,554(L)	5.90%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares, and the letter "S" denotes the person's short position in the Shares.
- (2) The calculation is based on the total number of 89,415,414 Shares in issue as of December 31, 2025.
- (3) LAV Fund VI, L.P. is a Cayman Islands exempted limited partnership whose general partner is LAV GP VI, L.P. The general partner of LAV GP VI, L.P. is LAV Corporate VI GP, Ltd., a Cayman Islands exempted company wholly owned by Dr. SHI Yi. Therefore, under the SFO, each of LAV GP VI, L.P., LAV Corporate VI GP, Ltd. and Dr. SHI Yi are deemed to be interested in the Shares held by LAV Fund VI, L.P.
- (4) Duality Bio Ltd., a company with limited liability incorporated under the laws of BVI and wholly owned by Dr. ZHU Zhongyuan.

Save as disclosed above, as at December 31, 2025, no person, other than the Directors or chief executives of our Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations" above, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

SHARE INCENTIVE SCHEMES

2025 Share Scheme

The 2025 Share Scheme was adopted on December 30, 2025 (the "**Adoption Date**"), the terms of which are governed by Chapter 17 of the Listing Rules.

Directors' Report

A summary of the principal terms of the 2025 Share Scheme is set out below:

(a) Purpose

The purpose of the 2025 Share Scheme is to attract and retain Participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward Participants for their past contribution to the Group, to provide Participants with the opportunity to acquire proprietary interests in the Company and to encourage Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The 2025 Share Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants.

(b) The Eligible Participants

The eligible participants are any individual, or a corporate entity (as the case may be), being any of (i) an Employee Participant; and (ii) a Service Provider, who the Board or its Delegate considers, in its sole discretion, to have contributed or will contribute to the Group.

In determining the basis of eligibility for employee participants, the factors in assessing whether any person is eligible to participate in the 2025 Share Scheme include but not limited to:

- (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard;
- (ii) the length of engagement with the Group;
- (iii) the individual contribution or potential contribution to the development and growth of the Group; and
- (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success.

In determining the basis of eligibility for Service Providers, the Board or its Delegate would take into account, among others:

- (i) the individual performance of the Service Providers;
- (ii) the frequency of collaboration and the length of business relationship with the Group;
- (iii) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties);
- (iv) the track record in the quality of services provided to and/or cooperation with the Group and the ability to maintain the quality of services;
- (v) the scale of business dealings and/or collaboration with the Group with regard to factors such as the actual or expected change in the Group's revenue or profits which is or may be attributable to the Service Providers;
- (vi) the actual contribution or potential contribution towards the long-term development and success of the Group; and
- (vii) the remuneration packages of comparable listed peers for similar service providers based on available information in the industry;

A Service Provider participant refers to 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, such as independent contractor, consultant, agent and/or advisor for research and development, manufacturing, product commercialization, innovation upgrading, strategic/commercial planning on corporate image and marketing and investor relations in investment environment of the Group (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 Board shall use its absolute discretion to decide eligible Service Provider participants.

(c) Administration

The 2025 Share Scheme shall be administered by the Board or its Delegate and/or the Trustee (if the Trustee is appointed by the Company) in accordance with the rules of the 2025 Share Scheme and the terms of the Trust Deed, and the decision of the Board or its Delegate regarding the administration and operation of the 2025 Share Scheme shall be final and binding on all parties. To the extent permitted under the Listing Rules, the Board or its Delegate may also delegate the authority to administer the 2025 Share Scheme to other person(s)/committee(s) as deemed appropriate at its sole discretion.

Directors' Report

(d) *Duration and Remaining Life of the Scheme*

The 2025 Share Scheme shall be valid and effective for the period of ten years commencing on the Adoption Date (December 30, 2025)(the “**Scheme Period**”). After the expiry of the Scheme Period (being tenth (10th) anniversary of the Adoption Date), no further Awards shall be offered or granted, but in all other respects the provisions of the 2025 Share Scheme shall remain in full force and effect to the extent necessary to give effect to the settlement of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Scheme.

(e) *Grant of Awards*

On and subject to the terms of the 2025 Share Scheme, the Board or its Delegate shall be entitled (but shall not be bound) at any time within the Scheme Period to make an Offer to any Participant, as the Board or its Delegate may in its absolute discretion select, of an Award consisting of RSUs and/or Options as set forth in the offer documentation and on and subject to such terms and conditions as the Board or its Delegate may determine and impose and inform the Trustee and the Grantee accordingly. For the purposes of the 2025 Share Scheme, Awards may be granted to any company wholly owned by one or more Participants. The Offer shall specify the terms and conditions on which the Award is to be granted. Such terms and conditions may include any minimum period(s) for which an Award must be held, any minimum period(s) for which the Grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved such as linking its vesting to the attainment of program milestones and market capitalization milestones by the Group, before the Award shall vest in whole or in part, may include any clawback mechanism in respect of the Award as described in the rules of the 2025 Share Scheme, and may include at the discretion of the Board or its Delegate such other terms either on a case-by-case basis or generally. An RSU is a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Share solely for purposes of the 2025 Share Scheme and Awards granted hereunder, such units to be used solely as a device for the determination of the payment to eventually be made to a Participant upon vesting of the applicable award (and not to be treated as property or as a trust fund of any kind). The Exercise Price and Exercise Period of Option Awards are set out in the 2025 Share Scheme.

Each grant of Awards to any Director, chief executive or substantial shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards).

Where any grant of Awards (excluding grant of options (if any)) to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all awards involving issue of new Shares (including the Shares to be allotted and issued using treasury shares) already granted under the 2025 Share Scheme and any other share scheme(s) (if any) of the Company (excluding any awards lapsed in accordance with the terms of the 2025 Share Scheme or any other share scheme(s) (if any) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant (excluding treasury shares), such further grant of Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

Where any grant of options or Awards to a substantial shareholder or an independent non-executive Director of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all awards and options (if any) involving issue of new Shares (including the Shares to be allotted and issued using treasury shares) already granted under the 2025 Share Scheme and any other share scheme(s) (if any) of the Company (excluding any awards or options (if any) lapsed in accordance with the terms of the 2025 Share Scheme or any other share scheme(s) (if any) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue as at the Date of Grant (excluding treasury shares), such further grant of Awards shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting.

(f) *Vesting of Awards*

The vesting period in respect of any Award shall not be less than 12 months from the Date of the Grant, except that only with respect to Employee Participants, may be subject to a shorter vesting period solely in the following exhaustive circumstances at the sole discretion of the Board or its Delegate:

- i. grants of “make-whole” Awards to new joiners to replace the Awards or options they forfeited when leaving their previous employers;

Directors' Report

- ii. grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event. In those circumstances the vesting of Awards may accelerate;
- iii. grants to an Employee Participant that are subject to a vesting schedule incorporating both time-based and performance-based conditions may be eligible for accelerated vesting, in whole or in part, in the event that the applicable performance targets are achieved or materially exceeded ahead of the originally prescribed timeline;
- iv. grants that are made in batches during a year for administrative or compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Awards would have been granted;
- v. grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months, or where the Awards may vest by several batches with the first batch to vest within twelve (12) months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;
- vi. grants with performance-based vesting conditions provided in the 2025 Share Scheme or as specified in the offer in lieu of time-based vesting criteria; and
- vii. grants with a total vesting period of more than twelve (12) months.

(g) Purchase Price and Exercise Price

Unless otherwise determined by the Board or its Delegate at its sole discretion or as required by applicable law in respect of the purchase price (if any) of any particular Award which shall be stated in the offer documentation, the Grantee is not required to pay any purchase price to the Company to purchase any RSU underlying an Award granted.

In respect of Awards to be granted in the form of Option Awards, the Board shall determine and notify the Participant in the notice of Award: (a) the Exercise Price in respect of such Options, provided that such Exercise Price must be not less than the highest of (i) the nominal value of a Share; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a business day; and (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Grant Date; and (b) the Exercise Period for such Option Awards, which shall not be more than ten (10) years from the grant date, subject to the provisions for early termination under the terms of the 2025 Share Scheme.

(h) Performance Targets

Vesting of Award shall be subject to the performance targets, if any, to be satisfied by the Grantees as determined by the Board or its Delegate from time to time. The Board or its Delegate shall have the authority, after the grant of any Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the prescribed performance targets and are considered fair and reasonable by the Board or its Delegate (as the case may be). The performance targets may include the attainment of program milestones and market capitalization milestones by the Group, which may vary among the Grantees. The Board or its Delegate (as the case may be) will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether and the extent to which such targets have been met. If, after the assessment, the Board or its Delegate determines that any prescribed performance targets have not been met, the unvested Award(s) shall lapse automatically.

(i) Clawback Mechanism

Notwithstanding the terms and conditions of the 2025 Share Scheme, the Board or its Delegate has the authority to provide that any Award shall be subject to a clawback if any of the following events occurs:

- i. if the Grantee appears either to be unable to pay or to have no reasonable prospect of being able to pay his or her debts or has become bankrupt or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or on any other ground on which an employer would be entitled to terminate his or her employment summarily;
- ii. if the Grantee has failed to discharge, or failed to discharge properly, his/her/its duties and thereby resulting in serious loss in assets to any member of the Group;
- iii. if the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Grantee pursuant to any internal guideline(s) adopted by the Group (as amended, supplemented or modified from time to time);
- iv. if the Grantee joins a company which the Company believes in its sole and reasonable opinion to be a competitor of the Company or knowingly perform any act that may confer any competitive benefit or advantage upon any competitor of the Company;
- v. if any other clawback event implicitly or explicitly characterized in the offer documentation occurs;
- vi. any conduct of a Grantee that has materially adverse effect to the reputation or interests of any member of the Group within a specified period after such Grantee ceasing to be a Participant; and

Directors' Report

- vii. any other conduct or events stipulated in the Company's other regulations and policies that may cause significant adverse impact on the Company.

Upon occurrence of any of the above events (and whether an event is to be regarded as having occurred for the purpose of this section is subject to the sole determination of the Board or its Delegate) in relation to a Grantee, the Board or its Delegate may (but is not obliged to) by notice in writing to the relevant Grantee claw back such number of Awards granted (to the extent not already vested) as the Board or its Delegate may consider appropriate. The Awards that are clawed back shall be regarded as lapsed and the Awards so lapsed shall be regarded as unutilized for the purpose of calculating the scheme mandate limit and the Service Provider sublimit.

(j) *Scheme Mandate Limit*

Limit of the 2025 Share Scheme

The maximum number of the Shares which will be issued in respect of all Awards involving issue of new Shares (including the Shares to be allotted and issued using treasury shares) that may be granted under the 2025 Share Scheme and any other share scheme(s) (if any) of the Company adopted by the Company must not in aggregate exceed 3.6% of the total number of Shares in issue (rounding to the nearest whole Share) as at the Adoption Date. Subject to the refreshment of the limit, the total number of Shares that may be issued in respect of all Awards to be granted under the 2025 Share Scheme and any other share scheme(s) (if any) of the Company shall not exceed 3,210,854 Shares.

Service Provider Sublimit

As the scope of Participants under the 2025 Share Scheme includes Service Providers, the Board considers that it is appropriate to adopt a Service Provider Sublimit within and subject to the scheme mandate limit in accordance with Rule 17.03B(2) of the Listing Rules. Within the scheme mandate limit, the total number of Shares which may be issued in respect of all awards and options (if any) involving issue of new Shares that may be granted under the 2025 Share Scheme and any other share scheme(s) of the Company to the Service Providers must not in aggregate exceed 1% of the total number of Shares in issue (rounding to the nearest whole Share) as at the Adoption Date. Subject to the refreshment of the limit, the total number of Shares that may be issued to the Service Providers under the 2025 Share Scheme shall not exceed 891,904 Shares.

(k) Individual Limit

Unless approved by the Shareholders in the manner set out in the 2025 Share Scheme, the total number of Shares issued and to be issued in respect of all awards and options (if any) granted under the 2025 Share Scheme and any other share scheme(s) (if any) of the Company to each Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares (if any)).

(l) Voting of Unvested Awards

Pursuant to the 2025 Share Scheme, the Trustee (if a trustee is appointed by the Company) holding unvested Awards, whether directly or indirectly, shall abstain from voting or exercising any voting rights in respect of any Shares held, whether directly or indirectly, under the trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by Applicable Laws or regulations to vote in accordance with the beneficial owner's direction and such a direction is given.

(m) Cancellation of Awards Granted

Notwithstanding any other provisions of the 2025 Share Scheme or any terms and conditions set forth in the relevant offer letter in respect of the Board or its Delegate's discretion to cancel any Awards that have not been vested, any Award granted but not vested may be cancelled, provided that:

- i. the Company, any member of the Group, the holding companies, fellow subsidiaries or associated companies of the Company, pay to the Grantee an amount equal to the purchase price (if any); or
- ii. the Board or its Delegate, in its sole discretion, may agree to compensate him/her for the cancellation of the Awards.

(n) Alteration

The Board or its Delegate may amend any of the provisions of the 2025 Share Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the 2025 Share Scheme) at any time (but not so as to affect adversely any rights which have accrued to any Grantee at that date).

(o) Transferability

An Award shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Award or any property held by the Trustee on trust for the Grantees. Any breach of the foregoing shall entitle the Company to cancel an outstanding Awards without payment of any consideration therefor.

Directors' Report

(p) Termination

The Company by ordinary resolution in general meeting or the Board or its Delegate may at any time resolve to terminate the operation of the 2025 Share Scheme prior to the expiry of the Scheme Period, and in such event no further Awards will be offered or granted but the provisions of the 2025 Share Scheme shall remain in full force to the extent necessary to give effect to the settlement of any Awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Scheme.

During the Reporting Period and as of the date of this annual report, no Awards have been granted under the 2025 Share Scheme and no Shares have been issued or may be issued thereunder. Accordingly, the total number of Shares available to be granted or issued under the 2025 Share Scheme to Participants and to Service Providers as at the Adoption Date, being 3,210,854 Shares and 891,904 Shares has not changed as of the date of this annual report, with each represent approximately 3.56% and 0.10% of the Company's issued share capital as of the date of this annual report.

Pre-IPO Equity Incentive Plan

The Pre-IPO Equity Incentive Plan was adopted on February 28, 2021 and amended on June 25, 2023, the terms of which are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards by the Company after the Listing. The total number of shares available for issue under the Plan as at the date of this annual report is 18,635,499 Shares, representing approximately 20.61% of the Company's issued share capital (excluding treasury shares) as at the date of this annual report.

A summary of the principal terms of the Pre-IPO Equity Incentive Plan is set out below:

(a) Purpose

The purposes of the Pre-IPO Equity Incentive Plan are to secure and retain the services of the Eligible Individuals (as defined below), provide incentives for such persons to exert maximum efforts for the success of our Group and provide means by which the Eligible Individuals (as defined below) may benefit from increases in value of the Shares.

(b) Administration

The Pre-IPO Equity Incentive Plan shall be subject to the administration of the Board or one or more delegated committees of Directors. All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

(c) *Eligible Individuals*

The following participants (collectively, the “**Eligible Individuals**”) are eligible to participate in the Pre-IPO Equity Incentive Plan:

- i. **Employee:** any person employed by our Group. However, service solely as a director or as a member of the board of directors of an affiliate, or payment of a fee for such services, will not cause a person to be considered an “Employee” for purposes of the Pre-IPO Equity Incentive Plan
- ii. **Director:** any Director of our Company
- iii. **Consultant:** any person, including an advisor, who is (a) engaged by our Group to render consulting or advisory services and is compensated for such services, or (b) serving as a member of the board of directors of any affiliate and is compensated for such services. However, service solely as a director or as a member of the board of directors of an affiliate, or payment of a fee for such service, will not cause a person to be considered a “consultant” for purposes of the Pre-IPO Equity Incentive Plan. A consultant will not be eligible for the grant of share awards under the Pre-IPO Equity Incentive Plan if, at the time of the grant, either the offer or sale of our Company’s securities to such consultant is not exempt under Rule 701 of the U.S. Securities Act (“**Rule 701**”) because of the nature of the services that such consultant is providing to our Company, because the consultant is not a natural person, or because of any other provision of Rule 701, unless our Company determines that such grant need not comply with the requirements of Rule 701 and will satisfy another exemption under the U.S. Securities Act, and it is in due compliance with applicable law

(d) *Type of Awards*

The Pre-IPO Equity Incentive Plan permits (a) options, (b) share appreciation rights, (c) restricted share awards, (d) restricted share unit awards, and (e) other share awards based in whole or in part by reference to the Shares.

(e) *Maximum Number of Shares*

The maximum number of Shares that may be issued pursuant to the share awards under the Pre-IPO Equity Incentive Plan shall not exceed 22,287,582 Shares in the aggregate.

(f) *Grant of Share Awards*

Unless determined otherwise by the Board, corporate action constituting a grant by our Company of a share award to any Eligible Individual will be deemed completed as of the date of such corporate action, regardless of when the instrument, certificate, or letter evidencing the share award is communicated to, or received or accepted by, the Eligible Individual.

Directors' Report

(g) Exercise of Options and Share Appreciation Rights

i. Exercise period and conditions

The term of each option or share appreciation right shall be specified in the share award agreement but shall not exceed ten (10) years from the date of its grant. As at the date of this annual report, the Plan had a remaining life of approximately 5 years.

