艾美疫苗股份有限公司
AIM Vaccine Co., Ltd.

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

Stock Code: 06660

2024
Annual Report

Contents

Corporate Information

EXECUTIVE DIRECTORS

Mr. Yan ZHOU (周延) *(Chairman of the Board and Chief Executive Officer)*
Mr. Xin ZHOU (周欣) *(Executive Vice Chairman of the Board and Executive President)*
Mr. Shaojun JIA (賈紹君) *(President)*
Mr. Wen GUAN (關文) *(Executive President)*
Mr. Jie ZHOU (周杰) *(Executive President)*

NON-EXECUTIVE DIRECTORS

Mr. Jichen ZHAO (趙繼臣)
Ms. Aijun WANG (王愛軍) *(resigned on April 13, 2025)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Ker Wei PEI
Ms. Jie WEN (文潔)
Mr. Xiaoguang GUO (郭曉光)
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*

SUPERVISORS

Mr. Tingfeng SONG (宋廷鋒) *(Chairman of the board of Supervisors)*
Mr. Lun MA (馬倫)
Mr. Jiashuai SONG (宋嘉帥)

AUDIT COMMITTEE

Professor Ker Wei PEI *(Chairman)*
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*
Mr. Xiaoguang GUO (郭曉光)
Ms. Jie WEN (文潔) *(appointed as a committee member on April 17, 2025)*

NOMINATION COMMITTEE

Mr. Yan ZHOU (周延) *(Chairman)* *(re-designated as the Chairman on April 17, 2025)*
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*
Mr. Xiaoguang GUO (郭曉光)
Ms. Jie WEN (文潔) *(appointed as a committee member on April 17, 2025)*

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Xiaoguang GUO (郭曉光) *(Chairman)*
Ms. Jie WEN (文潔)
Mr. Wen GUAN (關文)
Mr. Yan ZHOU (周延) *(ceased to be a committee member on April 17, 2025)*
Professor Ker Wei PEI *(ceased to be a committee member on April 17, 2025)*

STRATEGY COMMITTEE

Mr. Yan ZHOU (周延) *(Chairman) (re-designated as the Chairman on April 17, 2025)*
Ms. Jie WEN (文潔) *(ceased to be a committee member on April 17, 2025)*
Mr. Jichen ZHAO (趙繼臣) *(ceased to be a committee member on April 17, 2025)*
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*
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Mr. Shaojun JIA (賈紹君) *(appointed as a committee member on April 17, 2025)*
Mr. Xin ZHOU (周欣) *(appointed as a committee member on April 17, 2025)*

Corporate Information

COMPLIANCE AND RISK CONTROL COMMITTEE

Mr. Yan ZHOU (周延) *(Chairman)*
Mr. Wen GUAN (關文) *(ceased to be a committee member on April 17, 2025)*
Mr. Shaojun JIA (賈紹君) *(ceased to be a committee member on April 17, 2025)*
Mr. Jie ZHOU (周杰)
Ms. Aijun WANG (王愛軍) *(resigned on April 13, 2025)*
Mr. Jichen ZHAO (趙繼臣) *(appointed as a committee member on April 17, 2025)*

JOINT COMPANY SECRETARIES

Ms. Ling LIU (劉靈)
Ms. Wing Chi LAM (林穎芝) *(ACG, HKACG)*

AUTHORIZED REPRESENTATIVES

Mr. Yan ZHOU (周延)
Ms. Wing Chi LAM (林穎芝)

AUDITOR

Ernst & Young

Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

LEGAL ADVISOR

Jingtian & Gongcheng LLP

Suite 3203–3207, 32/F Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

REGISTERED OFFICE

Room 412, 4/F
Building 6, No. 105 Jinghai 3rd Road
Beijing Economic-Technological Development Area
Beijing
PRC

HEADQUARTERS

26/F, Building T6
Han's Plaza
2 Ronghua South Road
Economic Technological Development Area
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong
(with effect from January 10, 2025)

H SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Corporate Information

PRINCIPAL BANKS

China Merchants Bank
Outlet of Shenyang Branch

25 Shiyiwei Road
Heping District, Shenyang
Liaoning Province
PRC

SPD Bank
Beilun Sub-branch

399 Minshan Road
Beilun District, Ningbo
Zhejiang Province
PRC

STOCK CODE

06660

COMPANY WEBSITE

www.aimbio.com

Message from the Chairman of the Board

PIONEERING BREAKTHROUGHS, UNLEASHING THE POWER OF ITERATIVE VACCINES

2024 marked a harsh winter for the vaccine industry, with revenues plummeting across the board. Yet, AIM defied the trend with sales growth and delivered positive operating cash flow, a hard-won milestone against all odds!

What particularly captured market attention was AIM's relentless focus on the research and development iterative vaccines. Our iterative rabies vaccine series, pneumococcal vaccine series, and mRNA vaccine series have collectively formed a scalable matrix of blockbuster iterative vaccines now poised for deployment.

Dedicated to pioneering innovation and realizing the vision of iterative vaccine development, we are on a grueling marathon fraught with brambles and formidable challenges.

The ultra-long cycle demands immense time and effort, with staggering costs that give pause. The low success rate further deters even the boldest, just like searching for a handful of gold grains in the boundless desert sands.

From foundational theoretical research in the early stages to mid-phase animal testing validation and finally to large-scale human clinical trials in later phases, each step demands sustained and astronomical capital investment.

AIM's iterative rabies vaccine series comprise the Vero cell rabies vaccine, human diploid cell rabies vaccine, serum-free rabies vaccine, and mRNA rabies vaccine. Among these, globally first-developed serum-free rabies vaccine, having secured regulatory approval for manufacturing, is now in the final sprint to market launch.

AIM's iterative pneumococcal vaccine series includes 23-valent polysaccharide vaccine, 13-valent conjugate vaccine, 20-valent conjugate vaccine, and 24-valent conjugate vaccine. Among these, the 23-valent polysaccharide vaccine has reached Phase III clinical trial completion stage, while the 13-valent conjugate vaccine, already granted production approval, is now in the final commercialization sprint.

AIM's mRNA vaccine pipeline includes mRNA shingles vaccine, mRNA RSV vaccine, mRNA influenza vaccine, and mRNA rabies vaccine. Notably, the mRNA RSV vaccine have received dual clearance from Chinese and U.S. regulators to proceed with clinical trials and the mRNA herpes zoster vaccine has been approved for clinical trial in the U.S.

As a leading Chinese vaccine innovator, AIM's journey has been a relentless battle so much so that 'every step was a battle' would be no exaggeration: perpetually trapped in dilemmas, besieged by crises, and defying overwhelming odds. Yet through it all, we have turned every challenge into a stepping stone for triumph.

There is always a force that fuels our relentless march forward.

Through the currents of time, there exists a force, transcending time, stirring souls, and propelling us onward. It is the awakening of dreams, the power of iterative vaccine innovation, and ultimately, AIM's unshakable mission.

Message from the Chairman of the Board

In raging seas, true leaders emerge. From pioneering struggles to navigating the boundless frontier of vaccine breakthroughs, from scarcity to building a vibrant innovation ecosystem, AIM has spent the past year redefining the industry's future.

Today, AIM stands as an uncompromising innovation force in the industry, doubling down on its iterative rabies, pneumococcal, and mRNA vaccine pipelines. Through relentless R&D, we have advanced 21 blockbuster candidates, including those ranking among the world's TOP10 contenders.

In commoditized markets, endurance wins; in premium blockbusters, success elevates all.

We firmly believe that focused R&D on iterative vaccine series is the true growth engine of the future, which is the "Second Curve" that AIM has pioneered. By driving innovation-led growth, we secure our long-term vitality. This phoenix-like transformation is not just about survival; it is about claiming our place in the next century of medicine.

After all, if rockets demand stages to escape gravity, how can science afford to stand still?

He who waits long walks far; he who kneels low flies high, as fish ride streams and birds ride gales, we ride the tides of time. AIM's Second Curve is but an endless voyage.

Fortune favors the relentless, but AIM has always stood with an unbreakable backbone and calm eyes to the storms. We face challenges with one belief:

Broad or narrow, innovation is the only way up.

Blue or red oceans, global sails master the tides.

East or west winds, vision anchors our command.

A thousand trials? Endurance turns them to dust.

For AIM, 2025 will be a year of steady progress amid challenges, breakthroughs forged through difficulty, and excellence achieved in change.

The path lies beneath our feet. There has never been such a thing as effortless victory, nor will we tolerate complacency. Tireless and unrelenting, AIM is determined to propel China's bio-manufacturing to the global forefront. While fulfilling our corporate mission, we remain steadfast in delivering value and returns to our investors.

Life's hardest roads are walked tear-streaked but unbroken, and this is the unyielding grit that defines us.

Growth demands our shedding the past. Like the phoenix, our past trials forged an unshakable foundation, whilst our fire-lit rebirth fuels AIM's limitless ascent.

Chairman of the Board and CEO
Mr. Yan ZHOU

March 28, 2025

Management Discussion and Analysis

BUSINESS OVERVIEW AND OUTLOOK

Overview

As a leading enterprise in the vaccine industry in China, we cover the full value chain from research and development to manufacturing and to commercialization. We have five proven human vaccine technology platforms, including bacterial vaccine technology platform, viral vaccine technology platform, genetically engineered vaccine technology platform, combination vaccine technology platform and mRNA vaccine technology platform. We also have four wholly-owned licensed vaccine manufacturing enterprises, including AIM Rongyu, AIM Persistence, AIM Action and AIM Honesty and three vaccine research institutes, including AIM Explorer, AIM Innovator, and AIM Liverna. These seven research and development teams ensure the ability of delivering milestones of pipeline products. We are one of the first two human vaccine companies in the PRC that have been granted permission under the 14th Five-Year Plan of the PRC to build a bio-safety level 3 laboratory. Our product categories are comprised of vaccines under the immunization program and vaccines not covered by the immunization program, and the commercialized products have occupied a leading position in the Chinese market for a long time, which have been sold in all 31 provinces and cities, and autonomous regions in China, reaching CDCs of more than 2,000 counties and districts. Our 8 commercialized products include recombinant HBV vaccine (Hansenula Polymorpha), freezedried human rabies vaccine (Vero cell), inactivated HAV vaccine (HDC), and ACY W135 Meningococcal Polysaccharide Vaccine (MPSV4), etc. We have 21 vaccine products in our pipeline, of which the 13-valent pneumococcal conjugate vaccine and the serum-free next-generation rabies vaccine have completed Phase III clinical trials and are in the process of registration for market approval. Additionally, our next-generation mRNA technology platform possesses leading advantages, with the mRNA herpes zoster vaccine and mRNA respiratory syncytial virus vaccine having already obtained clinical approval in the United States and respiratory syncytial virus vaccine having already obtained clinical approval in the PRC. AIM Vaccine is an extremely rare comprehensive vaccine industry group with strengths in the four dimensions of pipeline, R&D, manufacturing and sales.

As to-date, we obtained 20 clinical approvals and conducted 21 clinical trials. The construction of the production workshops for 13-valent pneumonia conjugate vaccine, iterative serum-free rabies vaccine and 23-valent pneumonia polysaccharide vaccine has been completed, and we are accelerating the work of marketing registration.

The year 2024 is a year of concentrated market registration applications for the company's product pipeline. The 13-valent pneumococcal conjugate vaccine (PCV13) has been submitted to the National Medical Products Administration (NMPA) for marketing registration application and has obtained the corresponding drug manufacturing license

Currently, the iterative serum-free rabies vaccine has completed the on-site work for Phase III clinical trials and has obtained the corresponding drug manufacturing license. The marketing registration application has been formally submitted to the NMPA.

The 23-valent pneumococcal polysaccharide vaccine (PPSV23) has completed the on-site work for Phase III clinical trials and we plan to submit a pre-application for marketing registration to the NMPA.

Management Discussion and Analysis

The Company has secured clinical trial approvals from the Center for Drug Evaluation (CDE) of the NMPA for four products: mRNA-based respiratory syncytial virus (RSV) vaccine, next-generation process high-potency human diploid cell rabies vaccine, quadrivalent influenza virus vaccine (MDCK Cells), and absorbed tetanus vaccine. Clinical trial applications have been submitted for two vaccine candidates: an mRNA-based herpes zoster vaccine application was filed with the CDE of the NMPA, while applications for both the mRNA-based RSV vaccine and mRNA-based herpes zoster vaccine were concurrently submitted to the United States Food and Drug Administration (FDA). Both of them have received clinical approval from the United States Food and Drug Administration (FDA). Pre-application for clinical trials have been submitted for two additional vaccine candidates: 20-valent pneumococcal conjugate vaccine (PCV20) and Haemophilus influenzae type b (Hib) conjugate vaccine.

In 2024, we actively expanded into international markets, positioning our Freeze-dried Rabies Vaccine for Human Use (Vero Cell) and Quadrivalent Meningococcal Vaccine in global competition, securing tenders in Pakistan, and Egypt.

Concurrently, we progressively launched a comprehensive series of vaccine temperature monitoring products to ensure vaccine safety and efficacy. This monitoring system covers our Freeze-dried Rabies Vaccine for Human Use (Vero Cell), Recombinant Hepatitis B Vaccine (Hansenula Polymorpha), Meningococcal Polysaccharide Vaccine Groups ACYW135 (MPSV4), and Inactivated Hepatitis A Vaccine (Human Diploid Cell). These innovations address diverse customer requirements by offering multiple product specifications for different market segments, while providing enhanced temperature control and identification capabilities. This further elevates our vaccine quality management standards and strengthens the competitive position of our products in the marketplace.

Our sales and marketing function is centralized, specialized, and market-oriented, which enables us to accelerate strategy formulation and execution, achieve high cost-efficiency and gain cross-selling opportunities. We set up a collectivized and centralized marketing model through a two-pronged "in-house sales and marketing" development model to optimize sale efficiency. For the year ended December 31, 2024, the Company achieved operating revenue of approximately RMB1,285.0 million, representing an increase of 8.2% as compared to the same period in 2023.

The sales of each type of products and services are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Revenue from sales of vaccine products		
Revenue from sales of Class I vaccine	**140,189**	72,796
Revenue from sales of Class II vaccine	**1,121,257**	1,114,672
Revenue from research and development services	**23,585**	0
Total	**1,285,031**	1,187,468

Management Discussion and Analysis

Our Products and Pipelines

We strive to access the best industry resources. Through more than one decade of organic growth and external resource integration, we have become a major player in the Chinese vaccine industry. We have currently commercialized eight vaccine products against six disease areas, of which the recombinant HBV vaccines and freeze-dried human rabies vaccines are our key commercialized market-leading vaccine products. We also have 21 vaccine candidates against 11 disease areas in our pipelines, and up to now, the Company has obtained 20 clinical approvals for 13 varieties of vaccines. In particular, the 13-valent pneumonia conjugate vaccine (PCV13) has completed the full course of vaccination in Phase III clinical trial, and we have submitted the application for marketing registration to the NMPA; the 23-valent pneumonia polysaccharide vaccine (PPSV23) has completed the full course of vaccination in Phase III clinical trial, is in the process of serology testing, and will soon proceed to statistics unblinding work; iterative serum-free rabies vaccine has completed the full course of vaccination in Phase III clinical trial, and a submission for marketing authorization has been filed with the NMPA; the Group ACYW135 MCV (also known as tetravalent meningococcal conjugate vaccine) (MCV4) has completed the primary vaccination phase of all subjects for the Phase II clinical trials; the global innovative EV71-CA16 bivalent HFMD vaccine (HDC) has entered into clinical stage. To date, the Company has received clinical trial approvals from the CDE of the NMPA for the next-generation process high-potency human diploid rabies vaccine, quadrivalent influenza virus vaccine (MDCK Cells), and absorbed tetanus vaccine. The mRNA RSV vaccine (respiratory syncytial virus vaccine) has been approved for clinical trial from CDE and FDA. The mRNA-based herpes zoster vaccine has received clinical approval from the United States Food and Drug Administration (FDA) and a clinical trial application has been submitted to the CDE of the NMPA. The 20-valent pneumococcal conjugate vaccine (PCV20) and Haemophilus influenzae type b (Hib) conjugate vaccine have been submitted to the NMPA for pre-application for clinical trials.

Our Vaccine Product

Recombinant HBV Vaccines (Hansenula Polymorpha)

Recombinant HBV vaccine series products have been and are expected to continue to be one major type of our commercialized products. Currently, we are the first and only company in China with steady production and approved lot release of HBV vaccines using Hansenula Polymorpha for antigen expression.

Hansenula Polymorpha is widely recognized as the best manufacturing technology route for HBV vaccines among all three currently available manufacturing technologies (Hansenula Polymorpha, Saccharomyces cerevisiae and Chinese hamster ovary (CHO) cells), featuring better genetic stability, higher purity and stronger antigen expression capabilities. In addition, we manufacture HBV vaccines with adjuvants under a patented process, which prolongs the action time of antigens in the human body, serves to strengthen the stimulation of immune response and provides longer protection. Also, no preservatives, antibiotics or bovine serum albumin are added, thereby greatly enhancing product safety. We have been granted patents for this process in the PRC which are valid until May 2032, distinguishing our recombinant HBV vaccine series products from others and creating a high technological entry barrier for later entrants.

Management Discussion and Analysis

China has a high infection rate of HBV. Based on the World Health Organization's goal of "eliminating viral hepatitis as a public health threat by 2030", the incidence rate shall decrease by 90% and the mortality rate shall decrease by 65% in China in order to achieve this goal. Combined with the actual situation in China, the Hepatology Branch and Infectious Disease Branch of Chinese Medical Association updated and formed the Guidelines for the Prevention and Treatment of Chronic Hepatitis B (2022 edition) (《慢性乙型肝炎防治指南(2022 年版)》). Based on the principles of broader screening and more proactive antiviral treatment, the Guidelines serve to provide an important basis for the prevention, diagnosis and treatment of chronic hepatitis B. HBV vaccination is the most effective way to prevent HBV infection. Currently, the Company is actively cooperating with local CDCs to conduct projects on eliminating the threat of hepatitis. The Company plans to swift the promotion of the HBV vaccination from being exclusively for newborns to the entire population in the future. In April 2022, the Advisory Committee on Immunization Practices (ACIP) of the United States made an updated recommendation on general HBV vaccination for adults aged 19 to 59. The future promotion of vaccination of HBV in adults in China is expected to become a new growth opportunity in the market.

We have developed two sizes of recombinant HBV vaccine products, 10μg/0.5ml and 20μg/0.5ml per dose. The 10μg dosage recombinant HBV vaccine is allowed to be administered in all age groups, including newborns, children and adults, and is the only yeast-derived hepatitis B vaccine currently in the Chinese market for use by the entire population. The 20μg dosage recombinant HBV vaccine has been approved to be administered in people in the age group of 16 years old and above. Its unique 0.5ml small package reduces the vaccination time and pain time and provides a better vaccination experience, and we are the only enterprise which provides 0.5ml small package of 20μg hepatitis B vaccine in the current domestic market, which fills the gap in the domestic market. Our recombinant HBV vaccine series products have maintained a 100% pass rate in lot release quality audits of NIFDC since their approvals.

Freeze-dried Human Rabies Vaccine (Vero Cell)

The freeze-dried human rabies vaccine (Vero cell), one of our major products, is an injectable vaccine administered under the intramuscular route to persons of all ages to prevent rabies after exposure or when in a high-risk environment of exposure to rabies. We manufacture this vaccine product in AIM Rongyu, which obtained the NDA approval in September 2007 and the GMP certificate in June 2008.

With the product occupying a leading position in the market for a long time, we are now the second largest supplier in the rabies vaccine market. High and stable product quality has been and will continue to be critically significant to compete in this market. Since its commercialization in 2007, our freeze-dried human rabies vaccine (Vero cell) has maintained a 100% pass rate in lot release quality audits by the NIFDC for 17 years. In the future, the Company will launch products including the iterative serum-free rabies vaccine, the iterative novel-process high-potency human diploid rabies vaccine and the iterative mRNA rabies vaccine, spearheading the in-depth technological iteration of rabies vaccines in the world, and deliver iterative rabies vaccine products with better quality, higher safety and fewer shots of vaccination in the market, so as to enhance the Company's competitiveness in the rabies vaccines market.

Management Discussion and Analysis

Inactivated HAV Vaccines (HDC)

Hepatitis A is caused by the hepatitis A virus (HAV). We have developed two inactivated HAV vaccine products, differentiated in terms of isolated HAV antigen concentration: the 320Eu/0.5ml per dose indicated for the age group of 1 to 15 years old, and the 640Eu/1.0ml per dose indicated for people older than 15. We ceased production of our HAV vaccines between May and September 2021 to perform maintenance and upgrades to our production facilities and we resumed vaccine stoste production in September 2021. Production of the prefilled dosage form of the vaccine formulation resumed in June 2022 and passed the GMP compliance inspection in the second half of 2022.

Group A, C, Y and W135 MPSV (MPSV4)

We launched MPSV4 in March 2020. Our MPSV4 covers A, C, Y, and W135 serogroups, and can be administered to individuals over the age of two. We obtained the NDA approval for the MPSV4 in October 2018 and the GMP certificate in December 2018. We have adopted advanced production equipment and production processes to ensure that our MPSV4 has good safety and efficacy. At the same time, several key quality indicators of our MPSV4 surpass the relevant PRC national standards. We are the only company which does not add any antibiotics or preservatives to our MPSV4, which still maintains good stability and is valid for up to three years. The Company is further developing tetravalent meningococcal conjugate vaccine (MCV4) product, which is currently under Phase II clinical stage. The Company expects to enhance its competitiveness in the market of meningococcal vaccine later through the marketing of the product.

Management Discussion and Analysis

Our Vaccine Candidates

The following table summarizes our vaccine candidate portfolio:

Technology platform	Indication	Vaccine Candidate	In-house R&D/ Joint Development	Preclinical	CTA	Phase I	Phase II	Phase III	NDA & NDA Approval
Bacterial vaccine	Pneumonia disease	13-Valent Pneumonia Conjugate Vaccine (PCV13)	In-house R&D	Application for marketing registration has been submitted					
		20-Valent Pneumonia Conjugate Vaccine (PCV20)	In-house R&D	Pre-application for clinical trials has been submitted					
		24-Valent Pneumonia Conjugate Vaccine (PCV24)	In-house R&D	Plan to submit CTA in 2026					
		23-Valent Pneumonia Polysaccharide Vaccine (PPSV23)	In-house R&D	Plan to submit pre-application for marketing registration in 2025					
	Meningococcal disease	Tetravalent Meningococcal Conjugate Vaccine (MCV4)	In-house R&D	Phase II clinical trial is ongoing					
		Hexavalent Meningococcal Vaccine	In-house R&D	Preclinical Research					
	Group B strep disease	Hexavalent Group B Streptococcus Polysaccharide Conjugate Vaccine	In-house R&D	Plan to submit CTA in 2026					
	Tetanus	Absorbed Tetanus Vaccine	In-house R&D	Clinical approval has been obtained					
	Hib infection	Haemophilus Influenzae Type B (Hib) Conjugate Vaccine	In-house R&D	Pre-application for clinical trials has been submitted					
Viral vaccine	HFMD	EV71-CA16 Bivalent HFMD Vaccine (HDC)	In-house R&D	Plan to start Phase I in 2025					
	Influenza	Quadrivalent Influenza Virus Vaccine (MDCK Cells)	In-house R&D	Clinical approval has been obtained					
	Rabies	Iterative Serum-free Rabies Vaccine	In-house R&D	Application for marketing registration has been submitted					
		Novel-process Highly-effective Human Diploid Rabies Vaccine	In-house R&D	Clinical approval has been obtained					
mRNA vaccine	Rabies	Iterative mRNA Rabies Vaccine	In-house R&D	CTA under assessment					
	Shingles/Herpes Zoster	mRNA Shingles/Herpes Zoster Vaccine	In-house R&D	Clinical approval has been obtained (the United States) Application for clinical trials has been submitted (China)					
	Respiratory Syncytial Virus Infection	mRNA Respiratory Syncytial Virus Vaccine (RSV)	In-house R&D	Clinical approval has been obtained (China & the United States)					
	Influenza	mRNA Influenza Vaccine	In-house R&D	Preclinical Research					
Combination vaccine	DTP	Diphtheria, Tetanus and Pertussis and Haemophilus Influenzae Type B (DTP-Hib) Combination Vaccine	In-house R&D	Plan to submit CTA in 2026					
		Diphtheria, Tetanus and Acellular Pertussis Combined Vaccine (DTaP)	In-house R&D	Plan to submit CTA in 2026					
		Diphtheria, Tetanus and Acellular Pertussis (Components) Combined Vaccine (DTcP)	In-house R&D	Plan to submit CTA in 2026					
Genetically engineered vaccine	Meningococcal disease	Recombinant Group B Meningococcal Vaccine	In-house R&D	Preclinical Research					

Management Discussion and Analysis

RESEARCH AND DEVELOPMENT PROGRESS OF ITERATIVE PRODUCTS

Iterative Pneumonia Vaccine Products

Following the established corporate strategy of the Company, we proactively advance the development of the vaccine pipelines and accelerate the research and development of iterative pneumonia series vaccines through on-going technological innovation, achieving new productive forces at an accelerated pace. Leveraging the advantages of the polysaccharide conjugate vaccine technology platform, we have developed a series of pneumonia vaccines, including: (1) the 13-valent pneumococcal conjugate vaccine (PCV13) has been submitted to the National Medical Products Administration (NMPA) for marketing registration application and has obtained the corresponding drug manufacturing license; (2) the 23-valent pneumococcal polysaccharide vaccine has completed on-site work for Phase III clinical trials, and Phase III clinical serum testing is in progress; (3) the 20-valent pneumonia conjugate vaccine has submitted a pre-application for clinical trials; and (4) the 24-valent pneumonia conjugate vaccine, which is being simultaneously developed globally for the first time, has completed preclinical research.

Our PCV13 vaccine is a pneumonia conjugate vaccine to be indicated for children aged six weeks to 71 months. As of the end of 2024, PCV13 vaccine has been officially submitted to the NMPA for marketing registration application.

We have tested and proven our manufacturing techniques of the PCV13 vaccine using our bacterial platform technologies. As of the end of 2024, we have completed process validation production of PCV13 vaccine and have submitted a marketing authorization application to the NMPA. The pre-approval inspection results comply with all quality standards. The completed Phase III clinical trial is a non-inferiority clinical trial that is single-centered, randomized, blinded and parallel-controlled between similar vaccines, with the main aim of assessing the immunogenicity (efficacy) and safety of the vaccine in the age group of six weeks to 71 months. According to the unblinded Phase III clinical study results, our PCV13 vaccine demonstrates good immunogenicity and safety, meeting the predetermined clinical objectives. Additionally, our wholly-owned subsidiary, AIM Persistence, has obtained the drug manufacturing license for the production of this product.

According to the classification of the World Health Organization, pneumococcal disease is one of the diseases with very high priority use of vaccines for prevention. The 13-valent pneumonia conjugate vaccine approved in the United States covers all age groups, while the one approved in China only covers those under 6 years old. The market for those over 6 years old is still blank. China Insights Industry Consultancy Limited, an industry consultant, predicts that the market size of this vaccine in China is expected to exceed RMB20 billion by 2030, indicating tremendous market potential. In addition, the estimated penetration rate of the 13-valent pneumonia conjugate vaccine in the approved age group in China is 25.9%, while the penetration rate in the corresponding age group in the United States exceeds 80%, indicating that there is still significant room for growth in the Chinese market.

It is estimated that the global underserved demand for the 13-valent pneumonia conjugate vaccines is as high as 180 million doses. However, currently only three companies have been approved to supply them globally. After the launch of its 13-valent pneumonia conjugate vaccine, the Company is expected to become an important supplier in the market.

Management Discussion and Analysis

The Company's pneumococcal vaccine series GMP workshops have been completed in phases, meeting international standards. Phase III clinical samples of the 13-valent pneumococcal conjugate vaccine and 23-valent pneumococcal polysaccharide vaccine were all produced in these workshops. After market launch, this iterative series of pneumococcal vaccines will be able to fully meet market demand for pneumococcal vaccines, achieve new productive forces in the industry, and lead international industrial innovation.

Iterative Rabies Vaccine Products

Following the established corporate strategy of the Company, we proactively advance the development of the vaccine pipelines and accelerate the research and development of the iterative rabies series vaccines through on-going technological innovation, achieving new productive forces at an accelerated pace. As the second largest supplier of rabies vaccine globally, the Company has expedited the development of iterative rabies series vaccines, in particular: (1) the marketing registration application for iterative serum-free rabies vaccine has been officially submitted and the corresponding drug manufacturing license has been obtained; and (2) the novel-process high-potency human diploid cell rabies vaccine has received clinical trial approval.

Completely unlike the existing Vero cell rabies vaccine containing serum and human diploid rabies vaccine containing serum, the iterative serum-free rabies vaccine is an iterative product. Animal serum residues in vaccine products are one of the important factors leading to adverse reactions such as allergies in vaccinated populations, and the iterative serum-free rabies vaccine developed by the Company does not contain animal serum, which significantly improves safety and reduces the probability of adverse reactions. To date, there is no serum-free rabies vaccine approved for launch in the global market.

The next-generation process high-potency human diploid cell rabies vaccine developed by the Company became the first to break through the technical bottleneck of low virus titer and small yield in the traditional process, with optimized and innovative purification process, which has notably improved product quality and safety as compared with similar marketed products in China, and has the production capacity for large-scale commercialization.

In the meantime, the Company's mRNA technology platform has been tested by the clinical trial data from tens of thousands of subjects, verifying the safety and efficacy of our mRNA vaccine technology platform, and the iterative mRNA rabies vaccine has been developed on such platform. It has been proven by a massive number of animal tests that the vaccine is characterized by markedly decreased number of vaccinations, significantly accelerated pace of protective neutralizing antibodies generation and remarkably enhanced comprehensive protective effect as compared with the traditional virus cultured rabies vaccine.

Management Discussion and Analysis

We have completed construction of production facilities that meet international standards for both the serum-free next-generation rabies vaccine workshop and the next-generation process high-potency human diploid cell rabies vaccine workshop. Process validation meeting commercial-scale production and quality requirements has been successfully completed in these facilities. As the second largest supplier of rabies vaccines globally, the Company spearheads the in-depth technological iteration of rabies vaccines in the world, and will deliver rabies vaccine products with better quality and higher safety in the market after the above iterative rabies series vaccines are marketed, so that new productive forces will be achieved in the industry.

ITERATIVE mRNA VACCINE TECHNOLOGY PLATFORM AND PRODUCT

The Company's iterative mRNA technology platform was tested by the clinical trial data from tens of thousands of subjects, and the safety and efficacy of products developed on the platform have been fully verified. The iterative mRNA rabies vaccine has been developed on this platform. As proven by a massive number of animal tests, the vaccine is characterized by markedly decreased number of vaccinations, higher level of protective neutralizing antibodies, significantly accelerated pace of generation, and strong immune persistence as compared with traditional virus-cultured rabies vaccines, which provides better options for improving the prevention and control level of rabies.

In the meantime, the mRNA RSV vaccine and mRNA shingles/herpes zoster vaccine being developed by us have adopted the Group's own mRNA technology platform and are global blockbuster products. RSV vaccines of Pfizer and GSK were successively approved for marketing in May 2023, the sales of which amounted to US$2.46 billion in 2023. The sales of GSK's shingles/herpes zoster vaccines amounted to US$4.37 billion in 2023. Given that the Group has already developed several mRNA COVID-19 vaccines which have been proven in clinical trials, we are able to quickly advance the R&D and registration of the products on that basis. So far, the mRNA RSV vaccine has received clinical trial approval from the CDE of the NMPA and the U.S. FDA. The mRNA herpes zoster vaccine has received clinical trial approval fromthe U.S. FDA, and the clinical trial application has been submitted to the CDE of the NMPA. In the future, the Company will further focus on the mRNA platform key technologies and continuously promote product innovation on that basis, concentrating on the unmet clinical needs in the core disease areas and further enhancing the Company's innovation capabilities, core competitiveness and comprehensive strengths.

Currently, the Company has established mature mRNA vaccine platform production process and stable testing methods to ensure the safety and effectiveness of products. Further, such platform technology has extensive applicability and has strong advantages of quick and timely response especially in the face of sudden infectious disease.

Management Discussion and Analysis

PROGRESS OF OTHER VACCINE CANDIDATES

Group A, C, Y and W135 Meningococcal Conjugate Vaccine (also known as tetravalent meningococcal conjugate vaccine) (MCV4)

Currently, the main meningococcal vaccines sold in China are polysaccharide vaccines (MPSV). The incidence of meningococcal disease is highest among infants under 12 months of age; however, polysaccharide vaccines cannot effectively induce immune responses in children under 2 years. Conjugate vaccines, on the other hand, can address this immunization challenge, allowing even younger children to receive MCV4 and establish immune protection at an early stage, effectively reducing infection risk. As a conjugate vaccine, MCV4's superior immunological efficacy stems from its ability to simultaneously stimulate antibody production and immune memory, thereby providing more durable protection. Its immunological effectiveness exceeds that of polysaccharide vaccines. Compared to MCV2, which is also a conjugate vaccine, MCV4 can prevent two additional groups of meningococcal disease, positioning it to become the mainstream vaccine for meningococcal infection prevention. Our MCV4 vaccine is a meningococcal polysaccharide conjugate vaccine and ranks among the top ten blockbuster vaccine products globally. It can prevent epidemic cerebrospinal meningitis and other invasive diseases caused by meningococcal serogroups A, C, Y, and W135, and is indicated for populations aged three months to 15 years. Our quadrivalent conjugate meningococcal vaccine has completed Phase II clinical trials, with all subjects having completed the primary vaccination phase.

EV71-CA16 Bivalent HFMD Vaccine

HFMD falls into the scope of Class C infectious diseases in China. Each year, over one million people are infected with the disease and there are death cases. Enterovirus type 71 (EV71) and coxsackievirus A16 (CA16) are the major pathogens of HFMD. As currently no approved vaccine against CA16 viral strains has launched in the market, China sees a trend of CA16 outbreak on a full scale. We are developing a global EV71-CA16 Bivalent HFMD Vaccine. Our investigational EV71-CA16 Bivalent HFMD Vaccine candidate is the first vaccine candidate in the world designed to provide immunization against both EV71 and CA16 viral strains. It has pioneered in obtaining clinical trial approval and represents an innovative vaccine product globally.

Vaccine development platform technologies and in-house R&D teams

We have five proven human vaccine platform technologies covering innovative technologies, such as mRNA vaccine, genetically engineered vaccine, and combination vaccine technologies, as well as traditional technologies, such as bacterial vaccine and viral vaccine technologies. Leveraging these platforms, we are well positioned to develop a steady and fit-for-purpose stream of vaccines that are efficient to manufacture. We have at least one approved product or one vaccine candidate at CTA or clinical stages under each platform. At the same time, the Company is currently designing the structure of antigens and mRNA sequence of vaccines leveraging artificial intelligence, and is trying to leverage artificial intelligence to assist in process research and development of vaccines. Looking forward, the Company expects to increase the depth of existing applications and expand its applications in clinical trial data analysis.

Management Discussion and Analysis

Our in-house R&D teams are responsible for all stages of vaccine candidate development, including preclinical studies, clinical trials, and registration and filings. Our R&D teams primarily consist of (i) three vaccine research institutes, namely AIM Explorer, AIM Liverna and AIM Innovator; and (ii) the R&D team in each of our four vaccine manufacturing subsidiaries, namely AIM Rongyu R&D Center, AIM Persistence R&D Center, AIM Honesty R&D Center and AIM Action R&D Center. Each R&D team has its own research foci. AIM Explorer mainly develops vaccine candidates using bacterial vaccine platform technologies. AIM Liverna develops mRNA vaccines by leveraging its expertise in mRNA technologies. AIM Innovator focuses on the research and development and commercialization of mRNA vaccines and genetically engineered vaccines. AIM Action focuses on viral vaccine platform technologies. AIM Rongyu focuses on mRNA vaccines and viral vaccine platform technologies. AIM Honesty concentrates on genetically engineered vaccine platform technologies. In addition, AIM Persistence is developing several vaccine candidates using combination and bacterial vaccine platform technologies.

Manufacturing

All of our vaccine products are produced in house by our four individual Licensed Manufacturing Facilities in our manufacturing subsidiaries. For the year ended December 31, 2024, we passed all GMP inspections conducted by the NMPA or its local counterparts on the four individual Licensed Manufacturing Facilities. The following table sets forth key information of our four individual Licensed Manufacturing Facilities as of December 31, 2024:

Name	**Location**	**GFA** *(sq.m.)*	**Production capacity** *(million doses)*	**Responsible products**	**Production Line(s)**
AIM Rongyu Licensed Manufacturing Facility	Ningbo, Zhejiang Province	25,318	25.0	Freeze-dried human rabies vaccine (Vero cell)	Two
AIM Honesty Licensed Manufacturing Facility	Dalian, Liaoning Province	11,877	45.0	Recombinant HBV vaccine (Hansenula Polymorpha)	One
AIM Action Licensed Manufacturing Facility	Taizhou, Jiangsu Province	18,711	5.3	Inactivated HAV vaccine	One
AIM Persistence Licensed Manufacturing Facility	Ningbo, Zhejiang Province	72,313	16.0	Bivalent inactivated HFRS vaccine (Vero cell), mumps vaccine and Group A, C, Y and W135 MPSV (MPSV4)	Three

Management Discussion and Analysis

We have equipped all our Licensed Manufacturing Facilities with advanced equipment and machinery procured from leading international and domestic brands, such as bioreactors, centrifuges, ultra-filtration system and large-scale purification system and product filling and packaging lines. We regularly inspect and maintain our equipment and machinery to ensure that they remain in good condition for operation. In each Licensed Manufacturing Facility, we have been actively taking measures to ensure a stable and quality supply, including designating dedicated personnel to optimize production planning and coordination among different divisions, preventing contamination, improving automation in our production procedures, and strengthening the maintenance of our equipment and facilities to reduce the occurrence of failures.

Industry Overview

The Vaccine Administration Law of the People's Republic of China (《中華人民共和國疫苗管理法》), which came into effect on December 1, 2019, contains specific provisions on the development, production, circulation and vaccination of vaccines as well as supervision and administration, and further defines vaccines as vaccines under the immunization program and vaccines not covered by the immunization program. The promulgation of the Vaccine Administration Law of the People's Republic of China began a new stage of vaccine development in China.

China's vaccine market (excluding COVID-19 vaccines) exhibited a recovery trajectory during 2022–2023, with total market size growing from RMB85.07 billion to RMB101.77 billion, representing a 19.6% year-on-year increase. This was principally driven by the launch of innovative vaccine products and improving demand for non-National Immunization Program (NIP) vaccines. However, the 2024 vaccine market profile continued to confront multiple challenges, encompassing persistent post-pandemic implications, macroeconomic downward pressure, intensified anti-corruption governance in healthcare, and declining birth rates.

From the perspective of market structure, China's vaccine market demonstrates evident differentiation: On one hand, some mature vaccine varieties, due to intensified market competition, have entered a development stage marked by sales volume growth and channel optimization. On the other hand, innovative vaccine products, relying on their clinical value and market scarcity, enjoy significant edges in pricing mechanisms and market share. A clear gap still exists between China and developed European/American vaccine markets regarding innovative product pricing, which presents strategic opportunities for China's vaccine enterprises to achieve value enhancement through product iteration and upgrading.

An estimated 254 million people worldwide are living with hepatitis B, with 6,000 new cases of viral hepatitis daily, according to the Global Hepatitis Report 2024 issued by the World Health Organization (WHO). July 28, 2024 marked the 14th "World Hepatitis Day". The National Disease Control and Prevention Administration launched a themed public awareness campaign for 2024 "World Hepatitis Day" in order to enhance public awareness of viral hepatitis prevention and control, mobilize societal engagement to minimize new infections, improve case detection and treatment efficacy, lighten disease burden, thereby moving faster to make possible the "Elimination of Viral Hepatitis as a Public Health Threat" target. Updated evidence from the Fourth National Seroepidemiological Survey conducted in 2020 (published in the sub-journal of The Lancet in October 2024) reveals that the nationwide HBsAg prevalence reduced to 5.86%, translating to approximately 75 million chronic HBV-infected people in China. This constitutes the world's largest HBV

Management Discussion and Analysis

reservoir, contributing to an estimated approximately 270,000 annual deaths from hepatitis B-related cirrhosis and liver cancer. In response to this, in 2024, China further refined its adult hepatitis B prevention and control policies, explicitly designating hepatitis B vaccination as the most effective primary prevention measure against liver cancer for the first time. Under the guidance of relevant national authorities, the Chinese Preventive Medicine Association issued the Expert Consensus on Screening for Hepatitis B Virus Infection in Adults (《成人乙型肝炎病毒感染篩查專家意見》) and the Expert Consensus on Hepatitis B Vaccination in Adults (《成人乙型肝炎疫苗免疫接種專家意見》). They proposed that adults (especially those born before 2002) should receive HBV infection screening as early as possible, with at least one screening in their lifetime. Susceptible populations, adolescents, and unvaccinated adults should receive hepatitis B vaccination to accelerate the realization of the goal of eliminating hepatitis-related harm. To advance the achievement of this goal, provinces such as Fujian, Hainan, Shandong, and Guangdong have actively introduced policies to eliminate hepatitis-related harm. Notably, following the release of national action plans for tuberculosis and HIV/AIDS prevention (2024–2030), the National Disease Control and Prevention Administration is drafting the National Viral Hepatitis Prevention and Control Plan (2025–2030) (《中國病毒性肝炎防治規劃2025–2030》). This initiative will bring China's hepatitis control efforts into a new phase of "targeted elimination," with hepatitis B vaccination expected to expand from high-risk groups to the entire population.

In addition, the clinical application potential of the mRNA vaccine has been verified due to its excellent performance in the COVID-19 pandemic. Compared to other COVID-19 vaccines, mRNA vaccine has advantages such as faster research and development, lower infectivity, higher effectiveness and lower production cost, and the technology of mRNA has become the focus of the major vaccine manufacturers in the world. mRNA can be rapidly expressed and promptly degraded after entering the human body, so it is not easy to disrupt homeostasis and burden on the body will be eased; the component of the mRNA vaccine is single and there is no need for cell culture or animal-derived matrices, and the vaccine has higher safety. Most importantly, the production of mRNA vaccines is easy to be standardized, and mRNA can be synthesized based on DNA sequences, which can be digitized and rapidly shared, thus allowing for the development of similar vaccines in a short period of time, as well as large-scale, short-term vaccine research and development and production in response to outbreaks of infectious diseases. Currently, major enterprises in the world are focusing on the technology of mRNA applicable to the research and development of prophylactic vaccines and therapeutic vaccines. The FDA is one of the most stringent regulatory authorities globally, with only a select few drugs receiving review designation qualification each year, recognized by the World Health Organization as meeting the highest safety standards. Since the FDA first granted review designation qualification to an mRNA vaccine in 2018, a total of 25 vaccines have received this designation. In 2023, mRNA vaccines received a record 9 review designations from the FDA, targeting eight different diseases, compared to only two FDA review qualifications for mRNA products in 2022, indicating the FDA's commitment to encouraging the development of these products across a broader range of indications. As more mRNA vaccines will be successfully developed and launched on the market in the future, the mRNA vaccine market will grow rapidly and the market prospect is broad.