To exercise any outstanding share appreciation right, the Eligible Individual must provide written notice of exercise to our Company in compliance with the provisions of the share award agreement evidencing such share appreciation right.

ii. Exercise Price

The exercise price of each option and share appreciation right granted to a U.S. Eligible Individual will be not less than 100% of the fair market value of the Shares subject to the option and share appreciation right on the date of grant, except if such share award is granted pursuant to an assumption of or substitution for another option or share appreciation right pursuant to a corporate transaction, and in due compliance with applicable law. The exercise price of each option and share appreciation right granted to a non-U.S. Eligible Individual shall be determined by the Board, in compliance with applicable laws. No option or share appreciation right may be granted with an exercise or strike price lower than the par value of the Shares.

iii. Early Exercise of Options

Subject to provisions of the share award agreement, the Eligible Individual may elect at any time before his or her continuous service terminates to exercise the option as to any part or all of the Shares subject to the option prior to the full vesting of the option.

(h) Subscription Price of Options

The amount payable for the Shares to be subscribed for under an option in the event of the option being exercised may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment, including, among others, cash, check, bank draft or money order payable to our Company.

(i) Consideration

Restricted share awards: A restricted share award may be awarded in consideration for (a) cash, check, bank draft or money order payable to our Company, (b) past services to our Company or our affiliates, or (c) any other form of legal consideration (including future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

Restricted share unit awards: At the time of grant of a restricted share unit award, the Board will determine the consideration, if any, to be paid by the Eligible Individual upon delivery of each Share subject to the restricted share unit award. The consideration to be paid, if any, by the Eligible Individual for such Share may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(j) Vesting of Share Awards

Options and share appreciation rights: At the Board's discretion, the total number of Shares subject to an option or share appreciation right may vest and become exercisable in periodic installments that may or may not be equal, the option or share appreciation right may be subject to such other terms and conditions on the time or times when it may or may not be exercised, and the vesting provisions of individual options or share appreciation rights may vary.

Restricted share awards: The Shares awarded under the restricted share award agreement may be subject to forfeiture to our Company in accordance with a vesting schedule to be determined by the Board.

Restricted share unit awards: At the date of the grant, the Board may impose restrictions on or conditions to the vesting of the restricted share unit award as it, in its sole discretion, deems appropriate.

(k) Lapse of Share Awards

A share award shall lapse automatically (to the extent not already exercised) immediately upon the earliest of:

- i. the expiry of the option or share appreciation right period;
- ii. the expiry of any of the periods for rights on ceasing employment, disability or death;
- iii. immediately prior to the completion of dissolution or liquidation of our Company;
- iv. subject to the Board's discretion, upon the closing of a corporate transaction;

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- v. in the event that the Eligible Individual (i) commits any crime or felony involving fraud, dishonesty, or moral turpitude under the laws of any applicable jurisdiction,(ii) attempts to commit, or participate in fraud or an act of dishonesty against our Company or any of our affiliates, (iii) intentionally and materially violates any contract or agreement between the Eligible Individual and our Company or any of our affiliates or of any statutory duty owed to our Company or any of our affiliates,(iv) commits unauthorized use or disclosure of our Company's or any of our affiliates confidential information or trade secrets, (v) commits gross misconduct; or
- vi. the date on which the option or share appreciation right is cancelled by the Board.

(l) *Right of Repurchase or Right of First Refusal*

The options or share appreciation rights may include a provision, as specified in the share award agreement, whereby our Company may elect to (a) repurchase all or any part of the vested Shares acquired by the Eligible Individual, or (b) exercise a right of first refusal following receipt of notice from the Eligible Individual of the intent to transfer all or any part of the Shares received, upon the exercise of the options or share appreciation rights. Unless otherwise provided, the repurchase price for vested Shares shall be the exercise purchase price.

(m) *Transferability*

Options and share appreciation rights: The Board may, in its sole discretion, impose limitations on the transferability of options and share appreciation rights. In the absence of such determination by the Board to the contrary, neither an option nor share appreciation right may be transferred for consideration, except through domestic relations orders or a beneficiary designation, subject to the approval of the Board or any duly authorized person designated by our Company and in due compliance with applicable laws.

Restricted share awards: Rights to acquire Shares under the restricted share award agreement will be transferable by the Eligible Individual only upon such terms and conditions as are set forth in the agreement, as the Board will determine in its sole discretion, so long as Shares awarded under the restricted share award agreement remains subject to the terms of the agreement.

(n) Cancellation

The Board, in its sole discretion, with the consent of any affected Eligible Individual, may effect the cancellation of any outstanding share award and the grant in substitution therefor of a new consideration.

(o) Clawback Mechanism

If a share award or any portion thereof (i) expires or otherwise terminates without all of the Shares covered by such share award having been issued or (ii) is settled in cash, such expiration, termination or settlement will not reduce, or otherwise offset, the number of Shares that may be available for issuance under the Pre-IPO Equity Incentive Plan.

If any Share issued pursuant to a share award is forfeited back to or repurchased by our Company because of the failure to meet a contingency or condition required to vest such shares in the Eligible Individual, the aforementioned Shares will revert to and become available for issuance under the Pre-IPO Equity Incentive Plan. Any Shares reacquired by our Company in satisfaction of tax withholding obligations on a share award or as consideration for the exercise or purchase price of a share award will again become available for issuance under the Pre-IPO Equity Incentive Plan.

(p) Duration, Alteration, Suspension and Termination

(i) Duration

The Pre-IPO Equity Incentive Plan shall be valid and effective for the period of ten (10) years commencing on the adoption date, unless terminated earlier by the Board. Post the duration, no share award shall be granted pursuant to the Pre-IPO Equity Incentive Plan.

(ii) Alteration

The Board may amend the Pre-IPO Equity Incentive Plan in any respect it deems necessary or advisable, in due compliance with applicable law. No amendment shall impair an Eligible Individual's rights under an outstanding share award unless with the written consent of such Eligible Individual or as otherwise provided in the Pre-IPO Equity Incentive Plan.

(iii) Suspension and Termination

The Board may at any time suspend or terminate the operation of the Pre-IPO Equity Incentive Plan. Suspension or termination of the Pre-IPO Equity Incentive Plan will not impair the rights and obligations under any share award granted except with the written consent of the affected grantee or as otherwise permitted in the Pre-IPO Equity Incentive Plan.

(q) **Outstanding Options Granted**

As of December 31, 2025, the number of Shares underlying the outstanding Pre-IPO Options amounted to 19,819,370 Shares, representing approximately 22.17% of the issued Shares. The table below shows the details of options granted under the Pre-IPO Equity Incentive Plan as of December 31, 2025:

Name	Position in our Group	Grant Date	Vesting period ⁽ⁱ⁾	Exercise period	Exercise price per Share (\$)	Number of Shares underlying the outstanding options as of the Listing Date		Number of Shares underlying the outstanding options		Number of Shares underlying the outstanding options as at December 31, 2025	Weighted average closing price of the Shares immediately before the exercise date (HKD)	Approximate % of issued Shares as of December 31, 2025
						Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period				
Directors												
Dr. ZHU Zhongquan (朱忠勳)	Chairman of the Board, executive Director and chief executive officer	December 20, 2024	Note 3	Ten (10) years from date of grant	1.60	903,920	-	-	-	903,920	N/A	10.54%
		August 10, 2023	Note 1		0.90	451,959	-	-	-	451,959	N/A	
		June 5, 2023	Note 2		0.90	2,280,000	-	-	-	2,280,000	N/A	
		June 10, 2022	Note 1		0.72	1,140,244	4,000	-	-	1,136,244	309.47	
		January 1, 2022	Note 2		0.30	750,000	-	-	-	750,000	N/A	
		December 15, 2021	Note 2		0.30	831,250	-	-	-	831,250	N/A	
		September 30, 2020	Note 1		0.30	3,168,750	96,000	-	-	3,072,750	312.00	
Mr. Zhang Shaoren (張韶仁)	Executive Director and chief financial officer	February 27, 2025 ⁽ⁱⁱ⁾	Note 3	Ten (10) years from date of grant	1.60	150,000	-	-	-	150,000	N/A	0.66%
		February 27, 2025 ⁽ⁱⁱ⁾	Note 1		1.60	50,000	-	-	-	50,000	N/A	
		January 1, 2024	Note 2		0.90	95,000	-	-	-	95,000	N/A	
		April 16, 2021	Note 2		0.72	127,500	-	-	-	127,500	N/A	
		November 1, 2020	Note 1		0.30	170,000	-	-	-	170,000	N/A	
Ms. Si Wen (司文)	Executive director of human resources ⁽¹⁾	February 27, 2025 ⁽ⁱⁱ⁾	Note 1	Ten (10) years from date of grant	1.60	1,024,159	-	-	-	1,024,159	N/A	1.53%
		February 27, 2025 ⁽ⁱⁱ⁾	Note 3		1.60	100,000	-	-	-	100,000	N/A	
		December 29, 2023	Note 1		0.90	50,000	-	-	-	50,000	N/A	
		January 1, 2022	Note 2		0.72	23,800	-	-	-	23,800	N/A	
		April 20, 2021	Note 1		0.30	170,000	-	-	-	170,000	N/A	
Subtotal						11,466,582	100,000	-	-	11,366,582	311.90	12.73%

Name	Position in our Group	Grant Date	Vesting period ⁽ⁱ⁾	Exercise period	Exercise price per Share (\$)	Number of Shares underlying the outstanding options as of the Listing Date			Number of Shares exercised during the Reporting Period	Number of Shares cancelled during the Reporting Period	Lapsed during the Reporting Period	Number of Shares underlying the outstanding options immediately before the exercise date (HK\$)	Approximate % of issued Shares as of December 31, 2025
						Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period					
Grantees granted exceeded 1% of the total issued share capital of the Company													
Dr. Qiu Yang (邱陽)	Chief scientific officer	March 3, 2025 ⁽ⁱⁱ⁾	Note 1	Ten (10) years from date of grant	1.60	300,000	-	-	-	-	-	300,000	N/A
		December 29, 2023	Note 1		0.90	240,000	-	-	-	-	-	240,000	N/A
		November 1, 2023	Note 1		0.90	500,000	-	-	-	-	-	500,000	N/A
		July 1, 2023	Note 1		0.90	500,000	-	-	-	-	-	500,000	N/A
		July 1, 2023	Note 2		0.90	280,000	-	-	-	-	-	280,000	N/A
		July 19, 2021	Note 1		0.72	562,500	223,500	-	-	-	-	339,000	316.17
Ms. Gu Wei (顧熾) ⁽ⁱ⁾	N/A	July 18, 2022	Note 1	Ten (10) years from date of grant	0.72	1,000,000	229,500	700,000	-	-	-	70,500	317.71
Subtotal						3,382,500	453,000	700,000	-	-	-	2,229,500	2.49%
External Consultant granted in any 12-month period exceeding 0.1% of the total issued share capital of the Company													
Antoine Ver ⁽ⁱ⁾	-	June 1, 2022	Note 2	Ten (10) years from date of grant	0.72	200,000	200,000	-	-	-	-	-	330.47
Other Employee Grantees		Between January 13, 2021 and March 24, 2025 ⁽ⁱⁱⁱ⁾	Note 1; Note 2; Note 3	Ten (10) years from date of grant	0.3-1.6	7,118,500	612,150	384,562	4,500	-	-	6,117,288	6.85%
Other External Consultants		Between November 1, 2022 and April 22, 2024	Note 2	Ten (10) years from date of grant	0.90	100,000	14,000	-	-	-	-	86,000	0.10%
Total						22,287,582	1,379,150	1,084,562	4,500	-	-	19,819,370	22.17%

Directors' Report

Notes:

- (1) 25% of the options granted to such grantee will be vested at the first-year anniversary of the date of grant, the remaining will be vested during the three years thereafter, with 1/48 of the total number of options vested each month.
- (2) 33% of the options granted to such grantee will be vested during the first year from the date of grant, 33% will be vested during the second year and the remaining 34% will be vested during the third year.
- (3) 1/3 of the options granted to such grantee will be vested on the date of completion of applicable milestones (the "**Milestone Options Vesting Date**"), 1/3 will be vested on the first anniversary of the Milestone Options Vesting Date and the remaining 1/3 will be vested on the second anniversary of the Milestone Options Vesting Date.
- (4) The vesting period of options granted under the Pre-IPO Equity Incentive Plan are time-based and milestone-based, which may be determined by the administrator thereof.
- (5) We are supported by a scientific advisory board of world-renowned ADC experts to guide our R&D activities and provide invaluable strategic advice. To ensure consistent, high-quality consulting services and align their interests with the Company's long-term objectives, we have granted options to three key external consultants who serve on this board.
- (6) The fair value of the 150,000 and 50,000 options granted to Mr. ZHANG Shaoren, 1,024,159 and 100,000 options granted to Ms. SI Wen on February 27, 2025, is US\$950,000, US\$318,000, US\$6,470,000 and US\$629,000, respectively.
- (7) The fair value of 300,000 options granted to Dr. QIU Yang and 1,615,000 options granted to other employee grantees on March 3, 2025, is US\$1,906,000 and US\$10,225,000, respectively.
- (8) The fair value of 25,000 options granted to other employee grantees on March 24, 2025 was US\$158,000.
- (9) The fair value was determined using the binomial lattice model. The measurement date is the date on which the share options were granted. Details of other fair value of the options at the Grant Date and the accounting policy adopted are set out in note 13 to the consolidated financial statements.
- (10) Ms. GU Wei was an employee of the Company at the date when certain options were granted to her. She resigned and ceased to be an employee of our Group in June 2025.
- (11) The purchase price of the cancelled options was nil.
- (12) Ms. SI Wen resigned as an executive Director due to personal career development reasons, with effect from March 23, 2026.

Save as disclosed above, none of the grantees for options granted under the Pre-IPO Equity Incentive Plan during the Reporting Period (i) are the Directors, chief executive or substantial Shareholders of the Company, or their respective associates; (ii) are awarded with awards granted in excess of the 1% individual limit; and (iii) are related entity participants or Service Providers with awards granted in any 12-month period exceeding 0.1% of the Shares in issue. No awards were granted to any related entity participants, Service Providers or other employees during the Reporting Period.

The number of Shares that may be issued in respect of options and awards granted under the Pre-IPO Equity Incentive Plan during the Relevant Period divided by weighted average number of Shares in issue for the Relevant Period is 15.07%.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time for the year ended December 31, 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board. The Directors and the senior management personnel are eligible participants of the Share Incentive Schemes.

The Company has adopted the 2025 Share Scheme and Pre-IPO Equity Incentive Plan to provide incentives for certain employees. Please refer to the section headed "Share Incentive Schemes" in this annual report for further details.

Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in note 37 and note 7 to the consolidated financial statements, respectively.

During the Reporting Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries.

During the Reporting Period, none of our Directors waived any remuneration. Save as disclosed above, during the Reporting Period, no other amounts shall be paid or payable by us or any of our subsidiaries to our Directors or the five highest paid individuals.

Directors' Report

CONNECTED TRANSACTIONS

During the Reporting Period, the Group has not entered into any connected transactions (or continuing connected transactions) which are not exempt from the annual reporting requirements pursuant to Chapter 14A of the Listing Rules.

A summary of all significant transactions with related parties entered into by the Group during the Reporting Period is contained in note 35 to the consolidated financial statements. None of the related party transactions disclosed in note 35 to the consolidated financial statements constituted a connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules and the Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules as and where applicable and relevant.

CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the year ended December 31, 2025, the Company had no controlling shareholder.

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

Since the Listing Date and as of the date of this annual report, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including the sale of treasury shares) of our Company. As of December 31, 2025, the Company did not hold any treasury shares.

MATERIAL LITIGATION

We are currently involved in three legal proceedings in China where a third party (the "**Plaintiff**") has filed claims against both our Company and one of our employees, alleging ownership rights over certain of our patent applications. For more details on the patent rights related to our technology platforms and ADC assets, please see "Business – Intellectual Property" in the Prospectus. In December 2025, we obtained favorable first-instance judgments in all three cases. As the Plaintiff has appealed, the cases are currently pending appellate proceedings.

As advised by our IP litigation counsel, we believe the Plaintiff's claims are without merit and unlikely to succeed and our Directors are of the view that these legal proceedings are not expected to have a material impact on our R&D activities, clinical development plans, external collaborations, business operations or financial performance.

Save as disclosed in the above and the public sources, our Company was not involved in any material litigation or arbitration for year ended December 31, 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against our Group since the Listing Date and up to the date of this annual report.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

USE OF NET PROCEEDS FROM GLOBAL OFFERING

For details of the use of proceeds from the Global Offering, please refer to the section headed "Management Discussion and Analysis – Use of Proceeds from the Global Offering" in this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Director, the Company has maintained a sufficient public float from the Listing Date to the date of this annual report as required under the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by PricewaterhouseCoopers, which will retire at the conclusion of the AGM and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company is to be proposed at the AGM.

There has been no change in the auditor of the Company since the Listing Date.

Directors' Report

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section headed “Management Discussion and Analysis — Important Events after the Reporting Period”, there were no other important events affecting the Group occurred since the end of the Reporting Period and up to the date of this annual report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, we do not have other plans for material investments and capital assets during the Reporting Period.

By order of the Board

Duality Biotherapeutics, Inc.

Dr. ZHU Zhongyuan

*Chairman of the Board, executive Director
and chief executive officer*

Hong Kong

March 23, 2026

Corporate Governance Report

The Board is pleased to present the Corporate Governance Report in the Group's annual report for the Relevant Period.