Management Discussion and Analysis

In the area of pneumonia vaccines, innovative vaccines have the absolute dominant position in the market. With the price of PCV13 being three times higher than that of PPSV23, in 2018, Pfizer accounted for 34.6% of the total approved lot release volume and 65.6% of the total sales volume in the market of pneumonia vaccines only by virtue of its PCV13 product. By 2022, all PCV13 vaccines accounted for 72.6% of the approved lot release volume, with its sales volume accounting for as high as 88.3%. In the future, it will further replace PPSV23 vaccines. Due to the rapid growth of PCV13, the pneumonia vaccine market in China has increased to RMB10.75 billion in 2022, and it is expected to steadily increase at a compound annual growth rate of 22.7% and reach RMB24.0 billion by 2025. With the development of technology and the continuous enhancement of vaccine R&D technology, vaccine manufacturers are trying their best to overcome technical difficulties. Further vaccines with higher valent such as PCV13, PCV20 and PCV24 represent the development trend in the market in the future. PCV vaccines with higher valent can cover more types of pneumonia serum, including rarer types, thereby providing more comprehensive immunoprotection to people. Meanwhile, they also show obvious advantages in terms of immunological effect and duration, which can stimulate the immune system to generate enduring immune reactions in a more effective manner, extend the protection period of vaccines, significantly reduce the transmission and incidence risks of pneumonia infection, and provide a safer and more reliable choice of vaccines to people.

With respect to rabies vaccines in China, the approved lot release volume increased from 58.80 million in 2019 to 78.50 million in 2021, representing an increase of 33.6%. It is expected that the market scale will increase to RMB22.0 billion by 2030, partially due to the HDC vaccines, which are friendly to the human body and have relatively high safety as they are extracted from human embryos. The market will be continuously improved in the future despite the relatively high price with people's enhanced awareness of vaccination with high-quality vaccines and the improvement in economic level. Meanwhile, the development of serum-free rabies vaccines will also drive market growth. It has adopted the serum-free cell cultivation technology and has more stable compositions and higher safety, and it is expected that the technology will account for approximately 35.0% of the rabies vaccine market in China by 2030. In addition, the mRNA rabies vaccine will also drive the development of the industry as such rabies vaccine is characterized by a markedly decreased number of vaccinations, significantly accelerated protective neutralizing antibodies generation and remarkably enhanced comprehensive protective effect. Further, it is easier to produce as its production does not involve complex processes of cell cultivation. It is expected that the mRNA rabies vaccine will account for approximately 21.2% of the rabies vaccine market in China by 2030.

As of the end of 2024, there was no approved RSV vaccine for launch in China. However, RSV is one of the important causes of acute lower respiratory tract infection, bronchitis and pneumonia in children and the elderly, so the RSV vaccine is in great demand in the market. Globally, there are no approved antiviral drugs specifically targeting RSV available for clinical use. On May 31, 2024, Moderna's mRNA RSV vaccine received market approval in the United States, becoming the world's first approved non-COVID-19 mRNA vaccine, marking the beginning of a new wave of mRNA technology applications in the vaccine field. By 2030, China's RSV vaccine market is projected to exceed RMB15.4 billion.

Management Discussion and Analysis

Shingles/herpes zoster is a common disease and often occurs in the middle-aged and the elderly. This disease could result in inflammation and necrosis of the affected nerves, causing severe neuralgia that may last for months or even years. Therefore, the application of vaccines plays an important role in the prevention and control of shingles/herpes zoster. The application of mRNA technology to the development of shingles/herpes zoster vaccines can enhance protection for vaccinated populations. As it can induce strong innate and adaptive immunity, it ensures the effectiveness and safety while providing a long-lasting immunological protection effect, which addresses the pain point of low safety of existing shingles/herpes zoster vaccines. According to industry consultants' forecasts, the global shingles/herpes zoster vaccine market is expected to reach US$23.9 billion by 2030. Currently, the vaccination rate for herpes zoster vaccines among the target population in China is only about 0.1%, indicating enormous growth potential. It is anticipated that with the continuous improvement in health awareness, China's market size will approach RMB20 billion by 2030.

On the other hand, in terms of sales, the total market size of the vaccine industry in China increased by RMB61.7 billion in total from 2015 to 2022 at a compound annual growth rate of approximately 19.4% and is expected to increase to approximately RMB220.3 billion at a compound annual growth rate of 12.3% by 2030, which significantly outpaces the global market. By vaccine category, the market size of vaccines under the immunization program declined slightly, while vaccines not covered by the immunization programs became the driving factor for the continued expansion of the market size in China. The vaccine industry in China is expected to continue to grow rapidly as pharmaceutical companies continue to conduct research and development, innovative vaccines covering more diseases and more serotypes/subtypes become increasingly popular, average life expectancy and ageing population ratio increase, and health awareness, vaccination awareness and average disposable income of the PRC residents increase. At the same time, the COVID-19 pandemic has had a profound impact on the vaccine industry. The research and development of the COVID-19 vaccine has accelerated the development of pharmaceutical companies in technological innovation, and vaccines with new technological routes such as mRNA and recombinant vaccines have sprung up, and vaccine companies have ushered in opportunities to upgrade technological innovation. The COVID-19 vaccine has become a well-known anti-epidemic product, and with the increasing vaccination awareness among PRC residents, the demand for vaccination is expected to be boosted in the long run. Against this background, the vaccine industry in China is expected to enter a new stage of development in terms of iterative upgrading of vaccine technology platforms, research and development of new products and adult market expansion and other areas.

PROSPECTS AND OUTLOOK

In recent years, the vaccine industry in China has strengthened the monopoly advantage of vaccines in disease prevention, elevated the status of vaccines in the overall biomedical industry, and facilitated the industrialization of new technologies for biotechnology and the implementation of related policies, establishing a foundation for the long-term development of the vaccine industry. The significant increase in exports of vaccines has greatly boosted the confidence of Chinese pharmaceutical companies in their international expansion.

Management Discussion and Analysis

It is worth mentioning that our research and development pipelines align with national policies. Our five technology platforms cover all the vaccine technologies that are encouraged and supported by the government as mentioned above and have been verified, with the research and development of related vaccine products rapidly progressing.

Furthermore, in order to accelerate the promotion of internationalized business, the Company specifically set up an international business department to push forward the implementation of series of internationalized layout, and is ready in all aspects such as overseas marketing permission, product research and development and manufacturing. The Company's vaccine products are entering the global market.

At present, the Company has various specific overseas markets and has begun the registration of marketed products in regions such as Southeast Asia, Africa, South America and the Middle East. In 2024, the Company's rabies vaccines and MPSV4 vaccines were smoothly exported to some countries along the Belt and Road Initiative such as Egypt and Pakistan to help with the prevention and control of local pandemic.

In terms of products under development, the Company has set up product pipelines with close reference to the needs of the international market. In accordance with the latest World Health Organization's vaccine prequalification list (2024–2026), the Company is rapidly promoting the research and development of the 13-valent pneumonia conjugate vaccine and the tetravalent meningococcal conjugate vaccine, both being high priority qualified vaccines. In addition, the Company is proactively researching and developing the RSV vaccine and the shingles/herpes zoster vaccine, both of which are also the varieties in short supply in the international market. The Company is making efforts to promote the marketing registration and sale of these products within and outside China, and to achieve the World Health Organization's prequalification for the vaccines.

Among our marketed products, the Company's hepatitis A vaccine, hepatitis B vaccine, and rabies vaccine are WHO prequalified products, all of which are well-received in international markets. We have successively launched a series of vaccine temperature monitoring products to ensure vaccine safety and efficacy, covering Freeze-dried Rabies Vaccine for Human Use (Vero Cell), Recombinant Hepatitis B Vaccine (Hansenula Polymorpha), Meningococcal Polysaccharide Vaccine (Serogroups ACY W135) (MPSV4), and Inactivated Hepatitis A Vaccine (Human Diploid Cell). These products meet the needs of diverse customer segments, offering various specifications to different customers, and improve vaccine temperature control and identification, further upgrading vaccine quality management standards and enhancing product market competitiveness.

In terms of production capacity construction, the Company has completed the construction of GMP workshops for iterative pneumonia series vaccines and iterative rabies series vaccines in batches, and all of these workshops meet the international standards. Phase III clinical samples of 13-valent pneumonia conjugate vaccine, 23-valent pneumonia polysaccharide vaccine and serum-free next-generation rabies vaccine and process validation samples are produced in these workshops, helping the Company get fully ready for the quick entry into the overseas market of such products upon marketing.

Management Discussion and Analysis

In conclusion, in 2025, AIM Vaccine will continue to accelerate the commercialization of blockbuster products including the 13-valent pneumococcal conjugate vaccine, serum-free iterative rabies vaccine, and 23-valent pneumococcal polysaccharide vaccine. We will deepen cooperative ties with "One Belt and One Road" countries, enabling more high-quality vaccines to benefit unmet medical needs globally. With our proprietary mRNA technology platform as the engine, we will break through research and development barriers for internationally scarce vaccines such as respiratory syncytial virus and herpes zoster. Simultaneously, with intelligent production capacity and a comprehensive temperature-controlled system, we will strengthen our global competitiveness in quality and supply, dedicated to fulfilling our mission of manufacturing conscientious vaccines and promoting health for all humanity.

FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this annual report.

Revenue

	2024 *RMB'000*	2023 *RMB'000*
Revenue from sales of vaccine products		
Revenue from sales of Class I vaccine	**140,189**	72,796
Revenue from sales of Class II vaccine	**1,121,257**	1,114,672
Revenue from research and development services	**23,585**	0
Total	**1,285,031**	1,187,468

Revenue from the Company's primary business for 2024 was RMB1,285.0 million, representing an increase of RMB97.5 million or 8.2% compared to that from the primary business of RMB1,187.5 million for 2023. The increase was primarily due to growth in revenue from sales of hepatitis B, hepatitis A and MPSV4.

Management Discussion and Analysis

Cost of Sales

The Company's cost of sales primarily consisted of manufacturing cost, raw materials cost, direct labor cost and transportation cost.

The Company's cost of sales amounted to RMB331.5 million in 2024, representing an increase of RMB45.0 million or 15.7%, as compared to the cost of sales of RMB286.5 million in 2023, primarily due to the corresponding increase in costs associated with higher sales revenue.

Gross Profit and Gross Margin

The Company's gross profit amounted to RMB953.5 million in 2024, representing an increase of RMB52.5 million or 5.8%, as compared to the gross profit of RMB901.0 million in 2023, primarily due to the increase in sales revenue.

The Company's gross margin was 74.2% in 2024, representing a decrease of 1.7%, as compared to the gross margin of 75.9% in 2023, primarily due to an increase in the proportion of sales revenue from Category I vaccines with relatively lower gross profit margins during the year, resulting in a slight decrease in the overall gross profit margin.

Other Income and Gains

The Company's other income and gains were primarily derived from income from government grants, and bank interest income.

The Company's other income and gains were RMB32.8 million in 2024, representing a decrease of RMB18.8 million or 36.4%, as compared to the other income and gains of RMB51.6 million in 2023, primarily due to a decrease in government grants and bank interest income during the year, as well as the absence of gain on disposal of right-in-use asset, which amounted to RMB6.9 million in the previous year.

Our operating expenses mainly include selling and distribution expenses, administrative expenses, and R&D expenses. The following table sets forth a breakdown of our operating expenses:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
R&D expenses	**363,126**	636,401
Selling and distribution expenses	**542,666**	493,995
Administrative expenses	**282,730**	254,292
Total	**1,188,522**	1,384,688

Management Discussion and Analysis

R&D Expenses

Nature	Year ended December 31, 2024 RMB'000	2023 RMB'000
Staff costs	**86,457**	87,726
Research materials costs	**41,397**	82,389
Professional service fees	**159,174**	369,297
Depreciation and amortization	**34,974**	40,849
Utility costs	**27,565**	38,565
Others	**13,559**	17,575
Total	**363,126**	636,401

The Company's R&D expenses amounted to RMB363.1 million in 2024, representing a decrease of RMB273.3 million or 42.9%, as compared to the R&D expenses of RMB636.4 million in 2023, primarily due to a year-on-year decrease in R&D expenses related to the Company's overseas clinical trials in 2024. Additionally, the serum-free next-generation rabies vaccine and the 23-valent pneumococcal polysaccharide vaccine have both completed Phase III clinical trial field work. The serum-free next-generation rabies vaccine has been submitted to the NMPA for application marketing registration, and the 23-valent pneumococcal polysaccharide vaccine is planned for submission to the NMPA for pre-application marketing registration. According to the Company's accounting policies, R&D expenses related to Phase III clinical trials for the above products are recorded as deferred development costs, resulting in a year-on-year decrease in R&D expenses.

Selling and Distribution Expenses

The Company's selling and distribution expenses primarily consisted of marketing and promotion expenses, staff costs and market expansion expenses, etc. The marketing and promotion expenses primarily consisted of costs and expenses paid to our CSOs for various marketing and academic promotion activities, industry research and post-sales customer service. The staff costs primarily included salaries, benefits and other compensation for our sales staff.

The Company's selling and distribution expenses amounted to RMB542.7 million in 2024, representing an increase of RMB48.7 million or 9.9%, as compared to the selling and distribution expenses of RMB494.0 million in 2023, primarily due to the Company's strengthened marketing and promotional activities for vaccine products, resulting in a year-on-year increase in related promotional expenses.

Management Discussion and Analysis

Administrative Expenses

The Company's administrative expenses primarily consisted of staff costs, depreciation and amortization, professional service fees, etc.

The Company's administrative expenses amounted to RMB282.7 million in 2024, representing an increase of RMB28.4 million or 11.2%, as compared to the administrative expenses of RMB254.3 million in 2023, primarily due to the reversal of share-based compensation expenses in administrative expenses in the previous year, while there was no such reversal in the current year. Additionally, depreciation and amortization expenses increased in the current year, resulting in an overall increase in administrative expenses.

Impairment Losses on Financial Assets

The Company recorded a reversal of impairment losses on financial assets of RMB6.2 million in 2024, representing a decrease of RMB10.4 million or 249.7% compared to the impairment losses on financial assets of RMB4.2 million recorded in 2023. This was primarily due to a decrease in the expected credit loss rate calculated under the expected credit loss model, resulting in a partial reversal of the provision for bad debts.

Impairment Losses on Property and Equipment

During the year ended December 31, 2024, the Company recognized impairment losses of RMB32.7 million, mainly represented the write-down of carrying amounts of certain plant and machinery and equipment and others mainly because there was no planned usage of the property, plant and equipment in the foreseeable future.

Finance Costs

The Company's finance costs primarily consisted of interest on bank loans and interest on lease liabilities.

The Company's finance costs amounted to RMB60.8 million in 2024, representing an increase of RMB17.0 million or 38.7%, as compared to the finance costs of RMB43.8 million in 2023, primarily due to the increase in the average balance of bank loans resulting in the increase in interest of corresponding loan.

Income Tax Expenses

The Company's income tax was a credit of RMB12.2 million in 2024, representing a decrease of RMB308.2 million or 96.2%, as compared to the amount of income tax credit of RMB320.4 million in 2023, primarily due to the decrease in loss before tax for the year ended December 31, 2024.

Management Discussion and Analysis

Loss for the Year

The Company reported a loss of RMB278.4 million in 2024, representing a decrease of RMB1,671.8 million or 85.7% compared to the loss of RMB1,950.2 million in 2023. This improvement was primarily due to the absence of significant impairment losses on intangible assets and goodwill in the current year, along with increased revenue.

Liquidity and Financial Resources

As at December 31, 2024, the Company's cash and cash equivalents and time deposits totaled RMB594.9 million, representing a decrease of RMB141.5 million or approximately 19.2%, as compared to the cash and cash equivalents and time deposits of RMB736.4 million as at December 31, 2023. Such decrease was mainly due to the investments in research and development.

As at December 31, 2024, the Company's current assets were approximately RMB2,387.4 million, while current liabilities were approximately RMB3,090.3 million. Net current liabilities amounted to RMB702.9 million, representing an increase of RMB583.9 million compared to net current liabilities of RMB119.0 million as at December 31, 2023. This increase was primarily due to continued investments in development expenses for multiple pipeline products and deferred development costs for the 13-valent pneumococcal conjugate vaccine, serum-free next-generation rabies vaccine, and 23-valent pneumococcal polysaccharide vaccine. The Company has carefully considered future cash flow projections, available banking facilities, progress of R&D projects, and the management's ability to control the pace of operational expansion and capital expenditures. By continuously implementing measures such as accelerating the collection of overdue trade receivables and improving sales performance, the Directors are confident that the Company will be able to fully meet its financial obligations as they fall due in the foreseeable future.

Inventories

As at December 31, 2024, the Company's inventory balance was RMB462.6 million, representing a decrease of RMB47.3 million or 9.3% compared to the inventory balance of RMB509.9 million as at December 31, 2023. This decrease was primarily due to the Company's inventory management efforts, resulting in lower inventory levels at the end of the period.

Trade Receivables

The carrying amount of the Company's receivables amounted to RMB1,123.8 million as at December 31, 2024, representing an increase of RMB118.7 million or 11.8%, as compared to the carrying amount of receivables of RMB1,005.1 million as at December 31, 2023, primarily due to the increase in revenue.

Management Discussion and Analysis

Capital Expenditure

The Company's capital expenditure amounted to RMB238.3 million in 2024, primarily used for payments related to vaccine industrialization production facility construction projects and capitalized research and development expenses for vaccines under development. The Company's capital expenditure for 2024 decreased by RMB63.3 million or 21.0% as compared to capital expenditure of RMB301.6 million in 2023. This decrease was primarily due to the Company's purchase of a land use right for RMB48 million in the previous year with no such expense incurred in the current year, and the basic completion of industrialization construction for major vaccines under development, resulting in reduced expenditure on industrialization projects.

Borrowings and Gearing Ratio

The Company's total financial indebtedness (including interest-bearing bank borrowings, lease liabilities and amounts due to related parties) amounted to RMB1,841.3 million as at December 31, 2024, representing an increase of RMB45.7 million or 2.5%, as compared to the total financial indebtedness of RMB1,795.6 million as at December 31, 2023, primarily due to the increase in bank borrowings in the year.

The Company's gearing ratio (calculated by dividing total financial indebtedness by total equity as of the end of the period) was 51.0% as at December 31, 2024, representing an increase of 4.8%, as compared to the gearing ratio of 46.2% as at December 31, 2023, mainly due to the increase in the balance of bank borrowings.

Charge on Assets

As of December 31, 2024, part of the Group's bank loans were secured by (1) mortgages over the Group's buildings, which had a net carrying value as of December 31, 2024 of approximately RMB249.7 million (December 31, 2023: approximately RMB259.4 million); (2) mortgages over the Group's leasehold land, which had a net carrying value as of December 31, 2024 of approximately RMB71.1 million (December 31, 2023: approximately RMB59.0 million); and (3) guarantees provided by the Company and subsidiaries of the Group.

Save for the above, as of December 31, 2024, the Group did not have any other charges over its assets.

Foreign Exchange Exposure

The vast majority of the Group's businesses and all bank loans have been traded in RMB so there is no significant foreign exchange fluctuation risk. The Board does not expect that fluctuations in the RMB exchange rate and exchange fluctuations of other foreign currencies will have a significant impact on the Group's business or performance. The Group currently has no relevant foreign exchange risk hedging policies and therefore it has not carried out any hedging transactions to manage the potential risks of foreign currency fluctuations.

Contingent Liabilities

As of December 31, 2024, the Group did not have any significant contingent liabilities that would have a material impact on its financial position or results of operations.

Management Discussion and Analysis

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

For the year ended December 31, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As of December 31, 2024, the Company did not hold any treasury shares.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2024, we had approximately 1,535 employees, as compared to approximately 1,624 employees as of December 31, 2023. Total employee benefits expenses including Directors' remuneration in 2024 amounted to RMB356.9 million, as compared to the expenses of RMB362.4 million in 2023. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

In addition to salaries and bonuses, other employee benefit expenses include pension, housing fund, medical insurance and other social insurance, as well as share-based payment expenses and others. We have adopted the employee stock incentive scheme prior to the IPO to offer valuable incentives to attract and retain quality personnel. We have been evaluating, and may adopt, new stock incentive schemes that comply with the requirements of the Listing Rules. The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

We did not have any significant investments, material acquisitions or material disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of the date of this report, the Group did not have future plans for material investments or capital assets.