CORPORATE GOVERNANCE CULTURE AND VALUE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximized in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

The Board sets and promotes corporate culture and expects and requires all employees to reinforce. In addition, from time to time, the Company will invite external experts to provide training to our management personnel to improve their relevant knowledge and management skills. The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

CORPORATE GOVERNANCE PRACTICES

Our Company strives to achieve high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for our Group to safeguard the interests of Shareholders and to enhance corporate value and accountability. As the Company was listed on the Stock Exchange on April 15, 2025 and the Corporate Governance Code was not applicable to the Company before the Listing Date, the Company has adopted the principles and code provisions of the Corporate Governance Code as the basis for the corporate governance practices of the Company during the Relevant Period. The Board is of the view that the Company has complied with all code provisions as set out in Part 2 of the Corporate Governance Code during the Relevant Period, except for deviation from the code provision C.2.1 of the Corporate Governance Code.

Corporate Governance Report

The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. ZHU Zhongyuan currently serves as the chairman of the Board and the chief executive officer of our Company. He is the founder of our Group and has been operating and managing our Group since its establishment. The Directors believe that it is beneficial to the business operations and management of our Group that Dr. ZHU Zhongyuan continues to serve as both the chairman of the Board and the chief executive officer of our Company. We consider it appropriate and beneficial to our business development and prospects that Dr. ZHU Zhongyuan continues to act as both our chairman and chief executive officer, and therefore currently do not propose to separate the functions of chairman and chief executive officer. While this would constitute a deviation from the code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Dr. ZHU and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of chairman and chief executive officer is necessary.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company to safeguard the interests of our Shareholders and to enhance corporate value and accountability.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding the transactions of securities of the Company by its Directors and the relevant employees who would likely possess inside information of the Company.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code from the Listing Date to the date of this annual report. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group or employees of the Company who are likely to be in possession of inside information of the Company during the period from the Listing Date to the date of this annual report.

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 take 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, 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.

The Directors have agreed to disclose to the Company in a timely manner for any changes of the number and nature of offices held in public companies or organizations and other significant commitments, as well as the identity of such public companies or organizations and an indication of the time involved, as required by the code provision under the CG Code.

Board Composition

Since the Listing Date and up to the date of this annual report, the Board comprises the following Directors:

Executive Directors

Dr. ZHU Zhongyuan (*chairman of the Board, executive Director and chief executive officer*)

Mr. ZHANG Shaoren

Ms. SI Wen (*resigned on March 23, 2026*)

Dr. HUA Haiqing (*appointed on March 23, 2026*)

Non-executive Directors

Mr. CAI Zhiyang

Dr. YU Tao

Independent Non-executive Directors

Mr. XIE Dong

Mr. GAO Fengyong

Ms. CHUAI Shuyin

Corporate Governance Report

The biographical details of the Directors are set out in the section headed “Profiles of Directors and Senior Management” of this annual report. Each of our Directors confirms that they (i) have obtained the legal advice referred to under Rule 3.09D of the Listing Rules, and (ii) understand their obligations as a director of a listed issuer under the Listing Rules. Dr. HUA Haiqing, who was appointed as an Executive Director on March 23, 2026, has obtained the legal advice referred to under Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules that are applicable to him as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange on March 10, 2026. Dr. HUA Haiqing has confirmed that he understood his obligations as an executive Director. There were no relationships (including financial, business, family or other material or relevant relationships) among the Directors or members of the senior management of the Company.

Board Meetings and Directors’ Attendance Records

Code provision C.5.1 of the CG Code stipulates that Board meetings should be held at least four times a year, roughly once a quarter, involving active participation, either in person or through electronic means of communication, of a majority of Directors. Notices of not less than 14 days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings. Code provision C.2.7 of the Corporate Governance Code requires that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.

For other Board meetings, reasonable notice has to be given generally. For other committee meetings, a notice shall be given as prescribed in the terms of reference prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records. During the Relevant Period, four Board meetings were held. The Company expects to continue to convene at least four regular Board meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the Corporate Governance Code, and to hold a meeting between the chairman and the independent non-executive Directors without the presence of other Directors in accordance with code provision C.2.7 of the Corporate Governance Code.

Name of Directors	Number of attendance/ meeting(s) held Board meeting(s)
<i>Executive Directors</i>	
Dr. ZHU Zhongyuan	4/4
Mr. ZHANG Shaoren	4/4
Ms. SI Wen ⁽¹⁾	4/4
<i>Non-executive Directors</i>	
Mr. CAI Zhiyang	4/4
Dr. YU Tao	4/4
<i>Independent Non-executive Directors</i>	
Mr. XIE Dong	4/4
Mr. GAO Fengyong	4/4
Ms. CHUAI Shuyin	4/4

Note:

- (1) Ms. SI Wen resigned as an executive Director with effect from March 23, 2026 and Dr. Hua Haiqing was appointed as an executive Director with effect from the same date.

General Meeting

During the Relevant Period, two general meetings were held.

Corporate Governance Report

A summary of the attendance record of the Directors at general meeting is set out in the table below:

Name of Directors	Number of attendance/ meeting(s) held
<i>Executive Directors</i>	
Dr. ZHU Zhongyuan	2/2
Mr. ZHANG Shaoren	2/2
Ms. SI Wen ⁽¹⁾	2/2
<i>Non-executive Directors</i>	
Mr. CAI Zhiyang	2/2
Dr. YU Tao	2/2
<i>Independent Non-executive Directors</i>	
Mr. XIE Dong	2/2
Mr. GAO Fengyong	2/2
Ms. CHUAI Shuyin	2/2

Note:

- (1) Ms. SI Wen resigned as an executive Director with effect from March 23, 2026 and Dr. Hua Haiqing was appointed as an Executive Director with effect from the same date.

Responsibilities, Accountabilities and Contributions of the Board and Management

Our Board is responsible for and has been granted general powers for the management and conduct of our business. The Board, together with its specialized committees including the Audit Committee, Remuneration Committee and Nomination Committee, formulates the Group's business strategies and supervises their implementation, monitors the Group's operational and financial performance, and ensures the establishment of sound internal control and risk management systems.

All Directors, including executive, non-executive and independent non-executive Directors, bring diverse professional expertise in biopharmaceutical R&D, global collaboration, corporate governance and financial management to support the effective functioning of the Board. The independent non-executive Directors play a critical role in safeguarding regulatory compliance, ensuring high standards of financial reporting and disclosure in accordance with the Listing Rules and applicable laws, and providing independent judgment on key corporate actions.

All Directors have full and timely access to the Company's information, including financial data and clinical development updates, and may seek independent professional advice at the Company's expense when necessary to fulfill their duties. Pursuant to the Articles of Association and relevant regulations, the Board holds general powers for the Group's business management and operations, including determining business strategies and investment plans, and has delegated the Group's daily management responsibilities to the senior management team, who are accountable to the Board. The scope of delegated powers is subject to periodic review by the Board, and the management must obtain Board approval prior to entering into any significant transactions.

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

Independent Non-executive Directors

During the Relevant Period, the Board has met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive Directors representing one-third of the Board. Further, independent non-executive Directors will be appointed to the Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

The Company did not receive from the independent non-executive Directors of any subsequent change of circumstances which may affect their independence. The Company has received the annual confirmations of independence from each of the independent non-executive Directors. The Board has considered the independence of each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent.

Board Independence Evaluation

The Board has implemented mechanism to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively during the Relevant Period. The mechanism is summarized as below:

Corporate Governance Report

Independent Assessment in Nomination Practices

The Company has nomination policy for election of Directors. Such policy, devising the criteria and procedures of selection and performance evaluation, provides guidance to the Board on nomination and appointment of Directors (including the independent non-executive Directors) of the Company. The Nomination Committee strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure they can continually exercise independent judgment. The Board believes that the defined selection process is good for corporate governance in serving the Board continuity and appropriate leadership at Board level, enhancing Board effectiveness and diversity, and ensuring independent views and input are available to the Board.

Board Decision Making

The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties. A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

Appointment, Re-election and Removal of Directors

Under the Articles of Association, the Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if: (i) the Director gives written notice to the Company to resign from his office as Director; (ii) the Director is absent for a continuous period of 12 months without proxy or alternate Director representation and without the Board's special leave of absence, and the Board passes a resolution that his office be vacated due to such absence; (iii) the Director becomes bankrupt, has a receiving order made against him, suspends payment or compounds generally with his creditors; (iv) the Director dies, or a competent court or official makes an order on the grounds of his mental disorder or incapability of managing his affairs and the Board resolves to vacate his office; (v) the Director is prohibited or ceases to be a Director by operation of law; (vi) the Director is required by the Stock Exchange to cease to be a Director or no longer qualifies as a Director pursuant to the Listing Rules; or (vii) the Director is removed from office by written notice signed by not less than three-fourths (or the nearest lower round number if not a round number) of the then in office Directors (including himself). At each annual general meeting, one-third of the current Directors shall retire from office by rotation; if the number of Directors is not a multiple of three, the number nearest to but not less than one-third shall retire, with every Director subject to retirement by rotation at least once every three years. The Directors to retire at each annual general meeting shall be those who have been in office longest since their last re-election or appointment; as to those who became or were last re-elected Directors on the same day, the retiring Directors shall be determined by lot unless they otherwise agree among themselves.

Each of the Directors has entered into a service contract or an appointment letter with the Company. Save as disclosed above, the Company has not entered, and does not propose to enter, into any service contracts or appointment letters with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

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 they remain informed and relevant for their contribution to the Board. The Company has updated all Directors on any material changes in the Listing Rules and corporate governance practices from time to time.

Every newly appointed Director will receive formal, comprehensive and tailored 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.

Corporate Governance Report

During the Relevant Period, all Directors attended training sessions on the respective obligations of the Directors and senior management. In addition, relevant reading materials including legal and regulatory update have been provided to the Directors for their reference and studying. The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors during the relevant period is summarized as follows:

Name of Directors	Training received or not
<i>Executive Directors</i>	
Dr. ZHU Zhongyuan	✓
Mr. ZHANG Shaoren	✓
Ms. SI Wen ¹	✓
<i>Non-executive Directors</i>	
Mr. CAI Zhiyang	✓
Dr. YU Tao	✓
<i>Independent Non-executive Directors</i>	
Mr. XIE Dong	✓
Mr. GAO Fengyong	✓
Ms. CHUAI Shuyin	✓

Note:

- 1 Ms. SI Wen resigned as an executive Director with effect from March 23, 2026 and Dr. Hua Haiqing was appointed as an Executive Director with effect from the same date

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 Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

We have established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to (i) review and supervise our financial reporting process and internal control system, risk management and internal audit of our Group; (ii) provide advice and comments to our Board in respect of financial risk, risk management and internal control matters; and (iii) perform other duties and responsibilities as may be assigned by the Board. The Audit Committee comprises three independent non-executive Directors, namely, Mr. XIE Dong, Mr. GAO Fengyong and Ms. CHUAI Shuyin, Mr. XIE Dong is the chairperson of the Audit Committee. He holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the audited financial results of the Group for the year ended December 31, 2025, and has discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

During the year ended December 31, 2025, the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

During the Relevant Period, the Audit Committee held two meetings to, amongst others:

- review the interim results of the Group for the six months ended June 30, 2025; and
- review the Group's financial reporting, the appointment of the external auditor, etc.

During the Relevant Period, the attendance records for the Audit Committee meeting are set out below:

Name of members of the Audit Committee	Number of attendance/meeting(s) held
Mr. XIE Dong (<i>Chairperson</i>)	2/2
Mr. GAO Fengyong	2/2
Ms. CHUAI Shuyin	2/2

Corporate Governance Report

Remuneration Committee

We have established a Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; and (ii) reviewing and approving matters relating to share schemes of our Company.

The Remuneration Committee comprises one executive Director and two independent non-executive Directors, namely, Ms. CHUAI Shuyin, Mr. GAO Fengyong and Dr. ZHU Zhongyuan. Ms. CHUAI Shuyin is the chairperson of the Remuneration Committee.

During the Relevant Period, no Remuneration Committee meeting was held by us as remuneration matters were handled via written consultation. The following is a summary of work performed by the Remuneration Committee during the Relevant Period:

- review the remuneration policy and structure of the Company;
- review and consider the remuneration packages for the Directors and senior management of the Company;
- review grant of share schemes of the Company.

During the Relevant Period, the attendance records for the Remuneration Committee meeting are set out below:

Name of members of the Remuneration Committee	Number of attendance/meeting(s) held
Ms. CHUAI Shuyin (<i>Chairperson</i>)	0/0
Mr. GAO Fengyong	0/0
Ms. SI Wen ⁽¹⁾	0/0

Note:

- (1) Ms. SI Wen resigned as a member of the Remuneration Committee with effect from March 23, 2026 and Dr. ZHU Zhongyuan was appointed as a member of the Remuneration Committee with effect from the same date.

Details of the remuneration of the Directors and five highest paid individuals of the Group are set out in note 37 and note 7 to the consolidated financial statements of this annual report. The remuneration for members of senior management by band for the year ended December 31, 2025 is set out below:

Remuneration band (HK\$)	Number of senior management
Nil to 2,500,000	3
2,500,001 to 3,000,000	–
3,000,001 to 3,500,000	1
3,500,001 to 4,000,000	–
4,000,001 to 4,500,000	1
4,500,001 to 5,000,000	–
5,000,001 to 5,500,000	2
5,500,001 to 6,000,000	2
6,000,001 to 6,500,000	–
8,000,001 to 8,500,000	1
8,500,001 to 9,000,000	1
9,500,001 to 10,000,000	1
10,000,001 to 10,500,000	1
26,000,001 to 26,500,000	1
30,000,001 to 30,500,000	1
47,500,001 to 48,000,000	1

Our Directors and senior management receive remuneration, including salaries, discretionary bonus, share-based compensation expenses, pension costs and other benefits. The Company’s remuneration policy is framed to set remuneration for Directors and Senior Management by considering their responsibilities, time commitment and Group employment conditions, with reference to salaries of comparable companies and relative corporate performance. Performance-related elements account for a significant part of executive Directors’ total remuneration, aligning their interests with Shareholders and driving high performance. The Remuneration Committee regularly reviews the policy, ensures market-competitive packages to attract and retain talent, and oversees compliance with the Listing Rules for share schemes and all remuneration decisions.

Corporate Governance Report

Nomination Committee

We have established a Nomination Committee in compliance with Rule 3.27A of the Listing Rules and the CG Code. The primary duties of the Nomination Committee include, but are not limited to, (i) reviewing the structure, size and composition of our Board on a regular basis and make recommendations to the Board regarding any proposed changes to the composition of our Board; (ii) identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorship, and ensuring the diversity of our Board members; (iii) performing review on the contributions made by our Directors (including our independent non-executive Directors) and the sufficiency of time devoted to perform their duties; (iv) assessing the independence of our independent non-executive Directors; and (v) making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors.

The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely, Dr. ZHU Zhongyuan, Ms. CHUAI Shuyin and Mr. XIE Dong. Dr. ZHU Zhongyuan is the chairperson of the Nomination Committee.

In assessing the Board's structure, size and composition, the Nomination Committee takes into account the skills, knowledge and experience required, and factors of Board diversity as defined in the Company's board diversity policy formulated by the Committee. It may set measurable diversity objectives for the Board where needed and make recommendations to the Board for their adoption.

In identifying and selecting qualified candidates for directorships, the Nomination Committee first evaluates the Board's skill balance to define the role and capabilities required for the role, considers candidates against objective criteria, from diverse backgrounds and on merit to complement the corporate strategy and achieve Board diversity, before making nomination recommendations to the Board.

During the Relevant Period, the Nomination Committee held one meeting to, amongst others:

- make recommendation to the Board in respect of the reappointment of Directors.

During the Relevant Period, the attendance records for the Nomination Committee meeting are set out below:

Name of members of the Nomination Committee	Number of attendance/meeting(s) held
Dr. ZHU Zhongyuan (<i>Chairperson</i>)	1/1
Ms. CHUAI Shuyin	1/1
Mr. XIE Dong	1/1

Board Diversity Policy

Our Board has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company’s strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We will select potential Board candidates based on merit and their potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of knowledge, skills and experience. They completed studies in various majors including but without limitation to molecular biology, biochemistry and polymer biology, business administration, international accounting, economics, managerial psychology, science, biomedical engineering and human resources and industrial relations. We have three independent non-executive Directors who have different industry backgrounds. Furthermore, our Directors are of a wide range of age, from 40 to 56 years old. Taking into account our business model and specific needs as well as the presence of one female Director out of a total of eight Board members, we consider that the composition of our Board satisfies our board diversity policy.

Corporate Governance Report

The current Board composition is analyzed as follows based on the measurable objectives:

Gender	Age group
Male: 7 Directors	40-45: 4 Directors
Female: 1 Director	46-50: 2 Directors
	51-60: 2 Directors

Position
Executive Directors: 3 Directors
Non-executive Directors: 2 Directors
Independent Non-executive Directors: 3 Directors

All Directors, including the 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.

We recognize the particular importance of gender diversity on our Board. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our board diversity policy provides that our Board shall take opportunities when selecting and making recommendations on suitable candidates for Board appointments with the aim of increasing the proportion of female members over time after Listing. In particular, taking into account the business needs of our Group and changing circumstances that may affect our business plans, we will actively identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, in order to develop a pipeline of potential successors to our Board and promote gender diversity. Additionally, female representatives of our investors are also considered as potential candidates for Board appointments. We will also ensure that there is gender diversity when recruiting staff at the mid- to senior-levels so that we have a pipeline of female senior management and potential successors to our Board going forward. We plan to offer well-rounded trainings to female employees whom we consider have the requisite experience, skills and knowledge of our operation and business, on topics including but not limited to business operation, management, accounting and finance, and legal compliance. We are of the view that such strategies will provide our Board with ample opportunities to identify capable female employees to be nominated as Directors in the future, fulfilling our aim to develop a pipeline of female candidates to achieve greater gender diversity in our Board in the long run. We believe that such a merit-based selection process with reference to our diversity policy and the nature of our business will be in the best interests of our Company and our Shareholders as a whole. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectations and international and local recommended best practices.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. Our Nomination Committee will review our board diversity policy and its implementation annually to monitor its continued effectiveness and we will disclose the implementation of our board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and the senior management as of December 31, 2025:

	Female	Male
Board	25%	75%
Senior management (excluding executive Directors)	54.5%	45.5%
Overall workforce	59.3%	40.7%

As of December 31, 2025, the gender composition of Senior Management (excluding Board members) stands at 54.5% female and 45.5% male, and the overall workforce comprises 59.3% female and 40.7% male employees. The Board considers that the current gender ratio reflects a gender balance in our employee structure. During the Relevant Period, there were no unfavorable factors or circumstances that made it more challenging or impractical to achieve gender diversity in the workforce, including the Board, senior management and other employees. Going forward, the Company will continue to monitor and evaluate the diversity policy and adopt measurable objectives from time to time to ensure continued effectiveness and the Company's diversity policy and the gender balance in our employee structure.

Director Nomination Policy

The Nomination Committee is mainly responsible for formulating standards and procedures for identifying and selecting candidates for Directors and senior management of the Company, assessing their performance and providing recommendations.

The Company has adopted a Director nomination policy (the "**Director Nomination Policy**") which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

Corporate Governance Report

The nomination process stipulated in the Company's Director Nomination Policy is structured as follows:

- (i) The Nomination Committee shall conduct active communication with the Company's relevant departments to assess the Group's talent requirements for new Directors and Senior Management and formulate formal written documentation outlining such demands.
- (ii) The Nomination Committee may conduct extensive candidate identification for Directors and Senior Management, sourcing potential candidates internally from the Company and its majority-owned enterprises or investees, as well as externally from the labor market.
- (iii) The Committee shall collect comprehensive information on preliminary candidates, including their occupation, educational background, professional titles, detailed work experience and all concurrent positions, and compile such information into formal written materials.
- (iv) No individual shall be deemed a formal candidate for Director or Senior Management unless the Nomination Committee has obtained their written consent to stand for nomination.
- (v) The Nomination Committee shall convene a formal committee meeting to conduct a rigorous qualification review of all candidates, in strict accordance with the established selection criteria for the Company's Directors and Senior Management.
- (vi) Prior to the election of new Directors and the appointment of new Senior Management, the Nomination Committee shall submit to the Board formal recommendations on the candidates, together with all relevant supporting information and documentation.
- (vii) Following the Board's deliberation and feedback on the nomination recommendations, the Nomination Committee shall carry out all necessary follow-up work in accordance with the Board's decisions and guidance.

Where appropriate and necessary, the Board shall make formal recommendations to the Shareholders in respect of the proposed election of Directors at the Company's general meetings. If the Board proposes a resolution to elect or re-elect a candidate as a Director at a general meeting, the relevant details and information of the candidate shall be fully disclosed in the circular to Shareholders and/or the explanatory statement accompanying the notice of the relevant general meeting, in strict compliance with the Listing Rules and all other applicable laws and regulations.

Pursuant to the Company's governing provisions, Shareholders holding, severally or jointly, more than one percent of the Company's issued Shares shall have the right to submit written proposals in respect of the nomination of Directors to the Board. Such written nomination proposals shall be submitted to the Board at least ten days prior to the convening of the relevant Shareholders' meeting.

To ensure the ongoing effectiveness and relevance of the nomination framework, the Nomination Committee shall conduct regular reviews of the Director Nomination Policy as it deems appropriate and make revisions or amendments to the Policy as necessary to align with the Company's corporate strategy, regulatory requirements and the evolving needs of the Board.

Corporate Governance Function

The Board is responsible for determining the corporate governance policy of the Company performing the functions set out in code provision A.2.1 of Part 2 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the CG Code, the Company's code of conduct applicable to its employees, Directors, and disclosure in its Corporate Governance Report during the Relevant Period.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

Risk Management

We recognize that effective risk management is critical to the success of our business operations. The key operational risks we face include, among others, changes in the general market conditions and regulatory environment of the PRC and global biopharmaceutical markets, our ability to develop, manufacture, and commercialize our drug candidates, as well as our ability to compete with other biopharmaceutical companies. See "Risk Factors" for detailed discussion of the various risks and uncertainties we confront. We also encounter diverse market risks, including credit, liquidity, interest rate, and currency risks.

To address these challenges, we have implemented a comprehensive set of risk management policies that establish a framework to identify, assess, evaluate, and continuously monitor the key risks associated with our strategic objectives. Risks identified by our management are analyzed based on likelihood and impact, and are then properly followed up, mitigated, and rectified by our Group, meanwhile reporting to our Board of Directors. Our Directors oversee the implementation of these risk management policies.

Corporate Governance Report

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

Our Directors will oversee and manage the overall risks associated with our business operations by (i) reviewing and approving our risk management policy to ensure alignment with our corporate objectives; (ii) reviewing and approving the annual working plan and annual report on corporate risk management; (iii) monitoring the most significant risks related to our business operations and evaluating our management's handling of these risks; (iv) assessing our corporate risk in relation to our risk tolerance; and (v) ascertaining the appropriate application of our risk management framework across our Group.

Our finance, legal, human resources and other relevant departments will be responsible for (i) developing our risk management policy and reviewing major risk management issues within our Company; (ii) creating the annual risk management plan and report; (iii) offering guidance on our risk management approach to relevant departments and supervising the implementation of our risk management policy; (iv) reviewing reports on key risks from relevant departments and providing feedback; and (v) conducting education and training related to risk management.

Our finance, legal, human resources and other relevant departments will be responsible for implementing our risk management policy and conducting daily risk management activities. To standardize risk management across our Group and establish a common level of transparency and performance, these departments will (i) gather information about risks related to their operations or functions; (ii) conduct risk assessments, which include identifying, prioritizing, measuring, and categorizing all key risks that could potentially impact their objectives; (iii) continuously monitor key risks related to their operations or functions; (iv) implement appropriate risk responses as needed; (v) develop and maintain mechanisms to facilitate the application of our risk management framework; and (vi) promptly report any material risks to relevant departments.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. During the year ended December 31, 2025, we regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented.

- We have implemented a range of measures and procedures covering various aspects of our business operations, including related party transactions, risk management, intellectual property protection, environmental protection, and occupational health and safety. As part of our employee training program, we regularly provide training on these measures and procedures to our staff.

- Our Directors, who are responsible for overseeing the corporate governance of our Group, will, with assistance from our legal advisers, periodically review our compliance status with all relevant laws and regulations.
- We have established an Audit Committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Group.
- We have engaged First Shanghai Capital Limited as our compliance adviser to provide advice to our Directors and management team until the end of the first fiscal year after the Listing regarding matters relating to the Listing Rules. Our compliance adviser is expected to ensure our use of funding complies with the section headed “Future Plans and Use of Proceeds” in the Prospectus, as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion.

The Board acknowledges its responsibility for the risk management and internal control systems and for 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 mechanisms.

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 an Information Disclosure Management System to ensure that all material undisclosed information is disclosed to the market through designated channels in a timely manner through standardized procedures. Under the system, the Company is required to disclose to the public any inside information as soon as reasonably practicable after it becomes aware of it or is likely to create a false market. During the Relevant Period, the Company has disclosed information in strict compliance with the requirements of the laws and regulations including the Listing Rules without any false statements, misleading statements or material omissions, to ensure investors will be able to receive the disclosed information fairly, timely and effectively.

Corporate Governance Report

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 has reported to 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 reviews of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee. For the year ended December 31, 2025 and up to the date of this annual report, the Board was not aware of any material defect in the internal control of the Group.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted an annual review 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 internal audit function and staff qualifications, experiences and relevant resources.

The Company has in place the Whistleblowing Policy and system for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

To uphold our business reputation and ethical standards, we have incorporated anti-corruption and anti-bribery requirements into our internal policies and systems. These requirements are designed to prevent and prohibit any form of corruption or bribery, ensuring that our employees adhere to high standards of integrity and transparency in all business activities. We maintain a zero-tolerance approach to corruption and bribery and strictly enforce internal controls to enhance employees' legal awareness and ethical principles. Our relevant internal policies include provisions that strictly prohibit employees from engaging in any form of bribery or corruptive conduct, including giving or receiving bribes, kickbacks, or other improper benefits in connection with government relations and commercial activities. We have established secure and confidential effective reporting channels to encourage employees and business partners to report or file complaints about any suspected corruption or bribery.

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 financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended December 31, 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

A statement from the external auditors of the Company about their reporting responsibilities for the financial statements is set forth in the Independent Auditor's Report in this annual report.

AUDITOR'S REMUNERATION

An analysis of the remuneration paid/payable to the external auditor of the Company, PricewaterhouseCoopers 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	2,700
Non-audit services	859
– Tax services	859
Total	3,559

Corporate Governance Report

JOINT COMPANY SECRETARIES

Ms. YUAN Jiali (袁佳麗), aged 39, is our head of legal and compliance and has been appointed as one of the joint company secretaries of our Company with effect from April 15, 2025. For details of Ms. YUAN Jiali's biography, please see in the section headed "Profiles of Directors and Senior Management" of this annual report.

The Company has also appointed, externally, Ms. TSANG Wing Man (曾穎雯) as the joint company secretary with effect from August 12, 2024. For details of Ms. TSANG Wing Man's biography, please see in the section headed "Profiles of Directors and Senior Management" of this annual report. Ms. TSANG Wing Man's primary contact with the Company is Ms. YUAN Jiali, the joint company secretary of the Company.

In compliance with Rule 3.29 of the Listing Rules, Ms. YUAN Jiali and Ms. TSANG Wing Man have undertaken not less than 15 hours of relevant professional training to update their skills and knowledge during the year ended December 31, 2025.

All Directors may have access to the advice and services of the joint company secretaries on corporate governance and routine Board matters.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting and Putting Forward Proposals at Shareholders' Meeting

Pursuant to the article 9.3 of the Articles of Association, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company by mail at 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and/or add resolutions to the agenda of a general meeting. An extraordinary general meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The requisition must state clearly the name of the eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an extraordinary general meeting, the agenda proposed to be included and the details of the business(es) proposed to be transacted at the extraordinary general meeting. The requisition must be signed by the eligible Shareholder(s) concerned.

Contact Details

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

Address: 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai,
Hong Kong
Email: IR@dualitybiologics.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 address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

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 endeavors 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, 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.

Shareholders' Communication Policy

The Company adopts a Shareholders' communication policy (the "**Shareholders' Communication Policy**") to ensure that the Shareholders and, where appropriate, the general investing public, have timely access to comprehensive, identical and understandable information about the Company (including its financial performance, strategic objectives and plans, significant developments, governance and risk profile), so that Shareholders can exercise their rights in an informed manner on the one hand, and to enhance communication between Shareholders and investing public and the Company on the other.

Corporate Governance Report

The Company maintains a policy of open communication and communicates information to Shareholders and investors through a variety of channels. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchange views with the Board; (iii) updated and key information of the Group available on the Company's website (www.dualitybiologics.com) and the Stock Exchange's website (www.hkexnews.hk); (iv) the Company's website offering communication channel between the Company and its stakeholders; (v) the Company's Hong Kong Share Registrar serving the Shareholders in respect of all share registration matters; and (vi) various activities such as briefing sessions, roadshows, media interviews and marketing activities for investors, to facilitate communication and exchange of views between the Company and Shareholders and investors.

Shareholders may at any time direct enquiries, request for the Company's information to the extent such information is publicly available, and provide comments and suggestions to the office of the Board. Such questions, requests and comments may be sent by mail to the Company's principal place of business in Hong Kong (Attention: Company Secretary, 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong). In order to facilitate timely and effective communication and exchange, Shareholders are encouraged to provide their contact details, in particular email addresses, to the Company's Hong Kong Share Registrar.

The Board is responsible for maintaining ongoing communication with Shareholders and regularly reviewing the Shareholders' Communication Policy to ensure its effectiveness. Having considered the implementation and outcome of the Shareholder communication channels of the Group and the practices of other listed companies, the Company confirmed its effectiveness during the Relevant Period.

Proposed Amendments to Constitutional Documents

To facilitate the proposed RMB Share Issue, the Company proposes to amend its existing Articles of Association with reference to PRC requirements, within the scope permitted under the Listing Rules and the laws of the Cayman Islands. The amended Articles of Association (applicable after the RMB Share Issue and listing) (the "**Proposed Amendments**") will take effect upon the listing of the RMB Shares on the Sci-Tech Board.

The amended Articles of Association conform with the core shareholder protection standards under Appendix A1 to the Listing Rules. The Company also confirms that the Proposed Amendments are usual for a company listed on the Stock Exchange. For further details, please refer to the Company's circular dated April 13, 2026 published on the Stock Exchange's website.

Dividend Policy

We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future. Our board of directors has complete discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law. In addition, our Shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Currently, we do not have any dividend policy or intention to declare or pay any dividends in the near future. As advised by our legal advisor as to Cayman Islands law, notwithstanding that the Company may have accumulated losses, the Company may declare dividend (a) out of profits of the Company if the Company has sufficient profits, realized or unrealized, unless such is contrary to the accounting principles adopted by the Company or (b) out of the share premium of the Company if following the date on which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business. In determining whether to declare a dividend, our Board will need to be satisfied that the declaration of dividend is in the best interest of the Company and may make provision for losses. Investors should not purchase our Shares with the expectation of receiving cash dividends.

Independent Auditor's Report



羅兵咸永道

To the Shareholders of Duality Biotherapeutics, Inc.

(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Duality Biotherapeutics, Inc. (the “Company”) and its subsidiaries (the “Group”), which are set out on pages 127 to 200, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated statement of comprehensive loss for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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

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BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 matters identified in our audit are summarized as follows:

- Revenue recognition of the license and collaboration agreements
- Recognition of technical services expenses

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition of the license and collaboration agreements</p> <p>Refer to Note 4(i) and Note 5 to the consolidated financial statements</p> <p>The Group recognized revenue of RMB1,851,735,000 in the consolidated statement of comprehensive loss for the year ended 31 December 2025, of which RMB1,849,132,000 was derived from the granting of licenses of certain intellectual properties and provision of research and development services under the license and collaboration agreements.</p> <p>Revenue from the license and collaboration agreements with customers was recognised by the Group when control of licenses and research and development services was transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those licenses or services.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> – Understood and evaluated the management process in relation to revenue, validated the relevant controls over revenue recognition of the license and collaboration agreements. – Assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud. – Evaluated the appropriateness of management accounting policies in relation to the revenue recognition by examining the relevant terms of the license and collaboration agreements. – Assessed the reasonableness of management's process for identifying performance obligations and allocating the transaction price in order to recognize revenue upon the signing of license and collaboration agreements. – Tested the mathematical accuracy of the calculations for recognized revenue from research and development services.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Multiple performance obligations may exist within the agreements and certain consideration is subject to contingent event out of the Group and customer's control. The Group identified distinct performance obligations within the agreements and allocated the transaction price based on the relative standalone selling prices and assessed whether the variable considerations were considered highly probable of being achieved and estimated the amount to be included in the transaction price using the most likely amount method.</p> <p>When the Group has a full discretionary option to participate in the future research and development activities and commercialization controlled by the licensee of the intellectual properties in certain licensed area, the Group continuously evaluates the probability and timing to exercise the option by reference to estimation of future economic returns and relevant scientific study outcomes.</p> <p>We focus on this area due to the magnitude of the revenue amount and significant estimates and judgments were involved in the assessment of multiple performance obligations, variable considerations and the full discretionary option mentioned above.</p>	<ul style="list-style-type: none"> - Assessed the reasonableness of the management's estimates of variable considerations including its probability and amount. - Evaluated management's assessment of the probability and expected timing of exercising the discretionary option by estimation of future economic returns and relevant scientific study outcomes. - Tested the revenue transactions by examining supporting documents including contracts, research and development budget, customers' acknowledgments, invoices and bank receipts to assess whether revenue was properly recognised. - Performed confirmation procedures for revenues from license and collaboration agreements and related trade receivables on a sampling basis. - Assessed the adequacy of the disclosures related to revenue recognition from the license and collaboration agreements with customers in accordance with applicable financial reporting standards. <p>Based on the procedures performed, we considered the revenue from license and collaboration agreements were supported by available evidence.</p>

Independent Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Recognition of technical services expenses</p> <p>Refer to Note 6 to the consolidated financial statements</p> <p>The Group recognized technical services expenses of RMB1,771,005,000 in the consolidated statement of comprehensive loss for the year ended 31 December 2025, out of which a material amount is technical service fees paid to contract research organisations and other outsourced service providers.</p> <p>We focus on this area due to the magnitude of the technical services expenses amount and significant audit efforts spent in this area.</p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> – Understood and evaluated the management process in relation to technical services expenses, validated the relevant controls over recognition of the technical services expenses. – Evaluated the appropriateness of management accounting policies in relation to the recognition of technical services expenses by examining the relevant terms of the technical services contracts. – Tested technical services expenses, on a sample basis, by examining the relevant contract terms and supporting documents including progress supporting documents and invoices. – Tested technical services expenses recognized before and after the balance sheet date by examining the relevant contract terms and supporting documents including progress supporting documents and invoices to assess whether they are recognized in the appropriate accounting period, on a sample basis.