Management Discussion and Analysis

USE OF IPO PROCEEDS

We received approximately HK$91.61 million in net proceeds (the "**Net Proceeds**") from the IPO. Since the completion of the IPO, the Company has been utilizing, and intends to continue to utilize, the Net Proceeds in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus and the announcement of the Company dated October 23, 2023 relating to the change in use of proceeds from the IPO (the "**Announcement on Change in Use of IPO Proceeds**"). The use of Net Proceeds for the year ended December 31, 2024 is set forth below:

	Net Proceeds allocated for related purposes *(HK$'000)*	Percentage of total Net Proceeds *(%)*	Unutilized proceeds as of December 31, 2023 *(HK$'000)*	Actual use of proceeds during the year ended December 31, 2024 *(HK$'000)*	Unutilized proceeds as of December 31, 2024 *(HK$'000)*	Expected timing for full utilization of the unused amount
1. The development of vaccines related to the mRNA technology platform	38,747	42.30	–		–	N/A[1]
2. The development of our pneumonia vaccine candidates, including PCV13, PCV20 and PPSV23	6,412	7.00	–		–	N/A[2]
3. The development of other vaccine candidates in our pipeline	9,801	10.70	–		–	N/A[1]
4. To fund the capital expenditure on the construction of new production facilities for our new vaccine products, as follows:	32,060	35.00	18,850	18,850	–	
(1) to fund the capital expenditure on the new mRNA vaccine production facilities in Ningbo	23,503	25.66	18,850	18,850	–	N/A[3]
(2) to fund the capital expenditure on construction of new production facilities by AIM Rongyu for iterative serum-free rabies vaccine, including:	8,557	9.34	–		–	
(i) equipment procurement	5,575	6.09	–		–	N/A[1]
(ii) plant decontamination and renovation, and equipment installation and testing	2,982	3.25	–		–	N/A[1]
5. To be invested in our sales and marketing activities	4,590	5.00	–		–	N/A[4]
Total	**91,610**	**100.00%**	**18,850**	**18,850**	**-**	

Management Discussion and Analysis

Notes:

(1) As of December 2023, the Net Proceeds allocated for development of vaccine candidates in our mRNA technology platform, development of other vaccine candidates in our pipelines, and construction of new production facilities by AIM Rongyu for iterative serum-free rabies vaccine were fully utilized.

(2) As of June 2023, the Net Proceeds allocated for development of pneumonia vaccine candidates (including PCV13, PCV20 and PPSV23) were fully utilized.

(3) As of December 2024, the Net Proceeds allocated for the funding of the capital expenditure on the new mRNA vaccine production facilities in Ningbo were fully utilized.

(4) The Net Proceeds allocated for investing in sales and marketing activities were fully utilized during January 2023.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's 2024 annual results and the financial statements for the year ended December 31, 2024 prepared in accordance with the IFRSs.

Directors, Supervisors and Senior Management

DIRECTORS

Executive Directors

Mr. Yan ZHOU (周延), aged 59, is an executive Director, chairman of the Board and the chief executive officer of our Company. He has served as a Director of our Company since May 2015 and was re-designated as an executive Director on June 9, 2021. Mr. Zhou has served as the chairman of the board of AIM Explorer since December 2020, the executive director of AIM Innovator since May 2021 and the chairman of the board of AIM Liverna since May 2021.

Mr. Zhou has around 10 years of experience in the biopharmaceutical industry, including experience in investment and management. Since May 2012, he has been the chairman of the board of Tibet Tianxia Holdings Group Co., Ltd. (西藏天下控股集團股份有限公司), a company engaged in venture capital investment and management with an aggregate investment of over RMB630 million between 2012 and 2021 in a number of pharmaceutical, consulting, management, investment, financial information and financing companies, where Mr. Zhou is primarily responsible for the overall work of the company. Mr. Zhou was a director of Yuanyan Yaogang Biological Pharmaceutical (Shenyang) Co., Ltd. (原研藥港生物製藥(瀋陽)股份有限公司) (renamed from Liaoning Green Biological Pharmaceutical Group Co., Ltd. (遼寧格林生物藥業集團股份有限公司)), a company engaged in the development and production of drugs such as small volume injections, freeze-dried powder injections, active pharmaceutical ingredients, tablets, hard capsules and drug mixtures with a registered capital of RMB115 million, from May 2013 to August 2018 and the chairman of its board from October 2011 to May 2013.

Mr. Zhou obtained his master of business administration from Tsinghua University (清華大學) in the PRC in December 2014, and his doctor's degree in business administration from the W. P. Carey School of Business of Arizona State University in the U.S. ("**W. P. Carey**") in May 2015, and his master of business administration from Peking University (北京大學) in the PRC in January 2022. Mr. Zhou is also an honorary member of Westlake University Board of Trustees (西湖大學榮譽董事). He is the brother of Mr. Jie ZHOU, who is the executive president and an executive Director and Mr. Xin ZHOU, who is the executive vice chairman of the Board, the executive president and an executive Director.

Directors, Supervisors and Senior Management

Mr. Xin ZHOU (周欣), aged 56, has served as a Director since May 2013 and was re-designated as a non-executive Director on June 9, 2021, has served as the executive vice chairman of the Board since February 29, 2024, and was re-designated as an executive Director and has served as the executive president on August 29, 2024.

Prior to joining our Company, Mr. Xin ZHOU was an executive director and manager at Tibet Silicon Valley Angel Venture Capital Co., Ltd. (西藏硅谷天使創業投資有限公司) from June 2010 to December 2020.

Mr. Xin ZHOU studied for an executive master of business administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC ("**CKGSB**") in 2012 and received an executive master of business administration from Tsinghua University (清華大學) in June 2022. He is the brother of Mr. Yan ZHOU, who is the executive Director, chairman of the Board and chief executive officer and the controlling shareholder of the Company, and Mr. Jie ZHOU, who is the executive president and an executive Director.

Mr. Shaojun JIA (賈紹君), aged 62, has served as a Director since August 2017 and was re-designated as an executive Director on June 9, 2021 and was appointed as the president on April 17, 2025. Mr. Jia has also served as an executive president of our Company since February 18, 2021 and until April 17, 2025, and served as the chief operating officer of our Company since March 29, 2023 and until April 17, 2025. Mr. Jia is a director of AIM Explorer since December 2020, the chairman of AIM Persistence since March 2021, and the chairman of the board of AIM Rongyu since June 2021.

Mr. Jia has been a senior partner, member of the decision-making committee, executive president and general manager of Tibet Tongxin Capital Investment Management Co., Ltd. (西藏同信資本投資管理有限公司) from April 2017 to February 2021, a company primarily engaged in investment and asset management. From January 2007 to March 2017, he served as the chairman and general manager of Tibet Tongxin Securities Co., Ltd. (西藏同信證券股份有限公司), a company primarily engaged in securities trading and financial consulting. From August 1998 to September 2007, he held various positions at Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司) (SSE: 601211; SEHK: 2611), such as executive vice president, assistant to chief executive officer and director of the marketing and sales of department. From September 1992 to August 1999, Mr. Jia was a branch general manager of Guotai Securities Co., Ltd. (國泰證券有限公司).

Mr. Jia received his bachelor's degree in business enterprise management from Henan Radio & Television University (河南廣播電視大學) (currently known as the Open University of Henan (河南開放大學)) in the PRC in July 1986 and obtained his executive master of business administration degree from W. P. Carey in May 2006.

Mr. Wen GUAN (關文), aged 58, is an executive Director and an executive president of our Company and is responsible for assisting the chief executive officer to preside over the internal management of the Company. He has served as a Director of our Company since February 2021 and was re-designated as an executive Director on June 9, 2021, and has served as the vice chairman of the Board since February 29, 2024 and until April 17, 2025. Prior to that, Mr. Guan served as a Director of our Company since December 2016 and served as the chairman of the supervisory committee of the Company from June 2020 to February 2021. He has been the chairman of the board of AIM Action since March 2021.

Directors, Supervisors and Senior Management

From November 2015 to August 2016, Mr. Guan was a director of TD Capital (Hong Kong) Management Company Limited, a company primarily engaged in equity investment, where Mr. Guan was primarily responsible for investment management. From October 2014 to November 2015, Mr. Guan served as the director of TD Capital Management Company Limited, a company primarily engaged in project investment, where Mr. Guan was primarily responsible for investment management.

Mr. Guan received his executive master of business administration degree from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2014 and his master's degree in business administration from CKGSB in September 2008.

Mr. Jie ZHOU (周杰), aged 61, has served as a Director since May 2015 and was re-designated as a non-executive Director on June 9, 2021. He was once again re-designated as an executive Director on August 29, 2024 while simultaneously being appointed as the Company's executive president from August 2024. Mr. Jie ZHOU served as the manager of our Company from December 2015 to December 2016 and the chairman of the Board from December 2016 to September 2020.

Mr. Jie ZHOU has served as a director of Tibet Tianxia Holdings Group Co., Ltd. (西藏天下控股集團股份有限公司) since May 2012. From May 2013 to May 2017, he has held various management positions at Yuanyan Yaogang Biological Pharmaceutical (Shenyang) Co., Ltd. (原研藥港生物製藥(瀋陽)股份有限公司), including chairman, director and manager.

Mr. Jie ZHOU received his master's degree in business administration from CKGSB in September 2013. He is the brother of Mr. Yan ZHOU, who is the executive Director, Chairman of the Board and CEO and the controlling shareholder of the Company, and Mr. Xin ZHOU, who is the executive vice chairman of the Board and, the executive president and an executive Director.

Non-executive Directors

Mr. Jichen ZHAO (趙繼臣), aged 61, has served as a Director of our Company since June 2020 and was re-designated as a non-executive Director on June 9, 2021.

Mr. Zhao has served as the chairman of Shanghai China UniCredit Investment Development Co., Ltd. (上海中聯信投資發展股份有限公司) since February 2023. He has been the chairman of China UniCredit International Group Company Limited (中聯信國際集團有限公司) since February 2017, a company primarily engaged in international trade, where he is primarily responsible for the overall leadership of the company's operations, development and daily business affairs. From January 2013 to January 2017, Mr. Zhao served as an executive director and vice president at the head office of Ping An Bank (平安銀行), where he was primarily responsible for risk management. From March 2002 to January 2013, Mr. Zhao held various senior management positions at China Minsheng Bank (中國民生銀行), including general manager of the risk management department, executive vice president, and risk management director. He also worked as a manager at the Industrial and Commercial Bank of China (中國工商銀行) from February 1984 to January 2002 and as a manager of the second-level branch of the People's Bank of China (中國人民銀行) from September 1982 to January 1984.

Directors, Supervisors and Senior Management

Mr. Zhao received his master's degree in business administration from Dalian University of Technology (大連理工大學) in the PRC in July 2006, and his doctor of business administration (global financial management) from W. P. Carey in 2015. He is a qualified senior economist recognized by the Industrial & Commercial Bank of China Senior Economist Appraisal Committee (中國工商銀行高級經濟師評審委員會) since August 1997.

Independent Non-executive Directors

Professor Ker Wei PEI, aged 68, was appointed as our independent non-executive Director on September 19, 2020.

Professor Pei has been a tenured professor of accountancy at W. P. Carey from July 1998 to May 2022. He was the assistant lecturer of W. P. Carey from January 1986 to June 1992, associate professor from July 1992 to July 1998, high-tech master of business administration from July 1998 to June 2003, associate dean from July 2003 to June 2013, and dean of the China Program from July 2013 to June 2017. Professor Pei was the chairman of the American Accounting Association's Globalization Initiatives Committee from 1997, and the president of the Chinese Accounting Professors' Association of North America (北美華人會計教授協會) from 1993 to 1994.

Professor Pei has served as an independent non-executive director of Zhejiang Expressway Co., Ltd. (SEHK: 0576) ("**Zhejiang Expressway**") since June 2012, an independent non-executive director of Want Want China Holdings Limited (SEHK: 0151) since June 2007, and an independent non-executive director of Zhong An Group Limited (眾安集團有限公司) (formerly known as Zhong An Real Estate Limited) (SEHK: 0672) since June 2008. Professor Pei served as an independent non-executive director of MMG Limited (SEHK: 1208) from July 2015 to December 2019 and Baoshan Iron & Steel Co., Ltd. (SSE: 600019) from May 2006 to May 2012, as an external director of China Merchants Group Limited (招商局集團有限公司) from June 2015 to December 2022, and as an external director of China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團), the holding company of Baoshan Iron & Steel Co., Ltd., from February 2012 to September 2019. In particular, Professor Pei has served as the chairman of the audit committee of Zhejiang Expressway since April 2018, where he reviewed financial statements for the quarterly, interim and annual results, discussed the internal audit, the effectiveness of internal control system and total risk management, and made recommendation on the re-appointment of external auditors.

Professor Pei received his bachelor's degree in accounting in June 1979, his master's degree in accountancy from Southern Illinois University in the U.S. in May 1981, and his PhD degree from the University of North Texas in the U.S. in May 1986. He is a member of American Accounting Association.

Mr. Xiaoguang GUO (郭曉光), aged 53, was appointed as our independent non-executive Director on February 18, 2021.

From September 2017 to February 2021, Mr. Guo was the general manager of Huaxi Jinzhi Investment Co., Ltd. (華西金智投資有限責任公司), a company primarily engaged in investment. From March 2011 to October 2017, he served as an assistant to the president and a general manager of the investment banking head office of Huaxi Securities Co., Ltd. (華西證券股份有限公司). From February 1998 to February 2011, he served as a senior manager, deputy general manager and general manager successively of the business department of the investment banking division of Guosen Securities Company Limited (國信證券股份有限公司).

Directors, Supervisors and Senior Management

Mr. Guo received his bachelor's degree in economics from Beijing Business College (北京商學院) (currently known as the Beijing Technology and Business University (北京工商大學)) in the PRC in June 1993 and his master's degree in business administration from CKGSB in October 2009. He obtained the qualification certificate of independent directors from the Shanghai Stock Exchange in April 2021.

Ms. Jie WEN (文潔), aged 61, was appointed as our independent non-executive Director on May 28, 2021.

Ms. Wen has been the chairwoman of Beijing Allwegene Technology Co., Ltd. (北京奧維森基因科技有限公司) since March 2014. From March 2011 to March 2014, she worked as the strategy and planning officer of the Sinopharm CNBG (China National Pharmaceutical Group, China National Biotec Group) (中國國藥集團中國生物技術股份有限公司). From August 2001 to February 2011, she served as the vice president of Shenzhen BGI Technology Co., Ltd. (深圳華大基因科技有限公司) (SZSE: 300676), a company primarily engaged in genomics research and development. From March 1985 to July 2001, she worked as the officer of diagnostic supplies at Lanzhou Institute of Biological Products Co., Ltd. (蘭州生物製品研究所有限責任公司). In 2004, she was engaged as an adjunct professor by HeXi University (河西學院).

Ms. Wen received her college degree in chemistry from HeXi University in the PRC in 1981 and her doctorate degree in health administration from Warnborough College in Ireland on December 31, 2021. Ms. Wen was recognized by the Ministry of Health of the PRC as a senior engineer in medical biologics engineering in 1997.

In November 2015, Ms. Wen was granted the National Science and Technology Progress Award (國家科學技術進步獎) by the State Council of China for her series of studies on Etiology and prevention of SARS.

SUPERVISORS

Mr. Tingfeng SONG (宋廷鋒), aged 56, has served as the chairman of the Supervisory Committee since February 2021.

From May 2012 to December 2019, Mr. Song served as a senior vice president, chief financial officer and secretary to the board of directors of Trendy (China) Group Co., Ltd. (赫基(中國)集團股份有限公司), a company primarily engaged in clothing wholesale and retail, and goods wholesale. He was the chief financial officer of China National Pharmaceutical Group Co., Ltd. (中國生物技術集團公司) from June 2010 to December 2011, Sinopharm Group Co. Ltd. (國藥控股股份有限公司) from December 2006 to June 2010, and China National Medicines Corporation Ltd. (國藥集團藥業股份有限公司) (SSE: 600511) from July 2003 to December 2006. From June 2010 to December 2011, Mr. Song has served as an independent non-executive director of Bringspring Science and Technology Co., Ltd. (榮科科技股份有限公司) (SZSE: 300290), a company primarily engaged in the technologies relating to smart medicine and smart cities. He has also served as an independent non-executive director of SIASUN Robot & Automation Co., Ltd. (瀋陽新松機器人自動化股份有限公司) (SZSE: 300024) since May 2014, a company primarily engaged in robotics and automation equipment. He has served as an independent director of Jiuzhitang Co., Ltd. (九芝堂股份有限公司) (SZSE: 000989, a company primarily engaged in production and sale of medicine) since May 20, 2022.

Mr. Song received his master's degree in accounting from Liaoning University (遼寧大學) in the PRC in June 1999. He was awarded his PhD degree in management and his PhD degree in accounting from Renmin University of China (中國人民大學) in June 2002 and July 2002 respectively. He received the title of senior accountant in 2005.

Directors, Supervisors and Senior Management

Mr. Lun MA (馬倫), aged 63, has served as a Supervisor of our Company since December 2015.

Mr. Ma has over 25 years of experience in financial accounting, treasury, corporate finance and taxation matters. He has served as the finance director of Tibet Silicon Valley Angel Venture Capital Co., Ltd. (西藏硅谷天使創業投資有限公司), a company primarily engaged in project investment, investment management and investment consulting, since September 2008 and was the finance manager of Shen Yang Fang Tian Co., Ltd. (瀋陽房天股份有限公司), a company primarily engaged in real estate, from August 1992 to August 2008.

Mr. Ma graduated from the department of economics of Shenyang Radio and Television University (瀋陽市廣播電視大學) with a major in industrial statistics in the PRC in July 1986, and has been an accountant since June 1992.

Mr. Jiashuai SONG (宋嘉帥), aged 29, graduated from Hubei Qichun No. 4 High School (湖北蘄春第四高級中學) in the PRC in June 2013 and has served as the employee Supervisor of our Company since June 2020.

Mr. Song joined our Company on September 19, 2018 as a specialist.

SENIOR MANAGEMENT

Mr. Yan ZHOU (周延) is our executive Director, chairman of the Board and chief executive officer. For the biography of Mr. Zhou, see "– Directors – Executive Directors" in this section.

Mr. Xin ZHOU (周欣) is our executive Director, executive vice chairman of the Board and executive president. For the biography of Mr. Zhou, see "– Directors – Executive Directors" in this section.

Mr. Shaojun JIA (賈紹君) is our executive Director and president. For the biography of Mr. Jia, see "– Directors – Executive Directors" in this section.

Mr. Wen GUAN (關文) is our executive Director and executive president. For the biography of Mr. Guan, see "– Directors – Executive Directors" in this section.

Mr. Jie ZHOU (周杰) is our executive Director and executive president. For the biography of Mr. Zhou, see "– Directors – Executive Directors" in this section.

Ms. Lixin NIU (牛立新), aged 52, has been serving as our chief financial officer since she joined our Company in October 2015. She is in charge of our Company's financial management.

Ms. Niu has many years of experience in financial management. Prior to joining our Company, she served as the vice president (finance) of Liaoning Nuokang Bio-Pharmaceutical Co., Ltd. (諾康生物製藥有限責任公司) from December 2006 to December 2011.

Directors, Supervisors and Senior Management

She received her bachelor's degree in accounting from Shenyang University of Technology in June 1993 and her executive master of business administration degree from W.P. Carey in May 2020. She was recognized by the Liaoning Provincial Department of Human Resources and Social Security as a senior accountant in December 2006 and recognized by the Liaoning Institute of Certified Public Accountants as a PRC certified public accountant in June 2009.

Ms. Ling LIU (劉靈), aged 42, has served in various management positions since she joined our Company in November 2011 and has served as the secretary to the Board since November 2015 and chief investment officer since March 2022. She is in charge of the general office of the Board and investment management of the Company. Her main responsibilities include such matters as information disclosure, investor relations, equity management and corporate governance of the Company. She was appointed as a director of AIM Liverna since May 2021.

Ms. Liu has been the chairwoman of the board of AIM Rongyu from December 2019 to June 2021. From February 2014 to January 2019, she was a director of AIM Persistence. From August 2007 to May 2011, Ms. Liu served as the manager of the research and development department and vice president at Tibet Bohai Investment Holding Co., Ltd. (西藏渤海投資集團有限公司), a company primarily engaged in industrial investment and investment management.

Ms. Liu received her executive master of business administration degree from W.P. Carey in May 2018.

Mr. Fan ZHANG (張凡), aged 39, has served as the chief research officer of the Company since March 2021, responsible for research and development of products and technology, clinical trial and registration.

Mr. Zhang joined our Group in May 2019 and has served as the general manager of AIM Explorer since March 2021. He was the deputy general manager of AIM Explorer from August 2019 to March 2021 and the research and development director of AIM Explorer from May 2019 to August 2019. From September 2013 to April 2018, he served in various positions at Wuhan Bravovax Co., Ltd. (武漢博沃生物科技有限公司), a company primarily engaged in the research and development of vaccines, with the last position being the senior director of the fermentation engineering laboratory. From May 2010 to February 2013, he served various positions at Yuxi Walvax Biotechnology Co., Ltd. (玉溪沃森生物技術有限公司), a company primarily engaged in the research and development, production and sales of vaccine, with the last position being the head of pertussis fermentation of diphtheria tetanus pertussis vaccine department.

Mr. Zhang obtained his Master's Degree in biomedical engineering from Huazhong University of Science and Technology (華中科技大學) in December 2017.

Ms. Wenjuan ZHOU (周文娟), aged 47, joined our Company in October 2018 and has served as the chief public affairs officer of our Company since March 2022. She is in charge of the management of external affairs of our Company and is responsible for establishing good public relations and creating a good market environment for the development of the whole industrial chain of the Group.

Directors, Supervisors and Senior Management

From February 2011 to October 2018, Ms. Zhou served in various positions at Shenzhen Sanofi Pasteur Biological Products Co., Ltd. (深圳賽諾菲巴斯德生物製品有限公司), including national regulatory exemption project development director, national key account management director, senior government affairs manager, and regional government affairs manager. From December 2008 to February 2011, she worked at Pfizer Pharmaceuticals Ltd. (輝瑞製藥有限公司) (formerly known as Wyeth Pharmaceutical Co., Ltd. (惠氏製藥有限公司)), a research and development-based multinational pharmaceutical company.

Ms. Zhou received a postgraduate diploma in managerial psychology from the Institute for China Business, HKU SPACE (香港大學 SPACE 中國商業學院) in May 2021.

Ms. Li MENG (孟麗), aged 61, has served as the chief quality officer of our Company since April 2022. She is in charge of the overall quality management of the Company.