Key Audit Matter	How our audit addressed the Key Audit Matter
	<ul style="list-style-type: none"> <li data-bbox="826 463 1428 614">– On a sample basis, tested supporting documents to verify the appropriate classification of technical services expenses in the financial statements; and <li data-bbox="826 657 1428 765">– Performed confirmation procedures for technical services from suppliers and related trade payables balances, on a sample basis. <p data-bbox="826 819 1428 927">Based on the procedures performed, we considered the recognition of research and development expenses were supported by the evidence obtained.</p>

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Duality Biotherapeutics, Inc. 2025 Annual Report (the “annual report”) other than the consolidated financial statements and our auditor’s report thereon. We have obtained some of the other information including Financial Highlights, Management Discussion and Analysis prior to the date of this auditor’s report. The remaining other information, including Corporate Information, Chairman’s Statement, Profiles of Directors and Senior Management, Directors’ Report, Corporate Governance Report, Financial Summary, Environmental, Social and Governance Report and the other sections to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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.

Independent Auditor's Report

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE 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 HKFRS Accounting Standards as issued by the HKICPA 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.

The Audit Committee is 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. We report our opinion solely to you, as a body, 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 HKSAAs 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.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism 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 consolidated 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.

Independent Auditor's Report

We communicate with the Audit Committee 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.

We also provide the Audit Committee 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 matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters 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 NG, Tsun (practising certificate number: P05525).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 23 March 2026

Consolidated Statement of Comprehensive Loss

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	5	1,851,735	1,941,257
Cost of revenue	6	(1,262,642)	(1,156,590)
Gross Profit		589,093	784,667
Research and development expenses	6	(837,770)	(836,726)
Administrative expenses	6	(214,606)	(158,692)
Other income	8	8,282	7,338
Other (losses)/gains, net	9	(31,867)	14,421
Operating loss		(486,868)	(188,992)
Finance income	10	99,309	48,112
Finance costs	10	(1,210)	(250)
Fair value change of financial liabilities at fair value through profit or loss	27	(2,206,058)	(873,416)
Loss before income tax		(2,594,827)	(1,014,546)
Income tax expense	11	–	(35,888)
Loss for the year attributable to the owners of the Company		(2,594,827)	(1,050,434)
Other comprehensive loss: <i>Items that will not be reclassified to profit or loss</i>			
Exchange differences on translation		(71,078)	(37,950)
Changes in fair value of financial liabilities from own credit risk		–	(15)
Other comprehensive loss for the year, net of tax		(71,078)	(37,965)
Total comprehensive loss for the year attributable to the owners of the Company		(2,665,905)	(1,088,399)
Loss per share for the loss attributable to owners of the Company			
Basic and diluted loss per share (in RMB)	12	(39.8)	(131.3)

Consolidated Balance Sheet

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	20,037	13,072
Intangible assets		3,771	46,237
Right-of-use assets	15	8,638	5,523
Other non-current assets	23	26,280	115,555
Total non-current assets		58,726	180,387
Current assets			
Cash and cash equivalents	17	1,276,399	1,208,906
Restricted cash	18	49,709	45,155
Term deposits with initial term over three months	19	1,998,421	181,766
Financial assets at fair value through profit or loss	16	99,140	–
Contract fulfilment costs	20	35,556	–
Trade receivables	21	277,916	379,021
Prepayments and other receivables	22	59,146	24,598
Other current assets	23	37,861	70,389
Total current assets		3,834,148	1,909,835
Total assets		3,892,874	2,090,222
EQUITY/(DEFICITS)			
Share capital	25	64	6
Other reserves	26	7,281,362	223,343
Accumulated losses		(4,854,762)	(2,245,248)
Equity/(Deficits) attributable to the owners of the Company		2,426,664	(2,021,899)
Total equity/(deficits)		2,426,664	(2,021,899)

Consolidated Balance Sheet

	Notes	As at 31 December	
		2025 RMB' 000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Contract liabilities	5	238,517	238,251
Lease liabilities		3,907	2,302
Deferred income		2,400	–
Other non-current liabilities	31	169,526	–
Total non-current liabilities		414,350	240,553
Current liabilities			
Financial liabilities at fair value through profit or loss	27	–	3,046,784
Trade and notes payables	28	761,938	670,910
Other payables	29	66,285	60,631
Contract liabilities	5	77,769	90,256
Bank borrowings	30	141,056	–
Lease liabilities		4,812	2,987
Total current liabilities		1,051,860	3,871,568
Total liabilities		1,466,210	4,112,121
Total equity/(deficits) and liabilities		3,892,874	2,090,222

The consolidated financial statements and the accompanying notes were approved by the Board of Directors on 23 March 2026 and were signed on its behalf.

Zhongyuan Zhu
Director

Shaoren Zhang
Director

Consolidated Statement of Changes in Equity

	Attributable to the owners of the Company			Total (deficits)/ equity RMB' 000
	Share capital RMB' 000	Other reserves RMB' 000	Accumulated losses RMB' 000	
Balances at 1 January 2024	6	31,861	(1,155,780)	(1,123,913)
Comprehensive loss				
Loss for the year	–	–	(1,050,434)	(1,050,434)
Surplus reserves	–	39,034	(39,034)	–
Other comprehensive loss				
<i>Items that will not be reclassified to profit or loss</i>				
Exchange differences on translation	–	(37,950)	–	(37,950)
Changes in fair value of financial liabilities from own credit risk	–	(15)	–	(15)
Transactions with owners:				
Share-based compensation expense	–	190,413	–	190,413
Balance at 31 December 2024	6	223,343	(2,245,248)	(2,021,899)
Comprehensive loss				
Loss for the year	–	–	(2,594,827)	(2,594,827)
Surplus reserves	–	20,507	(20,507)	–
Other comprehensive loss				
<i>Items that will not be reclassified to profit or loss</i>				
Exchange differences on translation	–	(71,078)	–	(71,078)
Transactions with owners:				
Conversion of Preferred Shares to Common Shares upon Global Offering	43	5,279,024	5,820	5,284,887
Gross proceeds from Global Offering	14	1,752,139	–	1,752,153
Listing fees through equity	–	(85,902)	–	(85,902)
Ordinary shares issued upon exercising pre-IPO share options	1	7,280	–	7,281
Share-based compensation expense	–	156,049	–	156,049
Balance at 31 December 2025	64	7,281,362	(4,854,762)	2,426,664

Consolidated Statement of Cash Flows

	Notes	For the year ended 31 December	
		2025 RMB' 000	2024 RMB' 000
Cash flows from operating activities			
Cash generated from operating activities	33	23,635	292,209
Income tax paid		(7,170)	(54,540)
Income tax refund received		97,219	–
Interest received		80,899	48,112
Net cash inflow from operating activities		194,583	285,781
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,503)	(4,079)
Purchase of intangible assets		(2,222)	(27,100)
Payments for financial assets at fair value through profit or loss		(1,056,832)	(1,362,145)
Redemption of financial assets at fair value through profit or loss		960,786	1,364,393
Increase in term deposits with initial term over three months		(3,587,849)	(179,710)
Maturity of term deposits with initial term over three months		1,789,604	–
Changes in restricted cash balances		(4,554)	(2,510)
Net cash outflow from investing activities		(1,912,570)	(211,151)
Cash flows from financing activities			
IPO proceeds from Global Offering		1,752,153	–
Payment for listing expense through equity		(83,436)	(3,321)
Proceeds from bank borrowings		141,056	–
Payment for interest of bank borrowings		(973)	–
Deposits in relation to lease agreements		–	(653)
Principal element of lease payments		(4,433)	(3,397)
Interests elements of lease payments		(237)	(250)
Exercise of pre-IPO share option		4,679	–
Net cash inflow/(outflow) from financing activities		1,808,809	(7,621)
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of year	17	1,208,906	1,130,889
Effect of foreign exchange rate changes on cash and cash equivalents		(23,329)	11,008
Cash and cash equivalents at end of year	17	1,276,399	1,208,906

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Duality Biotherapeutics, Inc. (the “Company”) was incorporated on 3 July 2019 in the Cayman Islands with limited liabilities under the Companies Law Cap.22 of the Cayman Islands.

On 15 April, 2025, the Company commenced listing on the Main Board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”). The Company issued 7,535,800 Hong Kong Offer Shares, and 9,796,500 International Offer Shares at offer price of HK\$94.6 for a total consideration of HK\$1,639,636,000 (equivalent to RMB1,524,008,000). On 9 May, 2025, an additional 2,599,800 shares were issued for a total consideration of HK\$245,941,000 (equivalent to RMB228,145,000) with respect to the over-allotment option exercised on 6 May, 2025.

The address of the Company’s registered office is at Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are a global clinical-stage biopharmaceutical company discovering, developing next generation Antibody-Drug Conjugate therapeutics in the People’s Republic of China (the “PRC”) and United States of America (the “US”).

The consolidated financial statements are presented in Renminbi (“RMB”) and all amounts are rounded to the nearest thousand (RMB’000) except when otherwise stated.

2 BASIS OF PREPARATION AND NEW OR AMENDED STANDARDS OR INTERPRETATIONS

2.1 Basis of preparation

(i) *Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance*

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards,
- Hong Kong Accounting Standards, and
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

Accounting policies applied in the preparation of these consolidated financial statements have been consistently applied, unless otherwise stated. Other than those material accounting policies which are disclosed in the notes to the relevant financial line item or transaction in these consolidated financial statements, other accounting policies have been set out in the summary in Note 40.

(ii) *Historical cost convention*

The consolidated financial statements have been prepared under the historical cost convention, except that certain financial assets and liabilities are measured at fair value.

2 BASIS OF PREPARATION AND NEW OR AMENDED STANDARDS OR INTERPRETATIONS (Continued)

2.1 Basis of preparation (Continued)

(iii) *New and amended standards and interpretations not yet adopted*

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group are as follows:

Standards	Key requirements	Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the classification and measurement of financial instruments,	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts referencing nature-dependent electricity	1 January 2026
Annual improvements project	Annual improvements to HKFRS Accounting Standards – volumes 11	1 January 2026
Amendments to HKAS 21	Lack of Exchangeability	1 January 2027
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 18	Presentation and disclosure in financial statements	1 January 2027
HKFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for HKFRS 18 which will mainly impact the presentation of the consolidated statement of comprehensive loss.

2 BASIS OF PREPARATION AND NEW OR AMENDED STANDARDS OR INTERPRETATIONS (Continued)

2.1 Basis of preparation (Continued)

(iii) *New and amended standards and interpretations not yet adopted (Continued)*

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statement of comprehensive loss:

Although the adoption of HKFRS 18 will have no impact on the Group's net loss, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

Foreign exchange differences

Foreign exchange differences currently aggregated in the line item other (losses)/gains – net in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

Gain or loss of investments measured at fair value through profit or loss

The gain or loss of investments measured at fair value through profit or loss currently aggregated in the line item other (losses)/gains – net in operating profit and will be presented below operating profit.

2 BASIS OF PREPARATION AND NEW OR AMENDED STANDARDS OR INTERPRETATIONS (Continued)

2.1 Basis of preparation (Continued)

(iii) *New and amended standards and interpretations not yet adopted (Continued)*

Impact on consolidated balance sheet:

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

Impact on consolidated statement of cash flows:

From a cash flow statement perspective, there will be changes to how interest received is presented. Interest received will be presented as investing cash flows, which is a change from current presentation as part of operating cash flows.

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the management of the Group.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk

(i) Foreign exchange risk

Instrument used by the Group

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currency.

The Company's functional currency is USD. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency.

The Group operates mainly in the PRC. There are certain cash and bank balances, trade receivables, other non-current assets and other payables denominated in a currency that is not the functional currency. The Group constantly reviews the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures, as may be necessary.

At 31 December 2025, if the USD strengthened/weakened by 5% against the RMB with all other variables held constant, net loss for the year would have been RMB73,380,000 lower/higher (2024: RMB63,185,000).

The group's exposure to foreign currency risk at the end of the reporting period, expressed in RMB, was as follows:

	31 December 2025 USD RMB' 000	31 December 2024 USD RMB'000
Cash and cash equivalents	558,377	862,951
Restricted cash	45,492	45,155
Term deposits with initial term over three months	943,918	181,766
Trade receivables	153,531	281,436
Other non-current assets	25,453	115,400
Total	1,726,771	1,486,708

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.1 Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing cash, cash equivalents, term deposits with initial term over three months and bank borrowings.

When cash and cash equivalents, term deposits with initial term over three months and bank borrowing obtained at variable rates expose the Group to cash flow interest-rate risk. The Group has not hedged its cash flow or fair value interest-rate risk. The cash and cash equivalents, term deposits with initial term over three months and bank borrowings are disclosed in Note 17, 19 and 30.

Management does not anticipate significant impact to interest-bearing assets or bank borrowings resulted from the changes in interest rates, because the interest rates are not expected to change significantly.

3.1.2 Credit risk

Credit risk arises from cash and cash equivalents, term deposits, restricted cash, trade receivables, other receivables and other non-current assets as well as financial assets at fair value through profit or loss. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk, cash and cash equivalents, term deposits and restricted cash are mainly deposited with state-owned or reputable financial institutions in the PRC and reputable international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.2 Credit risk (Continued)

For trade receivables, management applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. All trade receivables are aged within 30 days, indicating a healthy turnover. The directors of the Group believe that there is no material credit risk inherent in the Group's outstanding balance of trade receivables, details of which have been disclosed in Note 21.

For other receivables and other non-current assets, management has assessed that during the years ended 31 December 2024 and 2025, other receivables and other non-current assets have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management. The Group does not expect any losses from non-performance by the counterparties of other receivables and no loss allowance provision for other receivables and other non-current assets was recognized.

To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics and the days past due. As at 31 December 2024 and 2025, the Group has assessed that the expected loss rate for other receivables was immaterial. Thus no loss allowance provision for other receivables was recognized as at 31 December 2024 and 2025.

3.1.3 Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents or have available facility through an adequate amount of available financing to meet its daily operating working capital.

The table below analyzes the Group's non-derivative financial liabilities that will be settled into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

3.1.3 Liquidity risk (Continued)

The following table presents the Group's contractual maturities of financial liabilities at 31 December 2025:

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade and note payables	761,938	–	–	–	761,938
Other payables (excluding salaries and welfare payables and VAT and other taxes payables)	6,962	–	–	–	6,962
Bank borrowings	143,541	–	–	–	143,541
Lease liabilities	5,060	2,208	1,875	–	9,143
	917,501	2,208	1,875	–	921,584

The following table presents the Group's contractual maturities of financial liabilities as at 31 December 2024, excluding those measured at fair value through profit or loss:

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade payables	670,910	–	–	–	670,910
Other payables (excluding salaries and welfare payables and VAT and other taxes payables)	20,417	–	–	–	20,417
Lease liabilities	3,169	940	1,568	–	5,677
	694,496	940	1,568	–	697,004

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Company considers the cost of capital and the risks associated with the issued share capital. In the opinion of the directors of the Company, the Group's capital risk is low.

As at 31 December 2025, the Group was in a net cash position, hence it is not meaningful to present the gearing ratio.

3.3 Fair value estimation

Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Fair value hierarchy (Continued)

The following table presents the Group's assets that were measured at fair value at 31 December 2025:

	Level 1 RMB' 000	Level 2 RMB' 000	Level 3 RMB' 000	Total RMB' 000
Assets				
Financial assets at fair value through profit or loss	–	35,845	63,295	99,140
	–	35,845	63,295	99,140

The following table presents the Group's liabilities that were measured at fair value at 31 December 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Liabilities				
Financial liabilities at fair value through profit or loss	–	–	3,046,784	3,046,784
	–	–	3,046,784	3,046,784

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Fair value hierarchy (Continued)

There were no transfers between levels 2 and 3 for recurring fair value measurements during the year.

(i) *Valuation techniques used to determine fair values*

Specific valuation techniques used to value financial instruments mainly include binomial option pricing model or discounted cash flow analysis.

There were no changes in valuation techniques for the years ended 31 December 2024 and 2025.

(ii) *Valuation processes*

The Group's finance team manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the relevant instruments on a case by case basis. At least once a year, the team uses valuation techniques to determine the fair value of the Group's level 3 instruments. External valuers will be involved when necessary.

(iii) *Fair value measurements using significant unobservable inputs (level 3)*

The following table presents the changes in level 3 items for the periods ended 31 December 2025:

	Structured deposits
Closing balance 31 December 2024	–
Acquisitions	1,021,688
Realized gains	1,329
Settlement	(959,329)
Unrealized loss	(393)
Closing balance as at 31 December 2025	63,295

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will likely differ from actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Revenue recognition

(a) *Identification of performance obligations and allocation of the transaction price*

The Group identifies the performance obligations within certain contracts with customers and evaluates which performance obligations are distinct, which requires the use of judgment. The Group has determined that both the licenses of intellectual properties and research and development services are each capable of being distinct, and the Group has also determined that the promises to transfer the licenses of intellectual properties and to provide research and development services are also distinct within the context of the contract. The Group then allocates the transaction price between the licenses of intellectual properties and research and development services based on their relative standalone selling prices ("SSP"). SSP for licenses of intellectual properties performance obligation is determined based on the probability-weighted present value of forecasted cash flows associated with the intellectual properties, and SSP for research and development services performance obligations is based on the present value of estimated clinical trial costs plus a reasonable margin. This assessment involves significant judgment and any change may have a significant financial impact on the performance of the Group.

(b) *Estimation of variable consideration*

The consideration within certain contracts with customers includes variable consideration such as milestone payments, and sales-based royalties in different situations. The Group determines the amount of milestone payments by using either the expected value or the most likely amount based on which method better predicts the amount of consideration to which it will be entitled. The Group assesses whether the milestones are considered highly probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. In making these assessments, the Group considers various factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve a particular milestone. Given the extent of uncertainty and complexity of clinical stage of research and development activities and commercialization, the Group considers the achievement of milestone to be highly probable only when the regulatory approval has been obtained and commercialization stage has been reached. For sales-based royalties, the Group recognizes the revenue when the underlying sales occur and relevant performance obligations are satisfied. This assessment involves significant judgment and estimate and any change may have a significant financial impact on the performance of the Group.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

(i) Revenue recognition (Continued)

(c) *Consideration of the Group's discretionary option in certain collaboration agreement*

When the Group has a full discretionary option to participate in the future research and development activities and commercialization stage controlled by the licensee of the intellectual properties in certain licensed areas, the Group determines the probability and timing to exercise the right based on estimations of future economic returns and relevant scientific study outcomes. Should the Group elect to exercise the right, it would be required for the Group to refund certain consideration to the licensee and bear agreed future research and development expenditure and in return share certain percentage of the economic benefit and risk.

As of the announcement date of this annual report, the Group was still in the process of discussion with the licensee. The Group was yet to exercise any right and was assessing the probability and timing of exercising such right upon collecting appropriate underlying information necessary for the estimation of the possible exercise.

The Group continuously reassesses all relevant facts and circumstances to determine whether and when to exercise the option. This assessment involves significant judgment and any change may have a significant financial impact on the performance of the Group.

(ii) Share-based compensation

The Group has granted share options to the Group's employees. The Company has engaged an independent valuer to determine the fair value of the options granted to employees, which is expensed over the vesting periods. Unobservable inputs including the risk-free interests rate, volatility and dividend yield, etc., which involves the use of estimates, are used in determining the fair value of the share-based compensations. Any change of the estimates may have a significant financial impact on the performance of the Group.

5 SEGMENT AND REVENUE INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Group.

(a) Description of segments and principal activities

The Group is principally engaged in the research and development of new drugs. The CODM reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions.

5 SEGMENT AND REVENUE INFORMATION (Continued)

(b) License and collaboration agreements with customers

The Group entered into a number of license and collaboration agreements with certain customers. Under the terms of these agreements, the Group agreed to grant licenses of certain intellectual properties and to provide research and development services in relation to certain licensed products to the relevant customers. The considerations of these agreements generally consist of non-refundable upfront payment, reimbursements for research and development costs incurred, and variable considerations including milestone payments and royalties on net sales of the licensed products.

(c) Disaggregated revenue information is as follows:

	For the year ended 31 December	
	2025 RMB' 000	2024 RMB'000
Type of revenue		
Revenue from the license and collaboration agreements	1,849,132	1,937,049
Others	2,603	4,208
	1,851,735	1,941,257
Timing of revenue recognition		
Over time	1,121,622	831,148
At a point in time	730,113	1,110,109
	1,851,735	1,941,257

5 SEGMENT AND REVENUE INFORMATION (Continued)

(d) Liabilities related to contracts with customers

The Group has recognized the following liabilities related to contracts with customers:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Contract liabilities	316,286	328,507

Revenue recognized in relation to contract liabilities that was included in the contract liabilities at the beginning of the year is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Revenue recognized that was included in the contract liabilities at beginning of the year	71,212	154,258

The unsatisfied performance obligations arising from the contracts with customers, is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within one year	77,769	90,256
Above one year	238,517	238,251
	316,286	328,507

5 SEGMENT AND REVENUE INFORMATION (Continued)

(e) Accounting policy of revenue recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

At contract inception, the Group assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct.

The Group considers the terms of the contracts to determine the transaction price. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group recognizes revenue only when it satisfies a performance obligation by transferring control of the promised goods or services. The transfer of control can occur over time or at a point in time. A performance obligation is satisfied over time if it meets one of the following criteria.

- The counterparty simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
- The Group's performance creates or enhances an asset that the counterparty controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group adopts an appropriate method of measuring progress for the purpose of recognizing revenue. The Group evaluates the measure of progress at the end of each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

5 SEGMENT AND REVENUE INFORMATION (Continued)

(e) Accounting policy of revenue recognition (Continued)

The Group enters into license and collaboration agreements for research, development, manufacturing and commercialization. The terms of these arrangements typically include non-refundable upfront payments, reimbursements for costs incurred, milestone payments and royalties on net sales of licensed products. The contracts generally do not include a significant financing component.

Licenses of intellectual properties: The Group assesses whether the licensing of the Group's intellectual properties is distinct from the other performance obligations identified in the arrangements. For licenses determined to be distinct, the Group recognizes revenue from non-refundable, upfront payments allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is able to use and benefit from the license.

Research and development services: For research and development services determined to be distinct, the portion of the reimbursements for costs incurred and other transaction price allocated to the performance obligations is recognized either over time as performance of such services occurs or at a point in time upon acceptance of the deliverable units by the customers.

For performance obligations satisfied over time, which relate to specific research and development services, the directors have determined that the Group undertakes the research and development services, and creates and further enhances the intellectual properties controlled by customers. Accordingly, the related revenue is recognized over the service period using the output method to measure progress towards complete satisfaction of those performance obligations.

For performance obligations satisfied at a point in time, the deliverables generally take the form of technical laboratory reports, samples and/or products. Revenue is recognized when control of such deliverables is transferred to customers upon acceptance by customers. As the Group's performance does not create an asset with alternative future use and the Group has a present right to payment from the customers for services performed only upon acceptance of the deliverable units, the directors have concluded that these performance obligations are satisfied at a point in time.

The Group uses judgment to determine whether milestones or other variable consideration should be included in the transaction price.

5 SEGMENT AND REVENUE INFORMATION (Continued)

(e) Accounting policy of revenue recognition (Continued)

Milestone payments: At the inception of each arrangement that includes milestone payments, the Group assesses whether the milestones are considered highly probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method.

In making these assessments, the Group considers various factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve a particular milestone. Milestone payments that are subject to development progress, regulatory approvals and commercialization stages are not considered highly probable of being achieved until those approvals are received or commercialization stages are achieved.

The transaction price will be allocated to each performance obligation on a relative stand-alone selling price basis, for which the Group recognizes revenue as or when the performance obligations are satisfied. At the end of each subsequent reporting period, the Group re-evaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price.

Royalties: For arrangements that include sales-based royalties, the Group recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

The excess of cumulative revenue recognized in profit or loss over the cumulative billings to customers is recognized as contract assets. The excess of cumulative billings to customers over the cumulative revenue recognized in profit or loss is recognized as contract liabilities.

Discretionary option: When the Group has the full discretionary option to participate in the future research and development activities and commercialization stage controlled by the licensee of the intellectual properties in certain licensed area, the Group determines the probability and timing to exercise the right based on estimations of future economic returns and relevant scientific study outcomes. Should the Group elect to exercise the right, it would be required to refund certain consideration to the licensee and bear agreed future research and development expenditure and in return share certain percentage of the economic benefit and risk. For the year ended 31 December 2024 and 2025, no variable consideration adjustment in relation to the option was made. As of the announcement date of this annual report, the Group was yet to exercise the right.

6 EXPENSES BY NATURE

	Year ended 31 December	
	2025 RMB' 000	2024 RMB' 000
Technical services expenses	1,771,005	1,675,280
Employee benefit expenses (Note 7)	395,418	355,510
Listing expenses	35,958	24,145
Professional services expenses	35,204	31,198
Depreciation and amortization	12,317	7,870
Auditors' remuneration		
– Audit services	2,700	–
– Non-audit services	859	–
Impairment of intangible assets	–	21,350
Other expenses	61,557	36,655
	2,315,018	2,152,008

7 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2025 RMB' 000	2024 RMB' 000
Wages, salaries and bonus	210,827	147,053
Share-based compensation expenses (Note 13)	156,049	190,413
Social insurance (a)	26,336	17,535
Other welfare for employees	2,206	509
	395,418	355,510

7 EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Social insurance

The employees of the Group's subsidiaries participate in various government-sponsored defined contribution pension plans and various government supervised housing funds, medical insurance and other employee social insurance plan under which these subsidiaries are required to make monthly contributions to these plans at certain percentages of the employee's monthly salaries and wages subject to certain ceilings. During the years ended 31 December 2024 and 2025, the Group had no forfeited contributions under these plans which may be utilized by the Group to reduce its contributions for the current year.

The Group has no other material obligation for the payment of retirement benefit associated with these schemes beyond the annual contribution described above.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 3 directors for the year ended 31 December 2025 (2024: 1), whose emoluments are reflected in the analysis shown in Note 37. The emoluments payable to the remaining individuals during the year are as follows:

	Year ended December 31	
	2025 RMB'000	2024 RMB'000
Share-based compensation expenses	23,590	42,124
Wages, salaries and bonus	8,904	15,983
Social insurance	489	845
Other welfare for employees	191	391
	33,174	59,343

7 EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Year ended December 31	
	2025	2024
Emolument bands		
HKD8,000,001 to HKD8,500,000	—	1
HKD9,000,001 to HKD9,500,000	—	1
HKD9,500,001 to HKD10,000,000	1	—
HKD16,000,001 to HKD16,500,000	—	1
HKD26,000,001 to HKD26,500,000	1	—
HKD31,000,001 to HKD31,500,000	—	1
	2	4

8 OTHER INCOME

Grants from the government are recognized at their fair value where there is a reasonable assurance that the subsidies will be received and the Group will comply with all attached conditions.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Government grants	7,991	7,124
Others	291	214
	8,282	7,338

Notes to the Consolidated Financial Statements

9 OTHER (LOSSES)/GAINS, NET

	Year ended 31 December	
	2025 RMB' 000	2024 RMB'000
Foreign exchange (losses)/gains	(34,735)	12,273
Others	2,868	2,148
	(31,867)	14,421

10 FINANCE INCOME

	Year ended 31 December	
	2025 RMB' 000	2024 RMB'000
Finance income:		
Finance income from bank deposits	99,309	48,112
Finance costs		
Interest expense on bank borrowings and note discounting	(973)	–
Interest expense on lease liabilities	(237)	(250)
Finance income – net	98,099	47,862

11 INCOME TAX EXPENSE

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

The Group's principal applicable taxes and tax rates are as follows:

(a) Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

(b) Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the Group's subsidiary in Hong Kong is subject to Hong Kong profit tax on its taxable income generated from operations in Hong Kong at two-tiered profits tax rates, 8.25% for first HKD2 million of assessable profits and 16.5% for assessable profits above HKD2 million. Additionally, payments of dividends by the subsidiary incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax. No provision for Hong Kong profits tax has been provided for at the rate of 16.5% as the Group's subsidiary in Hong Kong has no estimated assessable profit.

(c) United States

DualityBio Inc. is incorporated in the United States and is subject to federal income tax at 21% and state and local income tax (generally ranges from 1% to 12%) where it has operation. DualityBio Inc. did not have any taxable income, therefore no income tax expense was accrued.

11 INCOME TAX EXPENSE (Continued)

Current income tax (Continued)

(d) *Chinese Mainland*

Duality Biologics (Suzhou) Co., Ltd. incorporated in the PRC is subject to Corporate Income Tax at a rate of 15% as the National High-Tech Enterprise (“NHTE”) certificate was obtained on 19 November 2024 with a valid period of three years. Duality Biologics (Shanghai) Co., Ltd. incorporated in the PRC is subject to Corporate Income Tax at a rate of 25%. Beijing Duality Biologics Co., Ltd. incorporated in the PRC, as a small and micro enterprise, can enjoy a 20% Corporate Income Tax rate on 25% of the taxable income amount for the proportion of taxable income not exceeding RMB3 million.

According to the Corporate Income Tax Law of the PRC and the respective regulations, the income derived by a resident enterprise in China from the transfer of technology which meets certain prescribed criteria could be eligible for income tax incentives. The part of the annual income from the transfer of technology derived by a resident enterprise within RMB5 million shall be tax-exempt; and the remainder shall be subject to a 50% reduction in the enterprise income tax rate. During the year ended 31 December 2024 and 2025, Duality Biologics (Suzhou) Co., Ltd has incurred income of transfer of technology for the above mentioned tax reduction and exemption incentives.

No provision for Chinese Mainland profits tax has been provided for at a rate of 15%, 20% or 25% pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the “CIT Law”), as the Group has no estimated assessable profits.

(e) *Withholding tax*

According to the CIT rules and regulations, distribution of profits earned by PRC companies is generally subject to a withholding tax of 10% upon the distribution of profits to overseas-incorporated immediate holding companies. Depending on the tax residency of the foreign shareholder, the withholding tax rate may be adjusted based on relevant the bilateral tax treaty. During the years ended 31 December 2024 and 2025, the Group does not have any profit distribution plan.

11 INCOME TAX EXPENSE (Continued)

Current income tax (Continued)

(e) Withholding tax (Continued)

Withholding tax on revenue from out-licensing

The Group entered into a number of license and collaboration agreements with certain overseas customers. According to the local income tax rules and regulations in the tax jurisdictions of the customers, a withholding tax might be triggered for the whole or part of the income arising from the license and collaboration agreements.

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to loss of the consolidated entities as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before income tax	(2,594,827)	(1,014,546)
Income tax expenses calculated at applicable tax rates	(90,380)	(27,167)
Withholding tax	—	35,888
Additional deduction of research and development expense	(71,996)	(77,106)
Expenses not deductible for tax purposes	69	45
Tax losses/Deductible temporary differences for which no deferred income tax asset was recognized, net	162,307	104,228
Income tax expense	—	35,888

No deferred tax asset has been recognized in respect of the tax losses and deductible temporary difference due to the unpredictability of future profit streams.

12 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss of the Group attributable to the equity holders of the Company by weighted average number of ordinary shares outstanding.

	For the year ended 31 December	
	2025	2024
Loss attributable to the ordinary equity holders of the Company (RMB'000)	(2,594,827)	(1,050,434)
Weighted average number of ordinary shares in issue (in thousands)	65,156	8,000
Basic loss per share (RMB)	(39.8)	(131.3)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended 31 December 2024, the Company had two categories of potential ordinary shares, namely the stock options granted to employees and convertible preferred shares of the Company. For the years ended 31 December 2025, the Company had one category of potential ordinary shares, which is the stock options granted to employees. As the Group incurred losses for the years ended 31 December 2024 and 2025, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Accordingly, diluted loss per share for the years ended 31 December 2024 and 2025 are the same as basic loss per share.

13 SHARE-BASED COMPENSATION

Accounting policy for share-based compensation

The Group operates stock options granted to employees, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments (options) is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; (for example, the requirement for employees to serve)
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statements of comprehensive loss, with a corresponding adjustment to equity.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

13 SHARE-BASED COMPENSATION (Continued)

Accounting policy for share-based compensation (Continued)

(i) *Employee share option*

The Group adopted a number of employee share option plans to provide long-term incentives for its employees and directors of the Group to deliver long-term shareholder returns. Under the plans, participants are granted options which only vest if certain conditions are met. Participation in the plan is at the board of directors' discretion.

Except for the share options granted to certain key management personnel, for substantially all the abovementioned share options granted, in the event of termination of service prior to the initial public offering of the Company ("IPO"), the grantees may only retain certain percentage of the abovementioned "temporarily owned" share options. The remaining portion of these share options shall be forfeited immediately. The retention ratio shall be determined as follows:

Years of service upon termination of service	Retention ratio
Less than 3 years	–
3 – 4 years	40%
4 – 5 years	50%
More than 5 years	60%

Substantially all the share options granted shall not be exercisable until the IPO. The expiry dates of the share options granted are the tenth anniversary of the grant dates.

Basically, the share options are divided into two categories as follows, according to whether the vesting is dependent upon achievement of specified performance targets.

13 SHARE-BASED COMPENSATION (Continued)

Accounting policy for share-based compensation (Continued)

(i) Employee share option (Continued)

(a) Share options without performance targets (“Service-based Options”)

For the year ended 31 December 2024, the Company granted 1,918,500 Service-based Options to certain employees of the Group, of which no options were granted to the founder of the Group.

For the year ended 31 December 2025, the Company granted 3,014,159 Service-based Options to certain employees of the Group, of which no options were granted to the founder of the Group.

Pursuant to relevant award agreements, the abovementioned options were generally divided in several tranches and to be “temporarily owned” by the grantees with the following schedules:

- a) 25% of the share options on the first anniversary of the grant date and the remaining 75% monthly thereafter in 36 equal monthly instalments; or
- b) 33% of the share options immediately on the grant date and the remaining 67% over a period of around two years on a case-by-case basis.

The following table summarizes the movements in the number of Service-based Options granted and their related weighted average exercise price during the years ended 31 December 2024 and 2025.

	Year ended 31 December 2025		Year ended 31 December 2024	
	Average exercise price per Service-based Option USD	Number of Service-based Options	Average exercise price per Service-based Option USD	Number of Service-based Options
At beginning of the year	0.67	17,769,503	0.65	16,241,003
Granted	1.53	3,014,159	0.90	1,918,500
Exercised	0.74	(1,379,150)	–	–
Forfeited	0.79	(1,084,562)	0.82	(390,000)
At end of the year	0.80	18,319,950	0.67	17,769,503
Vested and exercisable at end of the year	0.62	13,027,825	–	–

13 SHARE-BASED COMPENSATION (Continued)

Accounting policy for share-based compensation (Continued)

(i) *Employee share option (Continued)*

(b) *Share options with performance targets ("Milestone Options")*

For the year ended 31 December 2024, the Company granted 903,920 Milestone Options at nil consideration to certain employees of the Group, of which 903,920 options were granted to the founder of the Group.