Ms. Meng served as the vice president of quality management department of our Company since she joined our Company in April 2020. From August 2013 to April 2020, she served as the director of the quality management department of China Biotechnology Technology Co., Ltd. (中國生物技術股份有限公司), a subsidiary of Sinopharm Group and a state-owned company primarily engaged in the research and development, production and sale of biological medicine. From July 1985 to August 2013, Ms. Meng served in various positions at Chengdu Institute of Biological Products Co., Ltd. (成都生物製品研究所(有限責任公司)), a subsidiary of Sinopharm Group and a company primarily engaged in the research and production of biological products, with her last position being the manager of the quality assurance department.

Ms. Meng received her bachelor's degree in health inspection from West China University of Medical Sciences (華西醫科大學) (currently known as West China Center of Medical Sciences of Sichuan University (四川大學華西醫學中心)) in the PRC in July 1985. From 1992 to 1994, she attended the post-university biologics course at the Post-University Biologics Continuing Education Committee of the Ministry of Health (衛生部大學後生物製品進修教學委員會) in the PRC, and received the completion certificate (equivalent to graduate level) in December 1994.

Report of the Directors

The Board is pleased to present this annual report for the year 2024 and the audited consolidated financial statements of the Group for the Reporting Period. These financial statements were prepared in accordance with IFRSs and have been audited by Ernst & Young.

GLOBAL OFFERING

The Company is a joint stock company incorporated in the PRC with limited liability. Its H shares were listed and commenced trading on the Main Board of the Stock Exchange on October 6, 2022. The Prospectus of the Company dated September 23, 2022 has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aimbio.com). For use of proceeds from the Global Offering, please refer to the section headed "Management Discussion and Analysis" in this annual report.

PRINCIPAL ACTIVITIES

The Group is primarily engaged in the research and development, manufacturing and commercialization of vaccine products for human use in the PRC.

The activities and particulars of the Company's subsidiaries are shown under note 1 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report.

BUSINESS REVIEW

A fair review of the Group's business during the Reporting Period and the probable future business development of the Group are provided in the "Message from the Chairman of the Board" and "Management Discussion and Analysis" on pages 5 to 6 and pages 7 to 31 of this annual report, respectively. Description of the principal risks and uncertainties faced by the Group can be found throughout this annual report including the financial risks as set out in Note 39 to the consolidated financial statements.

Also, the financial risk management objectives and policies of the Group can be found in note 39 to the consolidated financial statements. An analysis of the Group's performance during the Reporting Period using financial key performance indicators is provided in the section headed "Financial Review" on pages 23 to 28 of this annual report. In addition, discussions on the relationships with its staff, customers and suppliers are also contained in the ESG Report. The above-mentioned relevant contents form an integral part of this Report of the Directors.

ENVIRONMENTAL PROTECTION

The Group recognizes the importance of proper adoption of environmental policies which is essential to the sustainability of corporate growth. The Group has established detailed internal rules regarding environmental protection, especially the discharge of air, water and solid waste and noise control based on applicable laws and regulations. To the best of the Group's knowledge, during the Reporting Period, the Group had complied with the applicable environment laws and regulations in the PRC in all material respects. For details, please refer to the ESG Report prepared in compliance with Appendix C2 to the Listing Rules. The above-mentioned relevant contents form an integral part of this Report of the Directors.

Report of the Directors

DIVIDEND

The Board does not recommend the payment of a final dividend for the 12 months ended December 31, 2024.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the Group's operating results, assets and liabilities for the past five financial years is set out on page 191 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 13 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2024, the Group's revenue attributable to the top five largest customers was less than 30% of the Group's total revenue.

For the year ended December 31, 2024, the Group's purchases attributable to the top five largest suppliers were less than 30% of the Group's total purchases.

TAX RELIEF AND EXEMPTION

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

SHARE CAPITAL

On October 6, 2022, the Company allotted and issued 9,714,000 H Shares at the price of HK$16.16 per H Share in connection with the Listing. On October 28, 2022, the over-allotment option described in the Prospectus was partially exercised in respect of an aggregate of 1,348,600 H Shares at the price of HK$16.16 per H Share. The Company received approximately HK$91.61 million in net proceeds from the Listing.

Report of the Directors

Share capital of the Company as at December 31, 2024 was as follows:

	Number of shares	Approximate percentage of total issued share capital
Domestic Shares	718,888,888	59.36%
H Shares	492,173,711	40.64%
Total	1,211,062,599	100%

Details of movements in the share capital of the Company during the year ended December 31, 2024 are set out in note 29 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company during the Reporting Period are set out in the consolidated statement of changes in equity and note 31 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVE

As at December 31, 2024, the Company had no distributable reserve (As at December 31, 2023: nil).

DIVIDEND POLICY

The Group has adopted a dividend policy (the "**Dividend Policy**"). The Dividend Policy provides that, in recommending or declaring dividends, the Company shall retain adequate cash reserves for its capital requirements, future growth and equity value. The Board has the power to declare and distribute dividends to the Shareholders in accordance with the Articles and all applicable laws. In considering the declaration of dividends, the Board shall take into account the following factors of the Group:

- financial results;
- cash flow position;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of the Shareholders;

Report of the Directors

- any restrictions on the payment of dividends; and
- any other factors that the Board may consider relevant.

The Board reviews the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

DIRECTORS AND SUPERVISORS

The Directors and Supervisors during the Reporting Period and as at the date of this annual report are as follows:

Executive Directors

Mr. Yan ZHOU (周延) *(Chairman of the Board and Chief Executive Officer)*
Mr. Xin ZHOU (周欣) *(Executive Vice Chairman of the Board and Executive President)* *(appointed as Executive Vice Chairman of the Board on February 29, 2024, re-designated as Executive Director and appointed as Executive President on August 29, 2024)*
Mr. Shaojun JIA (賈紹君) *(President) (appointed as President on April 17, 2025)*
Mr. Wen GUAN (關文) *(Executive President)*
Mr. Jie ZHOU (周杰) *(Executive President) (re-designated as Executive Director and appointed as Executive President on August 29, 2024)*

Non-Executive Directors

Mr. Jichen ZHAO (趙繼臣)
Mr. Jie ZHOU (周杰) *(ceased to be a non-executive Director on August 29, 2024)*
Mr. Xin ZHOU (周欣) *(ceased to be a non-executive Director on August 29, 2024)*
Ms. Aijun WANG (王愛軍) *(resigned on April 13, 2025)*

Independent Non-Executive Directors

Professor Ker Wei PEI
Mr. Xiaoguang GUO (郭曉光)
Ms. Jie WEN (文潔)
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*

Supervisors

Mr. Tingfeng SONG (宋廷鋒) *(Chairman of the board of Supervisors)*
Mr. Lun MA (馬倫)
Mr. Jiashuai SONG (宋嘉帥)

The biographical information of the Directors and Supervisors are set out in the section headed “Directors, Supervisors and Senior Management” on pages 32 to 39 of this annual report.

Report of the Directors

DISCLOSURE OF INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY PURSUANT TO RULES 13.51(2) AND 13.51B(1) OF THE LISTING RULES

There is no change of information of Directors, Supervisors and chief executive of the Company during the Reporting Period which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B of the Listing Rules.

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

Save as disclosed in the section headed "Controlling Shareholder's Interests in Contracts of Significance" below, the Group has not entered into any transaction, arrangement or contract of significance in which the Directors or Supervisors or any entity connected with the Directors or Supervisors have direct or indirect material interests during the Reporting Period.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

On January 1, 2020, the Company as lessee and Mr. Yan ZHOU, who is the Controlling Shareholder and an executive Director, as lessor entered into certain property lease agreements (the "**Property Lease Agreements**"), pursuant to which the Company agreed to lease from Mr. Yan ZHOU certain premises with a total gross area of approximately 1,979 sq.m. in Shanghai, PRC primarily for use as offices for a term from January 1, 2020 to December 31, 2024 at an annual rental of RMB9,540,000 for the first year and with a RMB0.5 per square meter increase from the second year and third year, respectively.

Save as disclosed above, the Controlling Shareholder does not have and did not have a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

NON-COMPETITION AGREEMENT

Mr. Yan ZHOU, our Controlling Shareholder, confirms that as of December 31, 2024, he did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

Save as disclosed above, no non-competition agreements or arrangement has been provided by any of the substantial Shareholders at any time during the Reporting Period or as at December 31, 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates (as defined under the Listing Rules) had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group.

Report of the Directors

EMOLUMENTS OF THE DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST-PAID INDIVIDUALS

The Remuneration Committee makes recommendations to the Board on the remuneration and other benefits payable by the Group to the Directors and senior management. Based on the main scope, responsibilities, importance of management posts of the Directors and senior management and the salary level of related posts in other similar enterprises, the Remuneration Committee will make recommendations to the Board on the remuneration policy and structure of all the Company's Directors and senior management and establishment of formal and transparent procedures to formulate remuneration policies, with an aim to attract and retain its Directors and senior management and control costs. The Remuneration Committee also examines the performance of duties by the Directors and senior management of the Company, conducts annual performance appraisals on them, formulates annual award schemes and submits them to the Board for decision and implementation, so as to encourage Directors and senior management to perform their duties diligently. Furthermore, the Remuneration Committee oversees the implementation of the Company's remuneration system to continuously enhance the Company's remuneration and appraisal management.

Details of emoluments of Directors, Supervisors and the top five highest-paid individuals are set out in note 8 and note 9 to the consolidated financial statements, respectively. During the Reporting Period, except for the Directors and the Supervisors who did not receive remuneration from the Company, none of the Directors has waived or agreed to waive any emoluments. During the Reporting Period, no emoluments were paid to any Director or Supervisor as an inducement to join or upon joining the Group or as compensation for loss of office.

RETIREMENT AND EMPLOYEES' BENEFIT SCHEME

Details on retirement and employees' benefit schemes of the Company are set out in note 2.4 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

At no time during the Reporting Period and as at the date of this report, there was or is, any permitted indemnity provision being in force for the benefit at any of the Directors or Supervisors of the Company (whether made by the Company or otherwise) or the directors or supervisors of an associated corporation of the Company (if made by the Company).

The Company has purchased appropriate liability insurance for its Directors and Supervisors which provides proper protection for the Directors and Supervisors.

Report of the Directors

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As of December 31, 2024, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is keen to taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name	Class of Shares	Nature of Interest	Number of Shares held/ interested[1]	Approximate percentage in the respective class of share capital[2]	Percentage in total number of Shares[2]
Mr. Yan ZHOU (周延)[3]	Domestic Shares	Interest in a controlled corporation	210,135,235	29.23%	17.35%
		Beneficial owner	200,000,000	27.82%	16.51%
Mr. Jie ZHOU (周杰)	Domestic Shares	Beneficial owner	40,000,000	5.56%	3.30%
Mr. Xin ZHOU (周欣)	Domestic Shares	Beneficial owner	40,000,000	5.56%	3.30%
Mr. Shaojun JIA (賈紹君)[4]	Domestic Shares	Interest in a controlled corporation	25,000,000	3.48%	2.06%
Ms. Aijun WANG (王愛軍)[5]	Domestic Shares	Interest in a controlled corporation	25,000,000	3.48%	2.06%
Ms. Aijun WANG (王愛軍)[5]	H Shares	Interest in a controlled corporation	25,000,000	5.08%	2.06%
Mr. Yan ZHOU (周延)[3]	H Shares	Interest in a controlled corporation	23,254,765	4.72%	1.92%
	H Shares	Beneficial owner	1,326,800	0.27%	0.11%
Mr. Shaojun JIA (賈紹君)[4]	H Shares	Interest in a controlled corporation	10,310,000	2.09%	0.85%

Notes:

(1) All interests stated are long positions.

(2) Based on a total of 1,211,062,599 Shares in issue as at December 31, 2024, which consists of 718,888,888 Domestic Shares and 492,173,711 H Shares.

Report of the Directors

(3) As of December 31, 2024, Mr. Yan ZHOU directly owns 200,000,000 Domestic Shares and 1,326,800 H Shares. In addition to his direct shareholding in the Company, Mr. Yan ZHOU holds 99.99% of the registered capital of Tibet Sincere Heart Enterprise Management Co., Ltd. (西藏赤誠之心企業管理有限公司) ("**Tibet Sincere Heart**"), which directly owns 200,000,000 Domestic Shares. Mr. Yan ZHOU is also the sole shareholder of Shenyang Dongjian Yuanfang Enterprise Management Co., Ltd. (瀋陽洞見遠方企業管理有限公司), which is the general partner of Shenyang Zhongrenxing Enterprise Management Center (Limited Partnership) (瀋陽眾人行企業管理中心(有限合夥)) ("**Zhongrenxing**"). Zhongrenxing directly owns 10,135,235 Domestic Shares and 23,254,765 H Shares. As such, Mr. Yan ZHOU is deemed to be interested in the Shares held by Tibet Sincere Heart and Zhongrenxing under the SFO.

(4) Mr. Shaojun JIA is the sole shareholder of Tibet Zhiying Investment Co., Ltd. (西藏智盈投資有限公司) ("**Tibet Zhiying**"), which directly owns 5,000,000 Domestic Shares. Mr. Shaojun JIA also holds 98% of the registered capital of Tibet Tongxin Capital Investment Management Co., Ltd. (西藏同信資本投資管理有限公司), which is the general partner of Gongqingcheng Everest Investment Management Partnership (Limited Partnership) (共青城珠峰投資管理合夥企業(有限合夥)) ("**Everest Investment**") and Gongqingcheng Everest No. 2 Investment Management Partnership (Limited Partnership) (共青城珠峰二號投資管理合夥企業(有限合夥)) ("**Everest No. 2 Investment**"). Everest Investment directly owns 20,000,000 Domestic Shares and 5,150,000 H Shares. Everest No. 2 Investment directly owns 5,160,000 H Shares. As such, Mr. Shaojun JIA is deemed to be interested in the Shares held by Tibet Zhiying, Everest Investment and Everest No. 2 Investment under the SFO.

(5) Ms. Aijun WANG is the sole director of Lhasa Meihua. Lhasa Meihua directly owns 25,000,000 Domestic Shares and 25,000,000 H Shares. As such, Ms. Aijun WANG is deemed to be interested in the Shares held by Lhasa Meihua under the SFO.

Save as disclosed above, as of December 31, 2024, to the knowledge of the Board, none of the Directors, the Supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As of December 31, 2024, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities had an interest or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company (the interests in Shares and/or short positions, if any, disclosed herein are in addition to those disclosed in respect of the Directors, Supervisors and chief executive of the Company):

Report of the Directors

Interests in the Shares of the Company

Name	Class of Shares	Nature of Interest	Number of Shares[1]	Approximate percentage in the respective class of Shares[2]	Percentage in total number of Shares[2]
Tibet Sincere Heart Enterprise Management Co., Ltd. (西藏赤誠之心企業管理有限公司) ("**Tibet Sincere Heart**")[3]	Domestic Shares	Beneficial owner	200,000,000	27.82%	16.51%
Aihua YANG (楊愛華)[4]	Domestic Shares	Interest in a controlled corporation	44,300,000	6.16%	3.66%
Shanghai Xunjing Enterprise Management Center (Limited Partnership) (上海循景企業管理中心(有限合夥)) ("**Shanghai Xunjing**")[4]	Domestic Shares	Interest in a controlled corporation	44,300,000	6.16%	3.66%
Tibet Yingfeng Industrial Co., Ltd. (西藏盈豐實業有限公司) ("**Tibet Yingfeng**")[4]	Domestic Shares	Beneficial owner	44,300,000	6.16%	3.66%
Aihua YANG (楊愛華)[4]	H Shares	Interest in a controlled corporation	53,638,200	10.90%	4.43%
Shanghai Xunjing[4]	H Shares	Interest in a controlled corporation	53,638,200	10.90%	4.43%
Tibet Yingfeng[4]	H Shares	Beneficial owner	53,638,200	10.90%	4.43%
Ningbo Free Trade Zone Holdings Co., Ltd. (寧波保稅區控股有限公司) ("**Ningbo Free Trade Zone**")	H Shares	Beneficial owner	54,051,428	10.98%	4.46%
Wei CHANG (常偉)[5]	H Shares	Interest in a controlled corporation	40,000,000	8.13%	3.30%
Kuo ZHANG (張闊)[5]	H Shares	Interest in a controlled corporation	40,000,000	8.13%	3.30%

Report of the Directors

Name	Class of Shares	Nature of Interest	Number of Shares[1]	Approximate percentage in the respective class of Shares[2]	Percentage in total number of Shares[2]
Zhuhai Tongdao Tomorrow Investment Partnership (Limited Partnership) (珠海同道明天投資合夥企業(有限合夥)) ("**Zhuhai Tongdao Tomorrow**")[5]	H Shares	Interest in a controlled corporation	40,000,000	8.13%	3.30%
Ganzhou Xixi Venture Capital Co., Ltd. (贛州茜茜創業投資有限公司) ("**Ganzhou Xixi**")[5]	H Shares	Beneficial owner	40,000,000	8.13%	3.30%
Meihua Holdings Group Co., Ltd. (梅花生物科技集團股份有限公司)[6]	H Shares	Interest in a controlled corporation	25,000,000	5.08%	2.06%
Lhasa Meihua Biological Investment Holdings Co., Ltd. (拉薩梅花生物投資控股有限公司) ("**Lhasa Meihua**")[6]	H Shares	Beneficial owner	25,000,000	5.08%	2.06%

Report of the Directors

Notes:

(1) All interests stated are long positions.

(2) Based on a total of 1,211,062,599 Shares in issue as at December 31, 2024, which consists of 718,888,888 Domestic Shares and 492,173,711 H Shares.

(3) As set out under the heading "Interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying shares and debentures of the Company" above, the Shares held by Tibet Sincere Heart are deemed to be included in the interest of Mr. Yan ZHOU under the SFO.

(4) Aihua YANG is the general partner of, and holds 76.75% of the interest in, Shanghai Xunjing. Shanghai Xunjing owns 42.68% of the interest in Tibet Yingfeng, which directly owns 44,300,000 Domestic Shares and 53,638,200 H Shares. As such, Aihua YANG and Shanghai Xunjing are deemed to be interested in the Shares held by Tibet Yingfeng under the SFO.

(5) Wei CHANG and Kuo ZHANG own 49% and 51% of the interest in Zhuhai Tongdao Tomorrow respectively, with Kuo ZHANG also acting as its general partner. Zhuhai Tongdao Tomorrow owns 61.25% of the interest in Ganzhou Xixi. Ganzhou Xixi directly owns 40,000,000 H Shares. As such, Wei CHANG, Kuo ZHANG and Zhuhai Tongdao Tomorrow are deemed to be interested in the Shares held by Ganzhou Xixi under the SFO.

(6) Lhasa Meihua is a wholly-owned subsidiary of Meihua Holdings Group Co., Ltd. (SSE: 600873). Lhasa Meihua directly owns 25,000,000 H Shares. As such, Meihua Holdings Group Co., Ltd. is deemed to be interested in the Shares held by Lhasa Meihua under the SFO.

Substantial shareholders of other members of the Group

Name	Member of the Group	Nature of Interest	Approximate percentage held by the substantial shareholder in the member of the Group
Zhuhai Hengqin Ruifan Technology Partnership (Limited Partnership) (珠海橫琴瑞凡科技合夥企業(有限合夥))	AIM Liverna	Beneficial owner	32.2%
Zhuhai Hengqin Qijing Technology Partnership (Limited Partnership) (珠海橫琴麒晶科技合夥企業(有限合夥))	AIM Liverna	Beneficial owner	11.0%
Zhuhai Ruijin Technology Partnership (Limited Partnership) (珠海瑞進科技合夥企業(有限合夥))	AIM Liverna	Beneficial owner	6.6%

Save as disclosed above, as of December 31, 2024, to the knowledge of the Directors, no other person had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

Report of the Directors

PRE-IPO ESOP

The Pre-IPO ESOP was adopted by the Company on November 30, 2020 and was amended on February 16, 2022. All of the options available under the Pre-IPO ESOP were fully granted on November 30, 2020. The terms of the Pre-IPO ESOP are summarized below:

(a) ***Purpose.*** The purpose of the Pre-IPO ESOP is to establish a long-term incentive mechanism of the Company in order to attract and retain talents and to directly link the personal interests of the grantees under the Pre-IPO ESOP with those of the Shareholders, thereby promoting sustained, long-term and healthy growth of the Company.

(b) ***Eligible Participants.*** Participants that joined the Pre-IPO ESOP included the Directors, Supervisors, senior management, core technical personnel and core business personnel of the Company, as well as other employees as determined and approved by the Board at time of granting the options of the Pre-IPO ESOP.

(c) ***Maximum Number of Shares.*** The maximum number of underlying Shares which may be issued pursuant to the Pre-IPO ESOP is 12,106,666 Shares, representing approximately 1% of the total share capital of the Company as at the date of this report. The maximum number of Shares involved with the options to be granted to a grantee under the Pre-IPO ESOP shall not exceed 1% of the total outstanding share capital of our Company. As of December 31, 2024, all outstanding options had been granted and no further options may be granted under the Pre-IPO ESOP. The Shares to be issued upon the exercise of the Share Options may be H Shares or Domestic Shares.

(d) ***Exercise Price.*** The exercise price per Share subject to an option is RMB6.98. In the event of any share dividend, share split, recapitalization or any other change affecting the Shares or the price per Share, the Board shall make such proportionate adjustments of the exercise price in accordance with the terms of the Pre-IPO ESOP.