For the year ended 31 December 2025, the Company granted 600,000 Milestone Options at nil consideration to certain employees of the Group, of which no options were granted to the founder of the Group.

Pursuant to relevant award agreements, the vesting schedule is as follows, on the condition that the grantee meet specified performance targets ("Milestone").

Vesting date	Percentage of an option
Date of milestone achievement	33%
First anniversary of milestone achievement	33%
Second anniversary of milestone achievement	34%

In December 2025, certain milestone options were amended by extending the milestone achievement periods and revising the relevant terms.

The following table summarizes the movements in the number of Milestone Options granted and their related weighted average exercise price during the years ended 31 December 2024 and 2025.

	Year ended 31 December 2025		Year ended 31 December 2024	
	Average exercise price per Milestone Option USD	Number of Milestone Options	Average exercise price per Milestone Option USD	Number of Milestone Options
At beginning of the year	1.60	903,920	–	–
Granted	1.60	600,000	1.60	903,920
Forfeited	1.60	(4,500)	–	–
At end of the year	1.60	1,499,420	1.60	903,920
Vested and exercisable at end of the year	1.60	223,722	–	–

13 SHARE-BASED COMPENSATION (Continued)

Accounting policy for share-based compensation (Continued)

(ii) Fair value of share options granted

At the grant date, the assessed fair value of above options granted during the years ended 31 December 2024 and 2025 was as follows:

	Number of options	Weighted average fair value per option USD
Share options granted in the year ended 31 December 2024	2,822,420	3.96-5.65
Share options granted in the year ended 31 December 2025	3,614,159	4.77-6.36

* For the portion of share options that cannot be retained in the event of termination of service prior to the IPO, IPO is regarded as non-market performance condition. For the remaining portion that can be retained even in the event of termination of service prior to the IPO, IPO is regarded as non-vesting condition.

The directors of the Company estimated the risk-free interest rate based on the yield of US Treasury Bond with a maturity life close to the option life of the share option. Expected volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share option.

13 SHARE-BASED COMPENSATION (Continued)

Accounting policy for share-based compensation (Continued)

(ii) *Fair value of share options granted (Continued)*

The fair value of the share options granted have been valued by an independent qualified valuer using the binomial valuation model as at the relevant grant date. Key assumptions are set as below:

	Risk-free interest rate	Expected volatility	Dividend yield
Share options granted in the year ended 31 December 2024	4%-4.8%	56.5%-58%	0.0%
Share options granted in the year ended 31 December 2025	4.4%-4.8%	56.5%-58%	0.0%

(iii) *Expenses arising from share-based payment transactions*

Expenses for the share-based compensation have been charged to the consolidated statements of comprehensive loss as follows:

	Year ended 31 December	
	2025 RMB' 000	2024 RMB'000
Research and development expenses	80,822	129,334
Administrative expenses	75,227	61,079
	156,049	190,413

(iv) *Over-allotment arrangement*

On 15 April 2025, the Company commenced listing on the Main Board of Hong Kong Stock Exchange. As part of the consideration for the underwriting services rendered in relation to the listing, the Company issued the over-allotment option to the underwriters on 9 May 2025. The issue of the over-allotment option was credited to equity, with a corresponding underwriting commission fee charged to equity.

14 PROPERTY, PLANT AND EQUIPMENT

Accounting policy for property, plant and equipment

(i) *Recognition and subsequent measurement*

Property, plant and equipment, comprising office equipment, electronic equipment, laboratory equipment and leasehold improvement are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	estimated useful lives
Office equipment	5 years
Electronic equipment	3 years
Laboratory equipment	5 years
Leasehold improvement	2-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Accounting policy for property, plant and equipment (Continued)

(ii) Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Non-current	Office equipment RMB' 000	Electronic equipment RMB' 000	Laboratory equipment RMB' 000	Leasehold improvement RMB' 000	Construction in progress RMB' 000	Total RMB' 000
At 1 January 2024						
Cost	248	1,366	5,997	6,328	186	14,125
Accumulated depreciation	(62)	(453)	(464)	(833)	–	(1,812)
Net book amount	186	913	5,533	5,495	186	12,313
Year ended 31 December 2024						
Opening net book amount	186	913	5,533	5,495	186	12,313
Transfers	–	–	905	432	(1,337)	–
Additions	–	689	1,532	155	1,703	4,079
Depreciation charge	(45)	(499)	(1,392)	(1,384)	–	(3,320)
Closing net book amount	141	1,103	6,578	4,698	552	13,072
At 31 December 2024						
Cost	248	2,055	8,434	6,915	552	18,204
Accumulated depreciation	(107)	(952)	(1,856)	(2,217)	–	(5,132)
Net book amount	141	1,103	6,578	4,698	552	13,072

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Non-current	Office equipment RMB' 000	Electronic equipment RMB' 000	Laboratory equipment RMB' 000	Leasehold improvement RMB' 000	Construction in progress RMB' 000	Total RMB' 000
At 1 January 2025						
Cost	248	2,055	8,434	6,915	552	18,204
Accumulated depreciation	(107)	(952)	(1,856)	(2,217)	-	(5,132)
Net book amount	141	1,103	6,578	4,698	552	13,072
Year ended 31 December 2025						
Opening net book amount	141	1,103	6,578	4,698	552	13,072
Transfers	-	-	-	552	(552)	-
Additions	274	1,103	7,786	1,282	1,298	11,743
Disposals	-	(4)	-	-	-	(4)
Depreciation charge	(72)	(693)	(2,278)	(1,731)	-	(4,774)
Closing net book amount	343	1,509	12,086	4,801	1,298	20,037
At 31 December 2025						
Cost	522	3,059	16,220	8,749	1,298	29,848
Accumulated depreciation	(179)	(1,550)	(4,134)	(3,948)	-	(9,811)
Net book amount	343	1,509	12,086	4,801	1,298	20,037

Depreciation of the Group charged to consolidated statements of comprehensive loss is analyzed as follows:

	Year ended December 31,	
	2025 RMB' 000	2024 RMB' 000
Administrative expenses	619	290
Research and development expense	4,155	3,030
	4,774	3,320

Notes to the Consolidated Financial Statements

15 RIGHT-OF-USE ASSETS

The Group leases offices and laboratory for its own use. Information about leases for which the Group is a lessee is presented below:

	Offices and laboratory
	RMB' 000
As at 1 January 2024	
Cost	11,207
Accumulated depreciation	(5,762)
Net book amount	5,445
For the year ended 31 December 2024	
Opening net book amount	5,445
Additions	3,368
Depreciation charge	(3,290)
Closing net book amount	5,523
As at 31 December 2024	
Cost	14,575
Accumulated depreciation	(9,052)
Net book amount	5,523

15 RIGHT-OF-USE ASSETS (Continued)

	Offices and laboratory RMB' 000
As at 1 January 2025	
Cost	14,575
Accumulated depreciation	(9,052)
Net book amount	5,523
For the year ended 31 December 2025	
Opening net book amount	5,523
Additions	8,640
Disposals	(634)
Depreciation charge	(4,891)
Closing net book amount	8,638
As at 31 December 2025	
Cost	21,559
Accumulated depreciation	(12,921)
Net book amount	8,638

Notes to the Consolidated Financial Statements

15 RIGHT-OF-USE ASSETS (Continued)

(i) Amounts recognized in the consolidated statement of comprehensive loss

The consolidated statements of comprehensive loss contain the following amounts relating to leases:

	Year ended 31 December	
	2025 RMB' 000	2024 RMB'000
Depreciation charge of right-to-use assets		
Offices and laboratory	4,891	3,290
Interest expenses	237	250
Expenses relating to short-term leases (included in administrative expenses and research and development expenses)	46	42

The total cash outflow for leases in the years ended 31 December 2025 were RMB4,716,000 (2024: RMB3,689,000).

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December	
	2025 RMB' 000	2024 RMB'000
Structured deposits	63,295	–
Money market fund	35,845	–
	99,140	–

The following table gives information about how the fair value of Level 3 financial assets are determined:

Unobservable inputs	31 December 2025	31 December 2024	Relationship of unobservable inputs to fair value
Expected rate of return	0%-5.10%	N/A	The higher the expected rate of return, the higher the fair value

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

If the fair values of the structured deposits measured at fair value through profit or loss had been 0.5% higher/lower, the net loss for the year ended 31 December 2025 would have been approximately RMB316,000 lower/higher.

The structured deposits were purchased from a creditworthy commercial bank. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. The interest rates fluctuated within the range of 0% to 5.10%, linked to USD/HKD exchange rates.

17 CASH AND BANK BALANCES

	As at 31 December	
	2025 RMB' 000	2024 RMB' 000
Cash in bank and on hand	3,274,820	1,390,672
Less: term deposits with initial term over three months (Note 19)	(1,998,421)	(181,766)
Cash and cash equivalents (a)	1,276,399	1,208,906

(a) All cash in bank are deposits with original maturity within 3 months. The Group earns interest on cash in bank.

	As at 31 December	
	2025 RMB' 000	2024 RMB' 000
Cash and cash equivalents are denominated in: USD	1,132,518	943,255
RMB	136,436	263,666
HKD	7,439	–
EUR	6	1,985
	1,276,399	1,208,906

Notes to the Consolidated Financial Statements

18 RESTRICTED CASH

As at 31 December 2024 and 2025, all the restricted deposits were denominated in USD and held in designated bank accounts mainly as security deposits for derivative financial instruments.

19 TERM DEPOSITS WITH INITIAL TERM OVER THREE MONTHS

Term deposits with initial term over three months which represented bank deposits with a maturity of more than three months and less than one year were RMB1,998,421,000 as at 31 December 2025 (2024: RMB181,766,000).

20 CONTRACT FULFILMENT COSTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Contract fulfilment costs	35,556	–

The Group recognizes the contract fulfilment costs from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- (i) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (iii) the costs are expected to be recovered.

The contract fulfilment costs recognized shall be amortized to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates. The contract fulfilment costs represent recoverable costs incurred for fulfilling contracts, revenue of which had not been recognized yet as at 31 December 2025.

21 TRADE RECEIVABLES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade receivables	278,295	379,545
Less: provision for impairment of trade receivables	(379)	(524)
Trade receivables – net	277,916	379,021

Customers are generally granted with credit terms ranging from 30 to 45 days.

As at 31 December 2024 and 2025, the ageing analysis of trade receivables based on invoices date is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 30 days	277,916	377,783
31 days to 60 days	–	1,238
	277,916	379,021

The carrying amounts of the Group's trade receivables are primarily denominated in USD and approximate their fair values.

The credit loss allowance as at 31 December 2024 and 2025 was determined as follows for trade receivables:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Provision on collective basis		
Expected credit loss rate	0.14%	0.14%
Gross carrying amount (RMB'000)	278,295	379,545
Credit loss allowance (RMB'000)	(379)	(524)

Notes to the Consolidated Financial Statements

21 TRADE RECEIVABLES (Continued)

Impairment losses on trade receivables are presented as credit loss allowance within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item. Movements on the Group's credit loss allowance for trade receivables are as follows:

	As at 31 December	
	2025 RMB' 000	2024 RMB'000
Loss allowance		
At beginning of the year	524	85
(Decrease)/Increase in loss allowance recognized in the consolidated statements of profit or loss	(145)	439
At end of the year	379	524

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payment.

22 PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2025 RMB' 000	2024 RMB'000
Prepayments to suppliers	40,693	14,057
Cost recovery for joint development	8,347	–
Deposits	6,272	6,290
Receivables from exercise of share option	2,551	–
Deferred listing expenses-H share	–	4,205
Prepayments to listing expenses-A share	954	–
Others	329	46
	59,146	24,598

23 OTHER CURRENT ASSETS AND OTHER NON-CURRENT ASSETS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Other current assets		
Value-added tax recoverable	37,044	70,389
Others	817	–
	37,861	70,389
Other non-current assets		
Tax deduction related to withholding tax (i)	25,453	115,400
Others	827	155
	26,280	115,555

- (i) The overseas income made by the Group's PRC subsidiaries will normally be subject to withholding tax. Certain overseas customers withheld excessive tax without considering the relevant bilateral tax treaties. The receivables in relation to such excessive withholding tax are RMB25,453,000 as at 31 December 2025 (2024: RMB115,400,000), respectively.

The withholding tax receivable mainly from the Federal Central Tax Office represents excess withholding tax withheld and paid by overseas collaboration partner, BioNTech SE, of Duality Suzhou in Germany based on the normal statutory withholding tax rate of 15.825%. According to the double tax treaty between China and Germany, Duality Suzhou, as the recipient of the payment and a Chinese tax resident, is eligible to apply for a reduced withholding tax rate of 10% under Article 12 of the double tax treaty between China and Germany.

Duality Suzhou has submitted an application for this treaty benefit and received a formal withholding tax exemption certificate issued by the Federal Central Tax Office. The certificate confirms that Duality Suzhou (as the creditor of the payment) is entitled to the reduced withholding tax rate of 10% for license payments made by BioNTech SE.

The refund process for the portion of withholding tax is currently ongoing. No issues are anticipated regarding the recoverability of the withholding tax recoverable.

For the year ended 31 December 2025, RMB97,219,000 of withholding tax receivable mainly from BioNTech SE and other overseas customer as of 31 December 2024 was received.

Notes to the Consolidated Financial Statements

24 FINANCIAL INSTRUMENTS BY CATEGORY

The category of financial assets is set out below:

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
Financial assets at amortized cost:			
Trade receivables	21	277,916	379,021
Other receivables	22	17,499	6,336
Cash and cash equivalents	17	1,276,399	1,208,906
Restricted cash	18	49,709	45,155
Term deposits with initial term over three months	19	1,998,421	181,766
Financial assets at fair value through profit or loss	16	99,140	–
		3,719,084	1,821,184

The category of financial liabilities is set out below:

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
Financial liabilities at amortized cost:			
Trade and notes payables	28	761,938	670,910
Other payables (excluding salaries and welfare payables and VAT and other taxes payables)	29	6,962	20,417
Bank borrowings	30	141,056	–
Lease liabilities		8,719	5,289
Financial liabilities at fair value through profit or loss	27	–	3,046,784
		918,675	3,743,400

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk is the carrying amount of each class of financial assets mentioned above.

Notes to the Consolidated Financial Statements

25 SHARE CAPITAL

Authorized

	Number of Ordinary Shares	Number of Series Seed Preferred Shares	Number of Series A-1 Preferred Shares	Number of Series A-2 Preferred Shares	Number of Series B-1 Preferred Shares	Number of Series B-2 Preferred Shares	Equivalent Nominal Value RMB' 000
At 31 December 2024	139,895,836	5,000,000	12,333,333	2,666,667	16,666,666	23,437,498	137
At 31 December 2025	200,000,000	-	-	-	-	-	137

Issued

The Company was incorporated in the Cayman Islands as an exempted company registered under the laws of the Cayman Islands on 3 July 2019. Upon incorporation of the Company, 8,000,000 shares were issued at par value of USD0.0001 each.

	Number of Ordinary Shares	Equivalent Nominal Value of Ordinary Shares RMB' 000
At 31 December 2024	8,000,000	6
Conversion of Preferred Shares to Common Shares upon Global Offering (a)	60,104,164	43
Issue of shares by Global Offering (b)	19,932,100	14
Ordinary shares issued upon exercising pre-IPO share options (c)	1,379,150	1
At 31 December 2025	89,415,414	64

(a) : All 60,104,164 preferred shares were automatically converted into ordinary shares at HK\$94.6 per share upon the completion of Global Offering. The difference between HK\$94.6 and the par value of each share was capitalized as "Other Reserves-Share premium". RMB43,000 was recorded as share Capital, and RMB5,284,844,000 was recorded as "Other Reserves-Share premium". In addition, the cumulative fair value changes due to credit risk related to the preferred shares were transferred from other reserve to accumulated losses on the same date.

Notes to the Consolidated Financial Statements

25 SHARE CAPITAL (Continued)

Issued (Continued)

(b): In connection with the Company's listing, 17,332,300 ordinary shares of the Company at US\$0.0001 par value each were issued at HK\$94.6 per share for a total cash consideration of HK\$1,639,636,000 (equivalent to RMB1,524,008,000) on 15 April 2025. On 6 May, 2025, over-allotment option was exercised with additional of 2,599,800 ordinary shares issued on 9 May 2025 for a total cash consideration of HK\$245,941,000 (equivalent to RMB228,145,000). Underwriting commissions and other issuance costs through equity amounted to RMB85,902,000. RMB14,000 was recorded as share Capital, and RMB1,752,139,000 was recorded as "Other Reserves-Share premium".

(c): During the year ended 31 December 2025, the Company issued 1,379,150 shares as certain employees of the Group exercised their options under the Pre-IPO Share Equity Incentive Plan.