(e) ***Term of the Pre-IPO ESOP.*** The Pre-IPO ESOP took effect on November 30, 2020, and will expire in 84 months thereafter. Subject to the termination provisions under the Pre-IPO ESOP, upon its expiry, any option that is outstanding shall remain in force according to the terms of the Pre-IPO ESOP.

(f) ***Grant and Exercise of Options.*** The options were granted based on the evaluation of performance of the grantees. Exercise of the options is subject to certain terms and conditions under the Pre-IPO ESOP, such as the attainment of performance milestones. If the performance of our Company and the relevant grantee as well as other conditions are not fulfilled in the stipulated period, or if the grantee resigns from our Group, options may be cancelled by our Company.

Report of the Directors

As of January 1, 2024, Share Options under the Pre-IPO ESOP were granted to 78 grantees, including 4 senior management members of our Company and 74 employees of our Group to subscribe for an aggregate of 3,351,000 Shares. From January 1, 2024 to December 31, 2024, no further Share Options were granted under the Pre-IPO ESOP. As of December 31, 2024, the total number of Shares in respect of which Share Options had been granted and remained outstanding decreased to nil. The decrease was due to the lapse of such Share Options pursuant to the terms of the Share Options and the cancellation of Share Options held by employees that have resigned from the Group since being granted Share Options. The principal terms of the Pre-IPO ESOP and details of the grant of Share Options are set out in the Prospectus.

Particulars of the movement of the Share options held by the senior management of the Company and other employees of the Group during the Reporting Period were as follows:

Name or category of participants	Date of Grant	Exercise Price *RMB*	Vesting and Exercise period	As at January 1, 2024	Granted during the year	Exercised during the year	Lapsed/ expired during the year	Cancelled/ forfeited during the year	As at December 31, 2024
Senior Management									
Lixin NIU (牛立新)	November 30, 2020	6.98	Note 1	120,000	–	–	120,000 (Note 2)	–	–
Ling LIU (劉靈)	November 30, 2020	6.98	Note 1	120,000	–	–	120,000 (Note 2)	–	–
Fan ZHANG (張凡)	November 30, 2020	6.98	Note 1	90,000	–	–	90,000 (Note 2)	–	–
Li MENG (孟麗)	November 30, 2020	6.98	Note 1	90,000	–	–	90,000 (Note 2)	–	–
Other Employees	November 30, 2020	6.98	Note 1	2,931,000	–	–	2,586,000 (Note 2)	345,000 (Note 3)	–
Total				**3,351,000**	**–**	**–**	**3,006,000 (Note 2)**	**345,000 (Note 3)**	

Notes:

(1) The Share Options have been vested and shall be exercised between December 1, 2023 and November 30, 2024.

(2) The Share Options were not exercised by November 30, 2024 and therefore lapsed.

(3) The Share Options were cancelled because the relevant grantees resigned from our Group.

Report of the Directors

The estimated value of the Share Options granted under the Pre-IPO ESOP during the year ended December 31, 2020, calculated using the binomial lattice model as at the Date of Grant of the options was approximately RMB186,958,000.

The binomial lattice model is a generally accepted method of valuing options. The significant assumptions used in the calculation of the values of the Share Options were risk-free rate of interest, dividend yield, volatility and early exercise multiple. The measurement date used in the valuation calculations was the date on which the options were granted.

Share price (RMB)	12.43 each, 12.74 each and 13.48 each
Expected exercise multiple	2.60
Exercise price (RMB)	6.98
Expected volatility (%)	43.64%-45.78%
Expected dividend yield (%)	–
Risk-free interest rate (%)	3.02%-3.08%
Expected life of options (year)	3 years – 7 years

The expected volatility is based on the historical volatility (calculated based on the expected life of the Share options), adjusted for any expected changes to future volatility due to public available information. The expected dividends are based on historical dividends. The risk-free interest rate is based on the yield of Hong Kong Exchange Fund Notes with a maturity life equal to the life of the Share option.

The fair value calculated for the Share Options is inherently subjective due to the assumptions made and the limitations of the model utilized.

The Group recognized Share-based expenses of approximately RMB nil (a reversal of Share-based expenses in 2023: RMB14,200,945) for the Reporting Period in relation to Share Options granted by the Company.

CONNECTED TRANSACTIONS

During the Reporting Period, there was no connected transaction or continuing connected transaction of the Group which has to be disclosed in accordance with the Listing Rules.

MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed in the paragraph headed “Connected Transactions” in this annual report, the related party transactions as set out in note 36 to the consolidated financial statements are not regarded as connected transactions or were exempt from reporting, announcement and Shareholders’ approval requirements under the Listing Rules.

Report of the Directors

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights in the Articles or under the laws of the PRC being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

PURCHASE, SALE, REDEMPTION OR CANCELLATION OF LISTED SECURITIES

During the Reporting Period, nether the Company nor any of its subsidiaries purchased, sold, redeemed or cancelled any of the Company's listed securities.

EQUITY-LINKED AGREEMENT

Save as disclosed in the paragraph headed "PRE-IPO ESOP" above, the Company had not entered into any equity-linked agreement during the Reporting Period, nor did any equity-linked agreement subsist as at December 31, 2024.

BANK BORROWINGS

Particulars of bank borrowings of the Company and the Group as of December 31, 2024 are set out in note 26 to the consolidated financial statements.

DONATIONS

During the Reporting Period, the Group donated RMB120,000.00 to Renhuai Red Cross Society and, donated hepatitis B vaccines worth a total of RMB526,612.42 to CDCs.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Save as disclosed in the section headed "Corporate Governance Report", the Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code during the Reporting Period. Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 59 to 84 of this annual report.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

As of December 31, 2024, we had outstanding bank loans of RMB219 million (the "**First Facility**") and RMB190 million (the "**Second Facility**", together with the First Facility, the "**Loan Facilities**"), respectively, for the construction of AIM Persistence's new production facilities. As disclosed in the Prospectus and the 2023 annual report (the "**Disclosure on the First Facility**"), we failed to satisfy certain covenants under the First Facility, including (a) a covenant that requires the Company to be listed by the end of 2021 and (b) a financial covenant. As of December 31, 2024, we failed to satisfy (a) a covenant under the First Facility that requires certain products of the Company to be launched at the agreed time and (b) certain financial covenants under the Second Facility. In accordance with the terms of the Loan Facilities, the bank loans now shall be repayable immediately upon the request of the lending bank, and the above borrowings have been classified as current liabilities accordingly. Notwithstanding our failure to comply with the above covenants, after the Disclosure on the First Facility had been made, the lending bank continued to provide loans to us in 2023 under the First Facility, and provided us with the Second Facility. Furthermore, as of December 31, 2024, the lending bank has not made any demand for immediate repayment of the bank loans under the Loan Facilities. The Board will regularly monitor compliance with the above covenants and considers that the Company is in the position to be able to repay the above bank loans under the Loan Facilities as and when required by the lending bank.

CLOSURE OF THE REGISTER OF MEMBERS

For the purpose of determining the right to attend and vote at the forthcoming annual general meeting of the Company to be held on Tuesday, May 20, 2025 (the "**AGM**"), the register of members of the Company will be closed from Thursday, May 15, 2025 to Tuesday, May 20, 2025 (both days inclusive), during which period no share transfers will be registered. The record date for determining the entitlement of the holders of H Shares to attend and vote at the AGM is Tuesday, May 20, 2025. Unregistered holders of H Shares should ensure that all share transfer documents accompanied by the corresponding share certificates are lodged with the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Wednesday, May 14, 2025.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

There was no incident of non-compliance with relevant laws and regulations that had a significant impact on the Group during the Reporting Period.

Report of the Directors

MATERIAL MATTERS AFTER THE REPORTING PERIOD

On February 28, 2025, the Company entered into the placing agreement with the placing agent, DBS Asia Capital Limited, pursuant to which the placing agent has conditionally agreed, as the Company's placing agent, to procure, on a best effort basis, a placee (who and whose ultimate beneficial owner(s) (where applicable) will be independent third parties) to purchase 15,500,000 placing shares at the placing price of HK$5.01 per placing Share. The placing shares have been placed to one placee, namely Factorial Master Fund. The gross placing proceeds from the placing amounted to HK$77,655,000 (equivalent to RMB71,638,000). Completion of the placing took place on March 6, 2025. For details, please refer to the announcement of the Company dated February 28, 2025.

AUDITOR

The consolidated financial statements for the year ended December 31, 2024 were prepared in accordance with IFRSs and have been audited by Ernst & Young. Since the date of preparation for the IPO, the Company has been engaging Ernst & Young for their services. There is no change in auditors in any of the preceding three years. Ernst & Young will retire and, being eligible, offer themselves for re-appointments as the auditors of the Company at the forthcoming AGM.

By order of the Board
AIM Vaccine Co., Ltd.
Chairman of the Board and CEO Mr. Yan ZHOU

Shanghai, the PRC
March 28, 2025

Report of the Supervisory Committee

The Supervisory Committee, in compliance with the relevant requirements of the Company Law of the PRC and the Articles, has conducted its work in accordance with the fiduciary principle, and has taken up an active role to work seriously and with diligence to protect the interests of the Company and the Shareholders.

During the Reporting Period, the Supervisory Committee reviewed the development plans of the Company cautiously and provided reasonable suggestions and opinions to the Board. It also strictly and effectively monitored and supervised the Company's management in making significant policies and decisions to ensure that they are in compliance with the relevant requirements of the Company Law of the PRC and the Articles, and in the interests of the Shareholders.

We have reviewed and agreed to the report of the Directors and the audited financial statements for presentation at the forthcoming AGM. We are of the opinion that the Directors, the chief executive officer and other senior management of the Company are able to strictly observe their fiduciary duty, to act diligently, to exercise their authority faithfully in the best interests of the Company and to work in accordance with the Articles. The transactions between the Company and connected persons are in the interests of the Shareholders as a whole and under fair and reasonable terms.

As of today, none of the Directors and senior management of the Company had been found to have abused their authority, damaged the interests of the Company or infringed upon the interests of the Shareholders and employees. None of them was found to be in breach of any laws and regulations or the Articles.

The Supervisory Committee is satisfied with the achievement and cost-effectiveness of the Company in 2024 and has great confidence in the future prospect of the Company.

By Order of the Supervisory Committee
AIM Vaccine Co., Ltd.
Tingfeng SONG
Chairman of the Supervisory Committee

Shanghai, the PRC
March 28, 2025

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance of the Company during the Reporting Period.

CORPORATE GOVERNANCE CULTURE AND VALUE

Through cultural top-level design, the Company has established a more comprehensive corporate culture system that specifically includes four aspects such as mission, vision, values, and open innovation culture.

(1) Mission: to develop and manufacture vaccines with a conscience for the health of the world

AIM Vaccine achieves its responsibility and mission as a whole industry chain, innovative and leading vaccine research and development, and manufacturering enterprise through sincere attention to people's health, through the manufacturing of safe and high-quality vaccine products, through the research and development and exploration of innovative vaccine, through breakthrough contributions to the disease prevention areas and through sincere service to customers. AIM Vaccine has always been committed to improving and enhancing the healthy living standards of the Chinese people inoculated with vaccine products comparable with the highest quality standards in the world at an affordable cost.

(2) Vision: to become a leader of global vaccine industry

Over many years, the global market of the vaccine industry has been monopolized by Sanofi Pasteur, Pfizer, Merck Sharp & Dohme (MSD) and GlaxoSmithKline (GSK). The vision of AIM Vaccine is to continuously accelerate the R&D and commercialization process of pipelines under development and become a world-class vaccine company. By 2030, the Company will become the leader in the global vaccine industry with a sales scale of more than 20 vaccine products on sale (more than 8 are blockbuster products).

(3) Core Values: Innovation, Honor, Responsibility, Dream, Action, Perseverance

Interpreting from the dimension of customers, promoting innovation is to advocate all employees to continuously explore and provide new solutions. The specific requirements are: focusing on moving forward and challenging the norm; providing leading innovations and solutions; and undertaking risks wisely and continuously exploring the best options. Earning honor is to advocate all employees to implement high ethical standards at all times. The specific requirements are, adhering to humility, caring, integrity, respect and empathy; following high ethical standards, understanding ourselves and our impact on others; and putting team honors ahead of the individual and recognizing the contributions of others.

Interpreting from the dimension of team, assuming responsibilities is to advocate all employees to fulfill their regular duties with excellence. The specific requirements are, leading by example and encouraging others; never forgetting our original aspiration and benefiting customers and society; and doing the right things by never compromising on quality and safety. Achieving the dream is to build a diverse and inclusive high-performance team. The specific requirements are, cooperating sincerely and creating a high-performance team together; accomplishing and exceeding goals with passion and potential, and welcoming diverse styles, creativity and perspectives with an inclusive attitude.

Corporate Governance Report

Interpreting from the dimension of individuals, taking action is to be guided by stimulating potential and taking quick actions. The specific requirements are, providing and accepting constructive feedback; identifying the key points, quickly making decisions and executing; uniting knowledge and action, calmly confronting and learning from adversity. Adhering to perseverance is to keep the mission in mind and be strong-willed and consistent. The specific requirements are, that employees shall be pragmatic and adhere to the code of conduct when facing obstacles or difficulties, and constantly seek better working approaches to strengthen their advantages and make up for the deficiencies.

(4) The core of corporate culture: sense of mission and ideality, open cultural inclusiveness, team consensus of joint creation, joint sharing and joint undertakings

Sense of mission and ideality: AIM's employees are full of social responsibility. The Company regards "developing and manufacturing vaccines with a conscience for the health of the world" as its mission and responsibility.

Open cultural inclusiveness: aiming at building an inclusive corporate culture, the Company retains the original core team of the acquired corporates after each acquisition and M&A. Everyone makes joint efforts on innovation to enhance the overall core competitiveness of the Company through the Group's integrated resources, cultural reform and compliance empowerment.

Team consensus of joint creation, joint sharing and joint undertakings: all scientists in the R&D team, as well as the core senior management of the Company, enjoy equity incentives or option incentives. Everyone has the same goal and the same interests, and acts on concert, forming a highly cohesive team to fight side by side. If fail, we will fight to death to retrieve that situation; if win, we will celebrate together, which is the creed of each employee of AIM Vaccine.

The Company's industry background and development history determine the basic characteristics of the corporate culture of AIM Vaccine.

(5) The corporate culture of the Company is based on the core concept of "developing and manufacturing vaccines with a conscience for the health of the world", which reflects the responsibility and commitment of AIM Vaccine in the industry.

The Company realizes its corporate vision of "developing and manufacturing vaccines with a conscience for the health of the world" by providing safe, effective and high-quality vaccine products to the majority of vaccinees in China. In the development of the Company, AIM Vaccine balances the pursuit of corporate profits and the public welfare. On one hand, the Company provides safe and effective vaccine products for vaccinees to prevent the pain of disease and enhance the contribution to the society and social recognition, which reflect the public welfare of the corporate culture; on the other hand, the Company naturally occupies the industry's core market and maximizes the profit of the corporate operation while meets and responds to the needs of the society to the full extent.

Corporate Governance Report

(6) Adhering to the business model and corporate culture featuring inclusivity and pioneering, the Company continues to expand and optimize its existing business.

The Company advocates a core culture of inclusivity and pioneering in business operations and product development, and will continue to promote this culture to individuals and organizations in the vaccine industry both internally and externally. AIM Vaccines will continuously strengthen the interaction between its operational subsidiaries and research centers to expedite pipeline development, particularly in CMC development and production process improvement. The Company is also committed to providing opportunities for employees to directly transform their on-the-job experience into potential product ideas, such as cross-team secondments and collaborations. Additionally, the Company is eager to cooperate with the best scientists in the vaccine industry and intends to maintain flexible partnerships with scientists in the R&D activities of AIM Vaccines, accepting projects from universities, academic institutions or government. Furthermore, the Company is willing to collaborate with young scientists and plans to establish postgraduate, doctoral and post-doctoral projects with universities and academic institutions, providing specialized training and funding for young talent in vaccine-related research fields, especially in innovative vaccine development. In addition to the above, the Company continues to actively explore external strategic opportunities, seeking vaccine candidates and technologies that can establish synergies with its existing product portfolio by collaborating, licensing or acquiring high-potential vaccine assets and technologies. The Company will also consider investing in or acquiring companies with innovative technology or sales and marketing resources that complement its business capabilities.

(7) The Company's corporate culture places great emphasis on safety production and compliant production and operation management with regulatory standards.

Firstly, prioritize production safety and product quality. All staff adhere to high standards of professional ethics, and the quality management system complies with pharmaceutical regulatory standards, ensuring that every batch of vaccine products released into the market by AIM Vaccines is of high quality, effective and safe. Placing quality first is closely related to the requirement for safety production and is also the core idea of AIM Vaccines, requiring every employee to have a high sense of responsibility towards their work.

Secondly, people-oriented, with people being the core assets of the Company's development. The Company's corporate culture strives to enable each employee to fully utilize their strengths. Furthermore, following the rapid expansion and development of the Group, high-potential employees and core talents can be transferred or reassigned among different affiliated companies according to individual preferences and job needs, fully respecting the personal drive of employees. In the internal control of AIM Vaccines, the Company always advocates democratic management, achieving co-prosperity among employees from different business forms such as foreign-owned enterprises, private enterprises and state-owned enterprises.

Thirdly, unity and cooperation for harmonious win-win outcomes. The four vaccine manufacturing enterprises controlled by AIM Vaccines have had a long period of development. AIM Vaccines, at the group level, coordinates resources and promotes strategic integration. To achieve this goal, it is necessary to gather strength and cultivate employees' sense of team honor, while also focusing on promoting the transformation of the Company's cultural concepts and values.

Corporate Governance Report

Lastly, continuous innovation. Constantly increase investment in research and development, whether for independent research and development or external collaboration, always put technological innovation as a top priority, and keep in mind the vision of becoming a leader in innovative technology in the vaccine industry. Enhance the innovation consciousness of all staff and firmly implement the strategy of strengthening the enterprise with talents and technology. Recruit and cultivate outstanding and young innovative talents, and build a full industry chain group in the innovative vaccine industry.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

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

The Company has adopted the principles and code provisions of the Corporate Governance Code on the Stock Exchange as the basis of the Company's corporate governance practices.

In the opinion of the Directors, during the Reporting Period, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code, with the exception of code provision C.2.1, which requires the roles of chairman and chief executive to be held by different individuals, as disclosed in this Corporate Governance Report.

The Company has also put in place certain recommended best practices as set out in the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has devised its own code of conduct regarding Directors' and Supervisors' dealings in the Company's securities on terms no less exacting than the Model Code.

The Company has made specific inquiries to all Directors and Supervisors and they all confirmed that they complied with the standards specified in the Company's own code during the Reporting Period.

The Company has also established written guidelines no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. During the Reporting Period, no incident of non-compliance of the written guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

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

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

Board Composition

The composition of the Board as at the date of this report is as follows:

Executive Directors

Mr. Yan ZHOU *(Chairman of the Board and Chief Executive Officer)*
Mr. Xin ZHOU *(Executive Vice Chairman of the Board and Executive President) (since August 29, 2024)*
Mr. Shaojun JIA *(President)*
Mr. Wen GUAN *(Executive President)*
Mr. Jie ZHOU *(Executive President) (since August 29, 2024)*

Non-Executive Directors

Mr. Xin ZHOU *(from November 28, 2023 to August 29, 2024)*
Mr. Jie ZHOU *(from November 28, 2023 to August 29, 2024)*
Mr. Jichen ZHAO
Ms. Aijun WANG *(from June 9, 2021 to April 13, 2025)*

Independent Non-Executive Directors

Professor Ker Wei PEI
Mr. Xiaoguang GUO
Mr. Hui OUYANG *(from June 9, 2021 to April 13, 2025)*
Ms. Jie WEN

The biographical information of the Directors is set out in the section headed "Directors, Supervisors and Senior Management" on pages 32 to 39 of this annual report. Save as disclosed therein, there is no other relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members.

Corporate Governance Report

Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

During the Reporting Period, the Board has held six meetings. The attendance record of each Director at the Board meetings is set out in the table below:

Name of Director	Number of Meetings Attended/Held
Executive Directors	
Mr. Yan ZHOU	6/6
Mr. Xin ZHOU	6/6
Mr. Wen GUAN	6/6
Mr. Shaojun JIA	6/6
Mr. Jie ZHOU	6/6
Non-executive Directors	
Mr. Jichen ZHAO	6/6
Ms. Aijun WANG(1)	6/6
Independent Non-executive Directors	
Professor Ker Wei PEI	6/6
Mr. Xiaoguang GUO	6/6
Mr. Hui OUYANG(1)	6/6
Ms. Jie WEN	6/6

Note:

(1) Ms. Aijun WANG and Mr. Hui OUYANG have resigned as a non-executive Director and an independent non-executive Director respectively with effect from April 13, 2025.

Apart from regular Board meetings, the Chairman also held one meeting with the independent non-executive Directors without the presence of other Directors during the year.

Both Independent Non-Executive Directors and Non-Executive Directors attend the general meetings of the Company to gain and develop a balanced understanding of the view of shareholders.

Corporate Governance Report

Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

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

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

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

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

The Company has arranged appropriate insurance coverage on Directors' and employees' liabilities in respect of any legal actions taken against Directors, Supervisors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Chairman and Chief Executive Officer

Code provision C.2.1 of Part 2 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Yan ZHOU currently serves as the chairman of the Board as well as the chief executive officer of the Company. The Board believes that, in view of Mr. Zhou's experience, personal profile and his roles in the Company, Mr. Zhou has an extensive understanding of our business as the chief executive officer and is therefore the Director best suited to identify strategic opportunities and the focus of the Board. The combined role of chairman of the Board and chief executive officer of the Company by the same individual can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer at an appropriate time by taking into account the circumstances of the Group as a whole.

Corporate Governance Report

Independent Non-executive Directors

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

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

Board Independence Evaluation

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

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

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the Reporting Period, the Company has conducted independent evaluation of the Board for the Reporting Period, and the evaluation results are satisfactory.

During the Reporting Period, the Board conducted the annual review on the implementation and effectiveness of the Board Independence Evaluation Mechanism.

Corporate Governance Report

Appointment and Re-election of Directors

Under the Articles, Directors (including non-executive Directors) shall be elected at the general meeting with a term of three years. Each of the current directors (including non-executive Directors) has been appointed for a term of three years commencing from the date of re-election approved at the extraordinary general meeting held on November 28, 2023. A Director may serve consecutive terms if re-elected upon the expiry of his/her term. A Director shall continue to perform his duties in accordance with the laws, administrative regulations and Articles until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum. The Articles also provide that each Director appointed to fill a casual vacancy or as addition to the Board shall hold office until the first general meeting after his/her appointment. The retiring Directors shall be eligible for re- election.

Each of the executive Directors, non-executive Directors, independent non-executive Directors and Supervisors has entered into a service contract with the Company with a specific term. The initial term of such service contracts was from the date of appointment to the expiry of the first session of the Board and such term has been further renewed from the date of approving the re-election at the extraordinary general meeting held on November 28, 2023 to the expiry of the current session of the Board.

Mr. Xin ZHOU (previously a non-executive Director and currently an executive Director and an executive president of the Company) has been elected as the executive vice-chairman of the Board and Mr. Wen GUAN (currently an executive Director and an executive president of the Company) has been elected as the vice-chairman of the Board, each effective from the date of the extraordinary general meeting held on February 29, 2024.

The Company did not sign any relevant unexpired service contract that cannot be terminated within a year without payment of any 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 their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure an 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.

All Directors are encouraged to attend relevant training courses at the Company’s expenses.

During the Reporting Period, the Company organized training sessions conducted by qualified professionals for all Directors. The training sessions covered a wide range of relevant topics including corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual, legal and regulatory updates and seminar handouts have been provided to the Directors for their reference and study.

Corporate Governance Report

The training records of the Directors up to date of this annual report are summarized as follows:

Name of Director	Type of Training[Note]
Executive Directors	
Mr. Yan ZHOU	A/B
Mr. Xin ZHOU	A/B
Mr. Wen GUAN	A/B
Mr. Shaojun JIA	A/B
Mr. Jie ZHOU	A/B
Non-executive Directors	
Mr. Jichen ZHAO	A/B
Ms. Aijun WANG[(1)]	A/B
Independent Non-executive Directors	
Professor Ker Wei PEI	A/B
Mr. Xiaoguang GUO	B
Mr. Hui OUYANG[(1)]	B
Ms. Jie WEN	B

Note:

Types of Training

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

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

(1) Ms. Aijun WANG and Mr. Hui OUYANG have resigned as a non-executive Director and an independent non-executive Director respectively with effect from April 13, 2025.

BOARD COMMITTEES

The Board has established five committees, namely, the Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, Strategy Committee and Compliance and Risk Control Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration and Appraisal Committee and Nomination Committee are published on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Corporate Governance Report

Audit Committee

As at the Latest Practicable Date, the Audit Committee consists of three members, namely Professor Ker Wei PEI (independent non-executive Director), Mr. Xiaoguang GUO (independent non-executive Director) and Ms. Jie WEN (independent non-executive Director). Professor Ker Wei PEI is the chairman of the Audit Committee and possesses the appropriate professional qualifications. As Mr. Jie ZHOU and Mr. Xin ZHOU were re-designated as executive Directors on August 29, 2024, they ceased to be members of the Audit Committee with effect from August 29, 2024.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The main duties of the Audit Committee are to review the financial status of the Company, review the financial data of the Company, make judgment on the truthfulness, completeness and accuracy of the financial data, and check the implementation and effectiveness of the internal control systems. It is also mainly responsible for the communication between the Company and the external audit firms and the supervision and verification of such communication, supervising internal audit, evaluating and improving the internal control systems of the Company and making proposals thereto and assessing the risks of, among others, the significant investment projects under operation, and developing and reviewing the policies and practices on corporate governance of the Company. The Audit Committee shall report to the Board on its work.

During the Reporting Period, the Audit Committee held two meetings to review the annual results of the Group for the year ended December 31, 2023, the interim results for the year ended June 30, 2024 and to assist the Board in reviewing the effectiveness and operational evaluation of the risk management and internal control systems, as well as the corporate governance policies and practices of the Company. For further details on the Company's review of risk management and internal control systems, please see the section headed "Risk Management and Internal Controls" of this Corporate Governance Report.

The attendance record of each member of the Audit Committee meeting is set out in the table below:

Name of Members of the Audit Committee	**Number of Meetings Attended/Held**
Professor Ker Wei PEI	2/2
Mr. Xiaoguang GUO	2/2
Mr. Hui OUYANG[(1)]	2/2
Mr. Jie ZHOU *(ceased to be a committee member on August 29, 2024)*	2/2
Mr. Xin ZHOU *(ceased to be a committee member on August 29, 2024)*	2/2

Note:

(1) Mr. Hui OUYANG has resigned as an independent non-executive Director with effect from April 13, 2025.

During the Reporting Period, the Audit Committee held two meetings with the external auditors without the presence of the executive Directors.

Corporate Governance Report

Remuneration and Appraisal Committee

As at the Latest Practicable Date, the Remuneration and Appraisal Committee consists of three members, namely Mr. Xiaoguang GUO (independent non-executive Director), Ms. Jie WEN (independent non-executive Director), and Mr. Wen GUAN (executive Director). Mr. Xiaoguang GUO is the chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The primary functions of the Remuneration and Appraisal Committee include researching and formulating the assessment standards of and evaluating the performance of the Directors and senior management, as well as putting forward opinions or suggestions. It is also responsible for researching, formulating and reviewing the remuneration plans or schemes of the Directors and senior management. It is also responsible for reviewing and/or approving matters related to share schemes under Chapter 17 of the Listing Rules.

The remuneration of the senior management (excluding executive Directors), whose biographical details are included in the section headed "Directors, Supervisors and Senior Management" of this annual report, during the Reporting Period includes salaries, allowances and benefits in kind, performance-related bonuses, pension scheme contributions and equity-settled share-based compensation expenses, and falls within the following bands:

Remuneration (RMB'000)	Number of Individuals
1,700–1,900	2
1,500–1,700	3

The Company's remuneration policy is to ensure that the remuneration offered to the Directors, Supervisors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration and compensation packages of the Directors, Supervisors and senior management are also determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and Supervisors and the performance of the Group. The remuneration for the Directors and Supervisors comprises fees, salaries, allowances, benefits in kind, performance-related bonuses, equity-settled share-based compensation expense and pension scheme contributions. Individual Directors and senior management have not been involved in deciding their own remuneration.

During the Reporting Period, the Remuneration and Appraisal Committee held one meeting to evaluate the performance of executive Directors as well as review and make recommendations to the Board on the remuneration policies and remuneration plans for executive Directors and senior management. The Remuneration and Appraisal Committee also reviewed the terms of executive Directors' service contracts during the Reporting Period.

Corporate Governance Report

The attendance record of each member of the Remuneration and Appraisal Committee meetings is set out in the table below:

Name of Members of the Remuneration and Appraisal Committee	Number of Meetings Attended/Held
Mr. Xiaoguang GUO	1/1
Mr. Yan ZHOU	1/1
Mr. Wen GUAN	1/1
Professor Ker Wei PEI	1/1
Ms. Jie WEN	1/1

Nomination Committee

As at the Latest Practicable Date, the Nomination Committee consists of three members, namely Mr. Yan ZHOU (executive Director), Mr. Xiaoguang GUO (independent non-executive Director) and Ms. Jie WEN (independent non-executive Director). Mr. Yan ZHOU is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The principal duties of the Nomination Committee include considering selection of Directors (including independent non-executive Directors) and senior management of the Company, the selection criteria and procedures thereof, as well as putting forward opinions and recommendations to the Board.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would regularly review and agree on measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.

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

During the Reporting Period, the Nomination Committee held two meetings to review and discuss the current structure, size and membership of the Board and re-designation of Directors, as well as the independence of independent non-executive Directors, and to review the Board Diversity Policy and Director Nomination Policy.

Corporate Governance Report

The attendance record of each member of the Nomination Committee meetings is set out in the table below:

Name of Members of the Nomination Committee	Number of Meetings Attended/Held
Mr. Hui OUYANG[(1)]	2/2
Mr. Yan ZHOU	2/2
Mr. Xiaoguang GUO	2/2

Note:

(1) Mr. Hui OUYANG has resigned as an independent non-executive Director with effect from April 13, 2025.

Strategy Committee

As at the Latest Practicable Date, the Strategy Committee consists of three members, namely Mr. Yan ZHOU (executive Director), Mr. Xin ZHOU (executive Director) and Mr. Shaojun JIA (executive Director). Mr. Yan ZHOU is the chairman of the Strategy Committee.

The primary duties of the Strategy Committee are to conduct research on and provide advice in relation to the long-term development strategies and major investment decisions of the Company.

During the Reporting Period, the Strategy Committee held one meeting to review and discuss the topics on the Company's innovation and internationalization development strategy.

The attendance record of each member of the Strategy Committee meetings is set out in the table below:

Name of Members of the Strategy Committee	Number of Meetings Attended/Held
Ms. Jie WEN	1/1
Mr. Yan ZHOU	1/1
Mr. Jichen ZHAO	1/1
Professor Ker Wei PEI	1/1
Mr. Hui OUYANG[(1)]	1/1

Note:

(1) Mr. Hui OUYANG has resigned as an independent non-executive Director with effect from April 13, 2025.

Corporate Governance Report

Compliance and Risk Control Committee

As at the Latest Practicable Date, the Compliance and Risk Control Committee consists of three members, namely Mr. Yan ZHOU (executive Director), Mr. Jie ZHOU (executive Director) and Mr. Jichen ZHAO (non-executive Director). Mr. Yan ZHOU is the chairman of the Compliance and Risk Control Committee.

The primary duties of the Compliance and Risk Control Committee are to conduct research on and assess the operational compliance and risk control of the Company, and to provide advice in relation to improvement of corporate governance and risk control of the Company.

During the Reporting Period, the Compliance and Risk Control Committee held two meetings to review the Company's relevant systems and corporate governance matters.

The attendance record of each member of the Compliance and Risk Control Committee meetings is set out in the table below:

Name of Members of the Compliance and Risk Control Committee	Number of Meetings Attended/Held
Mr. Yan ZHOU	2/2
Mr. Wen GUAN	2/2
Mr. Shaojun JIA	2/2
Mr. Jie ZHOU	2/2
Ms. Aijun WANG[(1)]	2/2

Note:

(1) Ms. Aijun WANG has resigned as an independent non-executive Director with effect from April 13, 2025.

Board Diversity Policy

The Company has adopted a Board Diversity Policy in order to enhance the effectiveness of the Board and to maintain a high standard of corporate governance.

Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a wide range of factors, including but not limited to gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board has a balanced mixed of knowledge and skills, including overall management and strategic development, finance, accounting and risk management in addition to industry experience in healthcare and pharmaceuticals. The Directors obtained degrees in various majors including business administration, finance, accounting, economics and chemistry. The Company has four Independent non-executive Directors with different industry background, representing more than one-third of the members of the Board.

Corporate Governance Report

For the purpose of implementation of the Board Diversity Policy, the Board has set the measurable objective that at least one member of the Board shall be female and would review such objective from time to time to ensure its appropriateness and ascertain the progress made towards achieving that objective.

As of the date of this report, the Board consists of eight male Directors and one female Director.

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the above objective set in accordance with the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy annually to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The Company has taken, and will continue to take, steps to promote gender diversity at all levels of the Company, including but not limited to the Board and the senior management levels.

The following table sets out the gender ratio in the workforce of the Group, including the Board, Supervisors and senior management as at the date of this annual report:

	Female	**Male**
Board	11.1% (1)	88.9% (8)
Supervisors	0% (0)	100% (3)
Senior Management	40% (4)	60% (6)
Other employees	50% (762)	50% (763)
Overall workforce	49.9% (766)	50.1% (769)

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report of this year.

The Board had targeted to achieve and had achieved at least 9.09% (1) of female Directors of the Company. The Company had also targeted to achieve 40% (4) of female senior management and approximately 50% (762) of female employees and considers that the above current gender diversity is satisfactory.

The Company will continue to work to enhance gender diversity of the Board. The Board will use its best endeavors to appoint female Directors to the Board and the Nomination Committee will use its best endeavors to identify and recommend suitable female candidates to the Board for its consideration of appointment of Directors. The Company will also continue to ensure that there is gender diversity when recruiting staff from mid to senior level, such that it will have a pipeline of female management and potential successors to our Board in due time to ensure gender diversity of the Board. The Group will continue to emphasize training of female talents and provide long-term development opportunities for the female staff.

Director Nomination Policy

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

The Company has adopted a Director Nomination Policy, as contained in the terms of reference of the Nomination Committee, which sets out the selection criteria and 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.

The nomination process for appointment of a new Director set out in the Director Nomination Policy is as follows:

(i) the human resources department and the Nomination Committee shall actively communicate with the relevant departments of the Company to assess the Company's demand for new Directors and senior management, and produce materials in writing;

(ii) the Nomination Committee may extensively seek candidates for Directors and senior management within the Company, its holding (shareholding) enterprises as well as the job market;

(iii) the Nomination Committee shall collect and learn the information of the occupation, education background, job title, detailed working experience and all the part-time jobs of the initially proposed candidates, and produce materials in writing;

(iv) to seek the nominee's written consent to the nomination, otherwise, he/she shall not be considered as a candidate for Directors and senior management;

(v) to convene Nomination Committee meetings to review the qualifications of the initially proposed candidates according to the job requirements of Directors and senior management;

(vi) to submit proposals and the relevant materials to the Board in respect of candidates of Directors and senior management within a reasonable period of time prior to the election of new Directors and senior management; and

(vii) to carry out other follow-up work according to the decision and feedback of the Board.

The Nomination Committee shall submit its decisions, proposals and/or recommendations to the Board for consideration and decision. Among which, the nomination of Director candidates must be submitted to the general meeting of Shareholders for review and approval after being reviewed by the Board and before implementation.

The criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate as set out in the Board Diversity Policy, including but not limited to the following, are gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service.

Corporate Governance Report

During the Reporting Period, the Nomination Committee reviewed and recommended to the Board the re-designation of Mr. Jie ZHOU and Mr. Xin ZHOU from non-executive Directors to executive Directors. The recommendation was made in accordance with the Director Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

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

Corporate Governance Functions

The Board, together with the Audit Committee, is responsible for performing the functions set out in code provision A.2.1 of the Corporate Governance Code.

During the Reporting Period, both the Board and the Audit Committee have reviewed the Company's policies and practices on corporate governance, the training and continuous professional development of the Directors and senior management, the Company's policies and practices in compliance with legal and regulatory requirements, compliance with the Company's own code of conduct, and the Company's compliance with the Corporate Governance Code and disclosure in this Corporate Governance Report.

SUPERVISORY COMMITTEE

The Supervisory Committee is a supervisory body of the Company which is responsible for the supervision of the Board and its members and senior management so as to prevent them from the misuse of authority and infringement upon lawful rights of the Shareholders, the Company and the Company's employees. The number of members and the composition of the Supervisory Committee are in line with the provisions and requirements of the laws, regulations and the Articles. The Supervisory Committee is comprised of three Supervisors, of whom one was an employee representative democratically elected by the employees of the Company.

The biographical information of the Supervisors is set out in the section headed "Directors, Supervisors and Senior Management" on pages 32 to 39 of this annual report. The report of the Supervisory Committee for the Reporting Period is set out in the section headed "Report of the Supervisory Committee" on page 58 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

The Audit Committee and Compliance and Risk Control Committee assist the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems, as well as resolving material internal control defects on an on-going basis.

Corporate Governance Report

The Company has developed and adopted various risk management procedures and guidelines, and the Company's Legal Compliance Department works with relevant departments to clearly define the objectives, responsibilities and authority of each division/department and position.

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

(i) Coverage principle: The Company embeds compliance requirements in all areas and sections of operation and management, running through the entire process of decision making, implementation and supervision, and implements them on all departments and all employees to achieve multi-party linkage and up-and- down coherence;

(ii) Clear authority and responsibility principle: The Company has clearly defined the responsibilities of the business and functional department, compliance management department and supervisory department, strictly implemented employee compliance responsibilities, and pursued responsibilities for non- compliance; and

(iii) Pragmatic and efficient principle: The Company has established a compliance management system that is in line with the reality of the enterprise, highlighted the management of key areas, key links and important personnel, and fully utilized information technology to practically improve management efficiency.

Each division/department and each of the Company's subsidiaries 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 data security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The Legal Compliance Department conducts regular compliance assessments on the Company's employees and business partners, and will take corresponding measures against employees or business partners who do not meet the Company's compliance requirements. For the handling of daily compliance incidents, we will uphold the principle of proactive investigation and open supervision, and the Legal Compliance Department will set up a uniform compliance and risk control reporting mailbox of the Company to open the reporting channels for all employees on an equal basis.

The management, in coordination with all divisions/departments, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee, the Compliance and Risk Control Committee and the Board on all findings and the effectiveness of the systems.

The person in charge of each division/department or wholly-owned subsidiary of the Company may report compliance or risk situations encountered in the course of operation, and the Legal Compliance Department will review and issue a written opinion and submit a formal proposal to the Compliance and Risk Control Committee. The Compliance and Risk Control Committee will review the report provided by the Legal Compliance Department and submit the relevant written resolutions to the Board for discussion.

Corporate Governance Report

The management has confirmed to the Board, the Audit Committee and Compliance and Risk Control Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The internal audit department is responsible for providing the internal audit function and performing independent review 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 and Compliance and Risk Control Committee.

The Board, as supported by the Audit Committee and Compliance and Risk Control Committee as well as the management report and the internal audit findings, conducted review of the risk management and internal control systems, including the financial, operational and compliance controls, during the Reporting Period, 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.

Whistleblowing Policy

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns through a dedicated channel with the Legal Compliance Department and the Compliance and Risk Control Committee about possible improprieties in any matters related to the Company.

Anti-Corruption Policy

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees may also report anonymously or by name in accordance with the procedures set forth in the Anti-Corruption Policy.

Disclosure of Inside Information Policy

The Company attaches great importance to the management of information disclosure, and has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. During the Reporting Period, the Company made true, accurate, complete and timely disclosure of relevant information in accordance with the relevant regulations of the CSRC, the Stock Exchange and other regulatory authorities, effectively implementing the relevant information disclosure policy.

Corporate Governance Report

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non- audit services during the Reporting Period is set out below:

Service Category	**Fees Paid/Payable (RMB'000)**
Audit Services	3,020
Non-audit Services	
– Interim review	880
Total	**3,900**

JOINT COMPANY SECRETARIES

The Company has appointed Ms. Ling LIU, a full-time employee of the Company, and Ms. LAM Wing Chi, a senior manager of company secretarial services of Tricor Services Limited, as the Company's joint company secretaries.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. Liu, who is also the secretary to the Board, has been designated as the primary contact person at the Company which would work and communicate with Ms. Lam on the Company's corporate governance and secretarial and administrative matters.

During the Reporting Period, Ms. Liu and Ms. Lam have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to Article 51 of the Articles, Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting. Such request shall be made to the Board in writing and the request to add resolutions to the meeting agenda shall also be made. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within ten days upon receipt of the request.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after resolution of the Board is passed. Any change made to the original request in the notice shall be approved by the relevant Shareholders.

If the Board does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the request, the Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to propose to the Supervisory Committee to convene the extraordinary general meeting. Such request shall be made to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days upon receipt of the request. Any change made to the original proposal in the notice shall be approved by the relevant Shareholders.

If the Supervisory Committee fails to issue a notice of the Shareholders' general meeting within a specified period, it shall be deemed that the Supervisory Committee shall not convene and preside over the Shareholders' general meeting, the Shareholder(s) individually or collectively holding 10% or more of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting by himself/herself/themselves.

Putting Forward Proposals at General Meetings

Pursuant to Article 56 of the Articles, the Shareholder(s) individually or jointly holding more than 3% of the Company's shares may make provisional proposals in writing to the convener of a Shareholders' general meeting ten days prior to the meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting and announce the contents of such provisional proposals within two days after receipt thereof.

Putting Forward Enquiries to the Board

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

Corporate Governance Report

Contact Details

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

Address:	Room 412, 4/F, Building 6, No. 105 Jinghai 3rd Road, Beijing Economic-Technological Development Area, Beijing, the PRC (For the attention of the Board of Directors/Company Secretary)
Postal code:	100000
Phone:	(86) 010 8595 0689
Fax:	(86) 010 8595 0063–825
Email:	aim.securities@aimbio.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/INVESTOR RELATIONS

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 substantial 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 has in place a Shareholders Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively.

During the Reporting Period, the Board has conducted the annual review on the implementation and effectiveness of the Shareholders Communication Policy. Given that the two-way communications' channels and the Shareholders Communication Policy were adopted and the Directors actively participated (100%) in all two general meetings of the Company held in 2024 to fully understand the Shareholders' opinions, the Board considers that the results of the review were satisfactory.