26 OTHER RESERVES

	Translation reserve RMB' 000	Share-based compensation RMB' 000	Surplus reserves RMB' 000	Share premium RMB' 000	Credit risk of convertible preferred shares RMB' 000	Total RMB' 000
At 1 January 2024	(53,785)	34,581	45,230	–	5,835	31,861
Surplus reserves	–	–	39,034	–	–	39,034
Other comprehensive loss – resulted from change of credit risk of convertible preferred shares	–	–	–	–	(15)	(15)
Currency translation loss	(37,950)	–	–	–	–	(37,950)
Share-based compensation	–	190,413	–	–	–	190,413
At 31 December 2024	(91,735)	224,994	84,264	–	5,820	223,343
Surplus reserves	–	–	20,507	–	–	20,507
Currency translation loss	(71,078)	–	–	–	–	(71,078)
Conversion of preferred shares upon Global Offering	–	–	–	5,284,844	(5,820)	5,279,024
Shares issued upon Global Offering	–	–	–	1,752,139	–	1,752,139
Listing fees through equity	–	–	–	(85,902)	–	(85,902)
Ordinary shares issued upon exercising pre-IPO share options	–	(28,956)	–	36,236	–	7,280
Share-based compensation	–	156,049	–	–	–	156,049
At 31 December 2025	(162,813)	352,087	104,771	6,987,317	–	7,281,362

27 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Convertible preferred shares issued by the Company are redeemable upon occurrence of certain future events. This instrument can be converted into ordinary shares of the Company at any time at the option of the holders or automatically converted into ordinary shares upon occurrence of IPO of the Company.

The Group designated the convertible preferred shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Subsequent to initial recognition, the convertible preferred shares are carried at fair value with changes in fair value recognized in the consolidated statements of comprehensive loss.

If the Company's own credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognized in other comprehensive loss.

All the preferred shares were automatically converted to ordinary shares upon the Company commenced listing on the Hong Kong Stock Exchange in the year ended 31 December 2025. And the cumulative fair value changes due to credit risk related to the preferred shares were transferred from other reserve to accumulated losses on the same date.

	As at 31 December	
	2025 RMB' 000	2024 RMB'000
Series Seed Preferred Shares	—	253,439
Series A-1 Preferred Shares	—	625,157
Series A-2 Preferred Shares	—	135,169
Series B-1 Preferred Shares	—	844,855
Series B-2 Preferred Shares	—	1,188,164
	—	3,046,784

Notes to the Consolidated Financial Statements

27 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The movement of financial liabilities at fair value through profit or loss is set out below:

	Total RMB' 000
At 1 January 2024	2,132,720
Changes in fair value – profit or loss	873,416
Changes in fair value – other comprehensive loss	15
Currency translation difference	40,633
At 31 December 2024	3,046,784
Changes in fair value – profit or loss	2,206,058
Currency translation difference	32,045
Conversion of preferred shares to common shares upon Global Offering	(5,284,887)
At 31 December 2025	–

28 TRADE AND NOTES PAYABLES

	As at 31 December	
	2025 RMB' 000	2024 RMB'000
Trade payables	749,160	670,910
Notes payables	12,778	–
	761,938	670,910

28 TRADE AND NOTES PAYABLES (Continued)

The trade and notes payable are normally settled on 30-60 day terms. The fair value of trade and notes payables approximates to their carrying amount.

As at 31 December 2024 and 2025, the ageing analysis of trade and notes payables based on date of relevant invoice or demand note is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 6 months	758,755	670,199
6 months to 12 months	3,168	711
Over 12 months	15	–
	761,938	670,910

The carrying amounts of accruals and other payables of the Group are denominated in the following currencies:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	353,519	456,326
USD	408,419	214,584
	761,938	670,910

Notes to the Consolidated Financial Statements

29 OTHER PAYABLES

	As at 31 December	
	2025 RMB' 000	2024 RMB'000
Staff salaries and welfare payables	57,038	38,496
Payables for financial and consulting services	3,055	390
Other taxes payable	2,285	1,718
Payables for listing expenses-H share	907	8,822
Payables for listing expenses-A share	711	–
Recruitment services and other accrued expenses	342	85
Payables for acquisition of property, plant and equipment and intangible assets	248	10,114
Others	1,699	1,006
	66,285	60,631

The carrying amounts of accruals and other payables of the Group are denominated in the following currencies:

	As at 31 December	
	2025 RMB' 000	2024 RMB'000
RMB	50,040	36,443
USD	16,245	24,064
Others	–	124
Total	66,285	60,631

30 BANK BORROWINGS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Bank borrowings	141,056	–

As of 31 December 2025, the balance of the unsecured bank borrowings was RMB141,056,000, all repayable within one year. The floating interest rates of the borrowings range from 2.15% to 2.26%, with weighted average interest rate of 2.18%.

31 OTHER NON-CURRENT LIABILITIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Deferred upfront payments	169,526	–

Other non-current liabilities contain non-refundable upfront fee relating to marketing and commercialization service arrangement, which will be amortized during the service period.

32 DIVIDENDS

No dividend has been paid or declared by the Company or the companies now comprising the Group during each of the years ended 31 December 2024 and 2025.

Notes to the Consolidated Financial Statements

33 CASH FLOW INFORMATION

(a) Reconciliation of loss for the year to net cash used in operations

	Year ended 31 December	
	2025 RMB' 000	2024 RMB'000
Loss before income tax	(2,594,827)	(1,014,546)
Adjustments for:		
– Depreciation of property, plant and equipment	4,774	3,320
– Impairment of intangible assets	–	21,350
– Amortization of intangible assets	2,652	1,260
– Share-based compensation expenses	156,049	190,413
– Depreciation of right-of-use assets	4,891	3,290
– Finance income	(99,309)	(48,112)
– Finance cost	1,210	250
– Net foreign exchange losses/(gains)	34,735	(12,273)
– Fair value losses on financial liabilities at fair value through profit or loss	2,206,058	873,416
– Investment income	(2,786)	(2,248)
– License out of intangible assets	–	15,439
Changes in working capital:		
– Increase in contract fulfilment costs	(35,556)	–
– Decrease/(Increase) in trade, other receivables and prepayments	69,394	(276,769)
– Decrease/(Increase) in other current assets	32,528	(37,855)
– (Decrease)/Increase in contract liabilities	(12,221)	112,211
– Increase in trade and other payables	86,517	463,063
– Increase in other non-current liabilities	169,526	–
Cash generated from operating activities	23,635	292,209

33 CASH FLOW INFORMATION (Continued)

(b) Non-cash investing and financing activities

	2025 RMB' 000	2024 RMB' 000
Conversion of preferred shares to ordinary shares	5,284,887	–
Addition of right-of-use assets	8,640	3,368
	5,293,527	3,368

(c) Reconciliation of liabilities arising from financing activities

	Lease liabilities RMB' 000	Financial liabilities at fair value through profit or loss RMB' 000	Bank borrowings RMB' 000	Total RMB' 000
Net debt as at 1 January 2024	(5,318)	(2,132,720)	–	(2,138,038)
Cash flows	3,647	–	–	3,647
Acquisition-leases	(3,368)	–	–	(3,368)
Accrual of interest expenses	(250)	–	–	(250)
Other changes	–	(873,431)	–	(873,431)
Foreign exchange adjustments	–	(40,633)	–	(40,633)
Net debt as at 31 December 2024	(5,289)	(3,046,784)	–	(3,052,073)
Cash flows	4,670	–	(140,083)	(135,413)
Acquisition-leases	(8,640)	–	–	(8,640)
Accrual of interest expenses	(237)	–	(973)	(1,210)
Conversion to ordinary shares	–	5,284,887	–	5,284,887
Other changes	777	(2,206,058)	–	(2,205,281)
Foreign exchange adjustments	–	(32,045)	–	(32,045)
Net debt as at 31 December 2025	(8,719)	–	(141,056)	(149,775)

Notes to the Consolidated Financial Statements

34 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for by the Group at the balance sheet date but not yet incurred is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment	2,042	423
	2,042	423

35 RELATED PARTY TRANSACTIONS

Parties are considered to be related in one party has the ability, directly or indirectly, to control the other part or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the years ended 31 December 2024 and 2025 respectively.

(a) Key management compensation

Compensations for key management other than those directors as disclosed in Note 37 is set out below.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Share-based compensation expenses	30,941	50,221
Wages, salaries and bonus	35,922	29,285
Social insurance	2,116	1,778
Other welfare for employees	886	713
	69,865	81,997

36 BALANCE SHEET AND STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries	38	1,554,112	1,199,848
Total non-current assets		1,554,112	1,199,848
Current assets			
Cash and cash equivalents		309,730	1,885
Restricted cash		4,217	–
Term deposits with initial term over three months		1,054,504	–
Financial assets at fair value through profit or loss		35,845	–
Prepayments and other receivables		3,505	4,205
Other current assets		817	–
Total current assets		1,408,618	6,090
Total assets		2,962,730	1,205,938
EQUITY/(DEFICITS)			
Share capital	25	64	6
Other reserves		7,201,202	195,505
Accumulated losses		(4,279,867)	(2,062,751)
Equity/(Deficits) attributable to the owners of the Company		2,921,399	(1,867,240)
Total equity/(deficits)		2,921,399	(1,867,240)

36 BALANCE SHEET AND STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (Continued)

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
LIABILITIES			
Current liabilities			
Financial liabilities at fair value through profit or loss		–	3,046,784
Other payables		41,331	26,394
Total current liabilities		41,331	3,073,178
Total liabilities		41,331	3,073,178
Total equity and liabilities		2,962,730	1,205,938

The balance sheet of the Company was approved by the Board of Directors on 23 March 2026 and was signed on its behalf.

Zhongyuan Zhu
Director

Shaoren Zhang
Director

36 BALANCE SHEET AND STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (Continued)

	Attributable to the owners of the Company			
	Share capital RMB' 000	Other reserves RMB' 000	Accumulated losses RMB' 000	Total (deficits)/ equity RMB' 000
Balances at 1 January 2024	6	29,155	(1,158,101)	(1,128,940)
Comprehensive loss				
Loss for the year	–	–	(904,650)	(904,650)
Other comprehensive loss				
<i>Items that will not be reclassified to profit or loss</i>				
Exchange differences on translation	–	(24,048)	–	(24,048)
Changes in fair value of financial liabilities from own credit risk	–	(15)	–	(15)
Transactions with owners in their capacity as owner:				
Share-based compensation expense	–	190,413	–	190,413
Balance at 31 December 2024	6	195,505	(2,062,751)	(1,867,240)
Comprehensive loss				
Loss for the year	–	–	(2,222,936)	(2,222,936)
Other comprehensive loss				
<i>Items that will not be reclassified to profit or loss</i>				
Exchange differences on translation	–	(102,893)	–	(102,893)
Transactions with owners in their capacity as owner:				
Conversion of Preferred Shares to Common Shares upon Global Offering	43	5,279,024	5,820	5,284,887
Gross proceeds from Global Offering	14	1,752,139	–	1,752,153
Listing fees through equity	–	(85,902)	–	(85,902)
Ordinary shares issued upon exercising pre-IPO share options	1	7,280	–	7,281
Share-based compensation expense	–	156,049	–	156,049
Balance at 31 December 2025	64	7,201,202	(4,279,867)	2,921,399

Notes to the Consolidated Financial Statements

37 DIRECTORS' BENEFITS AND INTERESTS

(a) Directors' and senior management's emoluments

Directors and chief executives' emoluments for the years ended 31 December 2024 and 2025 are set out as follows:

	Fees RMB' 000	Salary RMB' 000	Discretionary bonus RMB' 000	Share-based compensation expenses RMB' 000	Pension costs RMB' 000	Other benefits RMB' 000	Total RMB' 000
Year ended 31 December 2024							
Executive directors							
Dr. Zhongyuan Zhu	–	2,415	1,310	81,710	149	149	85,733
Mr. Shaoren Zhang	–	1,567	585	3,185	149	13	5,499
Ms. Wen Si	–	991	300	1,928	149	13	3,381
Non-executive directors							
Dr. Tao Yu	–	–	–	–	–	–	–
Mr. Zhiyang Cai (i)	–	–	–	–	–	–	–
	–	4,973	2,195	86,823	447	175	94,613
Year ended 31 December 2025							
Executive directors							
Dr. Zhongyuan Zhu	–	2,529	1,441	39,486	150	234	43,840
Mr. Shaoren Zhang	–	1,798	660	6,880	150	16	9,504
Ms. Wen Si	–	1,068	356	26,165	150	16	27,755
Non-executive directors							
Dr. Tao Yu	–	–	–	–	–	–	–
Mr. Zhiyang Cai (i)	–	–	–	–	–	–	–
Independent non-executive directors (ii)							
Mr. Dong Xie	200	–	–	–	–	–	200
Mr. Fengyong Gao	150	–	–	–	–	–	150
Ms. Shuyin Chuai	150	–	–	–	–	–	150
	500	5,395	2,457	72,531	450	266	81,599

(i) Mr. Zhiyang Cai was appointed as a non-executive director on 12 August 2024.

(ii) Mr. Xie Dong, Mr. Gao Fengyong and Ms. Chuai Shuyin had been appointed by the board of directors as independent non-executive directors, effective from 15 April 2025.

37 DIRECTORS' BENEFITS AND INTERESTS (Continued)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the years ended 31 December 2024 and 2025.

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the years ended 31 December 2024 and 2025.

(d) Consideration provided to third parties for making available directors' services

During the years ended 31 December 2024 and 2025, the Company did not pay consideration to any third parties for making available directors' services.

(e) Information about loans, quasi-loans and other dealings in favor of directors, bodies corporate controlled by or entities connected with directors

Save as disclosed in Note 7, there were no loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 December 2024 and 2025.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended 31 December 2024 and 2025.

Notes to the Consolidated Financial Statements

38 SUBSIDIARIES

The details of the subsidiaries of the Group are set out below:

Name	Place and date of incorporation	Kind of legal entity	Principal activities	Paid-in-capital/Reserve		Ownership interest held by the group	
				As at 31 December		As at 31 December	
				2025 (RMB'000)	2024 (RMB'000)	2025	2024
DualityBio HK Limited	Hong Kong, 21 January 2020	Limited liability company	Investment holding	USD1	USD1	100%	100%
Duality Biologics (Suzhou) Co., Ltd.	PRC, 23 March 2020	Limited liability company	Investment holding and pharmaceuticals research, development and production	USD80,000	USD73,000	100%	100%
Duality Biologics (Shanghai) Co., Ltd.	PRC, 26 April 2020	Limited liability company	Pharmaceuticals research, development and production	RMB200,000	RMB90,000	100%	100%
DualityBio Inc.	United States, 3 May 2021	Limited liability company	Pharmaceuticals research, development and production	–	–	100%	100%
Beijing Duality Biologics Co., Ltd.	PRC, 9 January 2020	Limited liability company	Pharmaceuticals research, development and production	RMB102	–	100%	100%

39 SUBSEQUENT EVENTS

There are no material subsequent events undertaken by the Duality Biotherapeutics Group after 31 December 2025.

40 SUMMARY OF OTHER ACCOUNTING POLICIES

40.1 Principles of consolidation and equity accounting

40.1.1 *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

40.2 Foreign currency translation

40.2.1 *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is USD; however the consolidated financial statements are presented in RMB. As the major operations of the Group are within the PRC, the Group determined to present the consolidated financial statements in RMB (unless otherwise stated).

40.2.2 *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in consolidated statements of comprehensive loss in the period in which they arise.

Monetary assets and liabilities denominated in foreign currencies at the year end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

All foreign exchange gains and losses are presented in the consolidated statements of comprehensive loss within "Other (losses)/gains – net".

40 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.2 Foreign currency translation (Continued)

40.2.3 Group companies

The results and balance sheet of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position are translated at the closing rate;
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rate; and
- All resulting exchange differences are recognized in other comprehensive income and accumulated as “Other reserves” in equity.

40.3 Prepayments and other receivables

Prepayments mainly represent upfront cash payments made to testing companies. Prepayments to testing companies will be subsequently recorded as research and development expenses in accordance with the applicable performance requirements.

Prepayments are generally due for settlement within one year or less and therefore are all classified as current assets.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

40.4 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

40 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.5 Financial assets

(i) *Classification*

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all of the risks and rewards of ownership.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (losses)/gains together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

40 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.5 Financial assets (Continued)

(ii) *Recognition and derecognition (Continued)*

FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other (losses)/gains. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other (losses)/gains and impairment expenses are presented as a separate line item in the statement of profit or loss.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other (losses)/gains in the period in which it arises.

Changes in the fair value of financial assets at FVTPL are recognised in other (losses)/gains in the statement of profit or loss as applicable.

40.6 Share capital

Ordinary shares are classified as equity. Convertible preferred shares issued to investors are classified as liabilities based on the respective contract terms (see Note 27).

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

40.7 Trade and other payables

Trade and other payables mainly represent the obligations to pay for services that have been acquired in the ordinary course of business from hospitals and clinical trial companies. Trade and other payables are presented as current liabilities unless payment is not due within one year or less after the reporting period.

Trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

40 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.8 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

40 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.9 Employee benefits

40.9.1 Pension obligations

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

40.9.2 Housing funds, medical insurances and other social insurances

The PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

40.9.3 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

40.9.4 Employee leave entitlement

Employee entitlement to annual leave are recognized when they have accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employees entitlement to sick leave and maternity leave are not recognized until the time of leave.

40 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.9 Employee benefits (Continued)

40.9.5 Bonus plan

The expected cost of bonus is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

40.10 Government grants

Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to costs are deferred and recognized in consolidated statements of comprehensive loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to consolidated statements of comprehensive loss over the estimated useful lives of the related assets using the straight-line method.

40.11 Leases as lessee

The Group leases various properties. Rental contracts are typically made for fixed periods of 1 to 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statements of comprehensive loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

40 SUMMARY OF OTHER ACCOUNTING POLICIES (Continued)

40.11 Leases as lessee (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- the lease payments are discounted using the interest rate implied in the lease, if that rate can be determined, or the respective incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- payments associated with short-term leases are recognized on a straight-line basis as an expense in consolidated statements of comprehensive loss. Short-term leases are leases with a lease term of 12 months or less.