Corporate Governance Report

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

(a) Corporate Communication

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

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

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

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.aimbio.com). Other corporate information about the Company's corporate governance will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen and deputy chairman of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

Corporate Governance Report

During the Reporting Period, the Company has held an annual general meeting and one extraordinary general meetings. All Directors attended the general meetings of the Company to fully understand the Shareholders' opinions. The attendance record is set out in the table below:

Name of Director	Attendance/ Number of Annual General Meeting	Attendance/ Number of Extraordinary General Meeting
Executive Directors		
Mr. Yan ZHOU	1/1	1/1
Mr. Xin ZHOU	1/1	1/1
Mr. Wen GUAN	1/1	1/1
Mr. Shaojun JIA	1/1	1/1
Mr. Jie ZHOU	1/1	1/1
Non-executive Directors		
Mr. Jichen ZHAO	1/1	1/1
Ms. Aijun WANG(1)	1/1	1/1
Independent Non-executive Directors		
Professor Ker Wei PEI	1/1	1/1
Mr. Xiaoguang GUO	1/1	1/1
Mr. Hui OUYANG(1)	1/1	1/1
Ms. Jie WEN	1/1	1/1

Note:

(1) Ms. Aijun WANG and Mr. Hui OUYANG have resigned as a non-executive Director and an independent non-executive Director respectively with effect from April 13, 2025.

Corporate Governance Report

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's H Share registrar, Tricor Investor Services Limited, via its online holding enquiry service at www.tricoris.com, or send email to is-enquiries@vistra.com or call its hotline at (852) 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

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

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: aim.securities@aimbio.com or by post to Room 412, 4/F, Building 6, No. 105 Jinghai 3rd Road, Beijing Economic-Technological Development Area, Beijing, the PRC (postal code: 100000), or by calling the Company at (86) 010 8595 0689.

Amendments to Constitutional Documents

At the extraordinary general meeting of the Company held on February 29, 2024, shareholders approved several amendments to the Articles of Association to adjust provisions regarding, among other things, the composition of the Board of Directors. Details of the amendments are set forth in the Company's circular dated February 8, 2024. An up-to-date version of the Company's Articles is also available on the Company's website and the Stock Exchange's website.

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend declared for a financial year will be subject to the Shareholders' approval.

Independent Auditor's Report

To the shareholders of AIM Vaccine Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of AIM Vaccine Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 90 to 190, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter | **How our audit addressed the key audit matter**

Impairment assessment of goodwill and deferred development costs not available for use

The Group had goodwill and deferred development costs not available for use with net carrying values of RMB271,453,000 and RMB714,101,000, respectively, as at 31 December 2024.

In accordance with IFRSs, the Group is required to perform impairment testing for goodwill and deferred development costs not available for use at least on an annual basis. The Group engaged an independent external valuer to assist them in performing the impairment assessment of goodwill and deferred development costs not available for use. The impairment testing is based on the recoverable amount of each cash-generating unit ("**CGU**") to which the goodwill is allocated, and the recoverable amount of the deferred development costs not available for use. The recoverable amount for goodwill is its value in use using cash flow projections based on a financial budget. The recoverable amount for deferred development costs not available for use is based on the fair value less cost to sell. This matter was significant to our audit because the process of impairment test was complex and involved significant management judgements and estimates.

The Group's disclosures about impairment assessment of goodwill and deferred development costs not available for use are included in note 2.4 *Material accounting policies, note 3 Significant accounting judgements and estimates*, note 15 *Goodwill* and note 16 *Other intangible assets* to the consolidated financial statements.

Our audit procedures, among others, included assessing the evaluation of management's identification of cash-generating unit within the Group, and reviewing management's future forecasted cash flows and key assumptions by comparing to the historical financial performance, budget and financial projections. We evaluated the competence, capabilities and objectivity of the independent valuer engaged by management and involved our internal specialists to assist us in assessing the assumptions and methodologies used by the Group. We also focused on the adequacy of the Group's disclosures in the consolidated financial statements.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Capitalisation of development expenditure	
The Group is principally engaged in the research and development, manufacture and commercialisation of vaccine products for human use. During the year ended 31 December 2024, the expenditure incurred on projects to develop new vaccine products with an amount of RMB205,474,000 was capitalised in intangible assets in the consolidated financial statements. This matter was significant to our audit because significant management estimation and judgements were required in determining whether the development expenditure met the capitalisation criteria. The Group's disclosures about capitalisation of development expenditure are included in note 2.4 *Material accounting policies*, note 3 *Significant accounting judgements and estimates*, and note 16 *Other intangible assets*.	Our audit procedures, among others, included assessing whether the capitalisation policy adopted was in line with IFRSs, obtaining an understanding of management's internal approval procedures regarding the capitalisation of development expenditure by conducting interviews with key management members in charge of research, development and commercialisation of various projects and obtaining certifications related to different stages of development activities and commercial and technical feasibility reports prepared by management. We obtained an understanding of, evaluated and validated the key controls in the process of capitalisation of development costs. We also focused on the adequacy of the Group's disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

Independent Auditor's Report

RESPONSIBILITIES OF THE DIRECTORS 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 IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made 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 HKSAs 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 HKSAs, we exercise professional judgement 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.

Independent Auditor's Report

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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 Shun Lung Wai.

Ernst & Young
Certified Public Accountants
Hong Kong
28 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2024

		Year ended 31 December	
	Notes	**2024** *RMB'000*	2023 *RMB'000*
REVENUE	5	**1,285,031**	1,187,468
Cost of sales		**(331,523)**	(286,452)
Gross profit		**953,508**	901,016
Other income and gains	5	**32,847**	51,658
Selling and distribution expenses		**(542,666)**	(493,995)
Administrative expenses		**(282,730)**	(254,292)
Research and development costs		**(363,126)**	(636,401)
Impairment losses on financial assets, net		**6,258**	(4,180)
Impairment losses on property, plant and equipment	13	**(32,746)**	(61,091)
Impairment losses on goodwill	15	**–**	(211,444)
Impairment losses on other intangible assets	16	**–**	(1,512,230)
Other expenses		**(1,267)**	(5,854)
Finance costs	6	**(60,796)**	(43,832)
LOSS BEFORE TAX	7	**(290,718)**	(2,270,645)
Income tax credit	10	**12,249**	320,404
LOSS FOR THE YEAR		**(278,469)**	(1,950,241)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(278,469)**	(1,950,241)
Loss attributable to:			
Owners of the parent		**(277,234)**	(1,301,005)
Non-controlling interests		**(1,235)**	(649,236)
		(278,469)	(1,950,241)
Total comprehensive loss attributable to:			
Owners of the parent		**(277,234)**	(1,301,005)
Non-controlling interests		**(1,235)**	(649,236)
		(278,469)	(1,950,241)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:	12		
Basic			
– For loss for the year (RMB)		**(0.23)**	(1.07)
Diluted			
– For loss for the year (RMB)		**(0.23)**	(1.07)

Consolidated Statement of Financial Position

31 December 2024

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**3,274,315**	3,293,917
Right-of-use assets	14	**205,104**	227,612
Goodwill	15	**271,453**	271,453
Other intangible assets	16	**989,358**	805,415
Prepayments for equipment	17	**73,745**	82,697
Deferred tax assets	27	**109,970**	95,327
Other non-current assets	18	**2,979**	2,638
Total non-current assets		**4,926,924**	4,779,059
CURRENT ASSETS			
Inventories	19	**462,611**	509,860
Trade and bills receivables	20	**1,123,753**	1,005,069
Prepayments, other receivables and other assets	21	**126,128**	157,641
Due from related parties	36	**32,438**	31,713
Restricted cash	22	**47,594**	42,238
Time deposits	22	**100,608**	153,272
Cash and cash equivalents	22	**494,265**	583,143
Total current assets		**2,387,397**	2,482,936
CURRENT LIABILITIES			
Trade payables	23	**50,894**	60,358
Other payables and accruals	24	**1,569,696**	1,236,537
Contract liabilities	25	**35,289**	56,934
Interest-bearing bank borrowings	26	**1,393,792**	1,205,696
Lease liabilities	14	**13,957**	20,544
Tax payable		**3,468**	2,894
Deferred government grants	28	**6,024**	6,106
Provisions		**17,148**	12,830
Total current liabilities		**3,090,268**	2,601,899
NET CURRENT LIABILITIES		**(702,871)**	(118,963)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,224,053**	4,660,096

Consolidated Statement of Financial Position

31 December 2024

		Year ended 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	26	**424,993**	556,944
Lease liabilities	14	**8,535**	12,425
Deferred tax liabilities	27	**25,002**	41,163
Deferred government grants	28	**154,415**	159,987
Total non-current liabilities		**612,945**	770,519
NET ASSETS		**3,611,108**	3,889,577
EQUITY			
Equity attributable to owners of the parent			
Share capital	29	**1,211,063**	1,211,063
Reserves	31	**2,154,457**	2,431,691
		3,365,520	3,642,754
Non-controlling interests		**245,588**	246,823
TOTAL EQUITY		**3,611,108**	3,889,577

Yan ZHOU
Director

Wen GUAN
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2024

	Note	Attributable to owners of the parent							Non-controlling interests	Total equity
		Share capital	Capital reserve*	Merger reserve*	Statutory reserve*	Share-based compensation reserves*	Accumulated losses*	Total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023		1,211,063	2,901,592	(30,763)	103,475	1,211,029	(436,155)	4,960,241	900,666	5,860,907
Loss for the year		–	–	–	–	–	(1,301,005)	(1,301,005)	(649,236)	(1,950,241)
Total comprehensive loss for the year		–	–	–	–	–	(1,301,005)	(1,301,005)	(649,236)	(1,950,241)
Acquisition of non-controlling interests		–	(393)	–	–	–	–	(393)	(4,607)	(5,000)
Equity-settled share-based compensation	30	–	–	–	–	(16,089)	–	(16,089)	–	(16,089)
Transfer from accumulated losses		–	–	–	3,986	–	(3,986)	–	–	–
At 31 December 2023		1,211,063	2,901,199	(30,763)	107,461	1,194,940	(1,741,146)	3,642,754	246,823	3,889,577

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Capital reserve*	Merger reserve*	Statutory reserve*	Share-based compensation reserves*	Accumulated losses*	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	**1,211,063**	**2,901,199**	**(30,763)**	**107,461**	**1,194,940**	**(1,741,146)**	**3,642,754**	**246,823**	**3,889,577**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(277,234)**	**(277,234)**	**(1,235)**	**(278,469)**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**(277,234)**	**(277,234)**	**(1,235)**	**(278,469)**
Transfer from accumulated losses	**-**	**-**	**-**	**8,562**	**-**	**(8,562)**	**-**	**-**	**-**
At 31 December 2024	**1,211,063**	**2,901,199**	**(30,763)**	**116,023**	**1,194,940**	**(2,026,942)**	**3,365,520**	**245,588**	**3,611,108**

* These reserve accounts comprise the consolidated other reserves of RMB2,154,457,000 (2023: RMB2,431,691,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
		Year ended 31 December	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(290,718)**	(2,270,645)
Adjustments for:			
Finance costs	6	**60,796**	43,832
Interest income	5	**(7,491)**	(10,707)
Gain on disposal of wealth investment products at fair value		**(78)**	–
Equity-settled share-based compensation expenses	30	**–**	(14,201)
Amortisation of deferred government grants	28	**(5,879)**	(5,278)
Amortisation of other intangible assets	16	**34,343**	35,264
Write-down of inventories to net realisable value		**26,802**	10,518
Loss on disposal of items of property, plant and equipment		**144**	218
Loss on disposal of items of intangible assets		**–**	17
Gain on disposal of items of right-of-use assets		**–**	6,915
(Reversal of)/Provision for impairment of trade and bills receivables	20	**(6,258)**	4,177
Provision for impairment of prepayments, other receivables and other assets	21	**–**	3
Exchange loss/(gain), net		**937**	(662)
Depreciation of property, plant and equipment	13	**103,319**	111,636
Depreciation of right-of-use assets	14	**34,367**	27,797
Impairment of property, plant and equipment	13	**32,746**	61,091
Impairment of goodwill	15	**–**	211,444
Impairment of other intangible assets	16	**–**	1,512,230
		(16,970)	(276,351)
Decrease/(Increase) in inventories		**20,447**	(15,640)
(Increase)/Decrease in trade and bills receivables		**(112,426)**	43,348
Decrease/(Increase) in prepayments, other receivables and other assets		**16,175**	(2,778)
Increase in amounts due from related parties		**(725)**	(306)
(Increase)/Decrease in restricted cash		**(5,481)**	102
Decrease in trade payables		**(9,464)**	(13,225)
Decrease in contract liabilities		**(21,645)**	(263)
Increase in other non-current assets		**(341)**	–
Increase in other payables and accruals		**247,601**	100,537
Cash generated from/(used in) operating activities		**117,171**	(164,576)
Income tax paid		**(17,981)**	(923)
Net cash flows generated from/(used in) operating activities		**99,190**	(165,499)

Consolidated Statement of Cash Flows

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
		Year ended 31 December	
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**7,491**	11,958
Purchase of structured deposit		**(60,000)**	–
Proceeds from disposal of structured deposit		**60,078**	–
Purchase of items of property, plant and equipment		**(121,745)**	(158,919)
Purchase of right-of-use assets		**(766)**	(62,591)
Purchase of other intangible assets		**(115,764)**	(80,135)
Receipt of government grants for property, plant and equipment	28	**225**	39,114
Decrease/(Increase) in restricted cash		**125**	(31,167)
Withdrawal of time deposits		**51,880**	8,120
Recovery of advance payments for land purchase		**16,122**	–
Proceeds from disposal of property, plant and equipment		**9**	1,662
Net cash flows used in investing activities		**(162,345)**	(271,958)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**1,088,799**	1,458,059
Repayment of bank loans		**(1,032,604)**	(1,027,465)
Interest paid		**(60,846)**	(43,201)
Principal portion of lease payment		**(21,570)**	(20,325)
Acquisition of non-controlling interests		**–**	(5,000)
Net cash flows (used in)/generated from financing activities		**(26,221)**	362,068
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(89,376)**	(75,389)
Cash and cash equivalents at beginning of year		**583,143**	656,267
Effect of foreign exchange rate changes, net		**498**	2,265
CASH AND CASH EQUIVALENTS AT END OF YEAR		**494,265**	583,143
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position		**494,265**	583,143
Cash and cash equivalents as stated in the statement of cash flows		**494,265**	583,143

Notes to Financial Statements

31 December 2024

1. CORPORATE AND GROUP INFORMATION

AIM Vaccine Co., Ltd. (the "**Company**") was incorporated as a limited liability company in the People's Republic of China (the "**PRC**") on 9 November 2011. Upon approval by the shareholders' general meeting held on 18 September 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Beijing AIM Biological Vaccine Technology Group Co., Ltd.*" (北京艾美生物疫苗技術集團有限公司) to "AIM VACCINE CO., LTD.*" (艾美疫苗股份有限公司) on 23 September 2020. The registered office of the Company is located at Room 412, 4/F, Building 6, No. 105 Jinghai 3rd Road, Beijing Economic-Technological Development Area, Beijing.

During the year, the Group was involved in the research and development, manufacture and commercialisation of vaccine products for human use in the PRC.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 6 October 2022.

Information about subsidiaries

Particulars of the Company's subsidiaries as at 31 December 2024, all of which are limited liability companies incorporated in the PRC, are as follows:

Name	Date of registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
AIM Rongyu (Ningbo) Biopharmaceutical Co., Ltd.* ("艾美榮譽(寧波)生物製藥有限公司") ("**AIM Rongyu**")	30-Apr-2001	RMB700,000,000/ RMB700,000,000	20%	80%	Vaccine development, manufacture and sale of vaccine
AIM Honesty Biopharmaceutical Co., Ltd.* ("艾美誠信生物製藥有限公司") ("**AIM Honesty**")	20-Sep-1993	RMB250,000,000/ RMB250,000,000	100%	–	Vaccine development, manufacture and sale of vaccine
AIM Persistence Biopharmaceutical Co., Ltd.* ("艾美堅持生物製藥有限公司") ("**AIM Persistence**")	24-Dec-2002	RMB1,027,306,120/ RMB1,027,306,120	97.1174%	2.8826%	Vaccine development, manufacture and sale of vaccine
AIM Action BioPharm Co., Ltd.* ("艾美行動生物製藥有限公司") ("**AIM Action**")	13-Oct-2011	RMB440,000,000/ RMB440,000,000	100%	–	Vaccine development, manufacture and sale of vaccine

Notes to Financial Statements

31 December 2024

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Date of registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
AIM Explorer Biomedical R&D Co., Ltd.* ("艾美探索者生命科學研發有限公司")	10-Sep-2018	RMB450,000,000/ RMB450,000,000	100%	–	Vaccine development
Liverna Therapeutics Inc.* ("珠海麗凡達生物技術有限公司") ("**Liverna**")	21-Jun-2019	RMB7,500,000/ RMB7,500,000	50.1546%	–	Vaccine and drug development
AIM Innovator Biomedical Research (Shanghai) Co., Ltd.* ("艾美創新者生物醫藥研究(上海)有限公司")	17-May-2021	RMB47,500,000/ RMB50,000,000	95%	5%	Vaccine development
AIM Vaccine Research Institute (Jiangsu) Co., Ltd.* ("艾美疫苗研究院(江蘇)有限公司")	9-Dec-2013	RMB100,000/ RMB50,000,000	100%	–	Vaccine development
AIM Innovative Biotechnology (Shanghai) Co., Ltd.* ("艾美創新生物技術(上海)有限公司")	8-May-2019	RMB9,000,000/ RMB50,000,000	100%	–	Vaccine development
Shanghai Beibi Road Cultural Development Co., Ltd.* ("上海北壁之路文化發展有限公司")	28-Mar-2017	RMB10,000,000/ RMB10,000,000	100%	–	Investment holding
AIM Responsibility Biopharmaceutical (Liaoning) Co., Ltd.* ("艾美責任生物製藥(遼寧)有限公司")	28-Jan-2023	Nil/RMB50,000,000	100%	–	Vaccine development
AIM Vaccine Research Institute (Liaoning) Co., Ltd.* ("艾美疫苗研究院(遼寧)有限公司")	18-Apr-2023	Nil/RMB50,000,000	94%	6%	Vaccine development
AIM Leader (Beijing) Biomedical Research Co., Ltd.* ("艾美引領者(北京)生物醫藥研究有限公司")	8-Nov-2023	Nil/RMB50,000,000	100%	–	Vaccine development
AIM Dream Biotechnology (Beijing) Co., Ltd.* ("艾美夢想生物技術(北京)有限公司")	1-Nov-2023	Nil/RMB50,000,000	100%	–	Vaccine development

* The English names of these subsidiaries registered in the PRC represent the translated names of these companies as no English names have been registered.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for wealth investment products which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group recorded net current liabilities of RMB702,871,000 as at 31 December 2024 (31 December 2023: RMB118,963,000). In view of the net current liabilities position, the Group's management prepared a cash flow forecast covering a period of twelve months from the end of the reporting period after taking into consideration the following:

– The Group's ability and historical records in negotiating with the banks for new bank borrowings and high renewal rate of existing bank borrowings. Subsequent to 31 December 2024, the Group has renewed bank borrowings of RMB140,000,000 and obtained new bank borrowings of RMB74,000,000. In addition, as at the date of the approval of these financial statements, the Group has unused bank facilities of RMB17,000,000.

– Subsequent to 31 December 2024, the Group has completed a directed share placement with total proceeds of RMB71,638,000.

– The Group's continued efforts in expediting the collection of outstanding trade receivables, improving sales and controlling the pace of the Group's operation expansion and capital expenditures.

The cash flow forecast indicates that the Group will have sufficient financial resources to settle the borrowings and payables that will be due in the next twelve months. Therefore, the directors are of the opinion that there are no material uncertainties that may cast significant doubt over the going concern assumption and concluded it is appropriate to prepare the financial statements on a going concern basis.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following revised IFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised IFRSs, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRSs. IFRS 18 and the consequential amendments to other IFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. IFRS 19 is not expected to have any significant impact on the Company's subsidiaries.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4. MATERIAL ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method except for business combination under common control. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

An acquisition of a business which is a business combination under common control is accounted for in a manner similar to a uniting of interests whereby the assets and liabilities acquired are accounted for at carryover predecessor values to the other party to the business combination within all periods presented as if the operations of the Group and the business acquired had always been combined. The difference between the consideration paid by the Group and the net assets or liabilities of the business acquired is adjusted against equity.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.17% to 31.67%
Leasehold improvements	20.00% to 50.00%
Plant and machinery	9.50% to 31.67%
Motor vehicles	9.50% to 23.75%
Equipment and others	9.50% to 31.67%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patents and proprietary know-how

Patents and proprietary know-how are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 16 to 18 years.

Brands

Brands are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 18 years.

The brands and patents and proprietary know-how of the Group were associated with different vaccine products arising from business combinations and acquisitions from third parties. The useful lives of brands and patents and proprietary know-how were estimated based on the remaining period of economic benefits to be derived from the respective vaccine products to be produced relying on the brands and patents and proprietary know-how. The Group estimated the period of economic benefits to be derived from the respective vaccine products based on the expected time period required for a vaccine product from its development to commercialization and other factors, including the patent protection period, the historical life of similar vaccine products, the characteristics of such technologies, their update frequency and market requirement and competition. Based on such assessment, the Group considered that the maximum economic useful life of brands and patents and proprietary know-how was 30 years. As the different vaccine products have different commercialization commencement dates, acquisition dates by the Group and the expected lifespan of economic benefits, the remaining useful live of the Group's brands and patents and proprietary know-how varies at a range of 18 years and 16 to 18 years, respectively.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 to 10 years. The expected useful life of software is assessed by the Group after considering the contractual term, the current functionality equipped by the software, using plan and operation needs of the software. The software served as basement IT system is amortised over a longer period as 10 years. Other software served as fast updating applications and single application software is amortised over a shorter period as 2 to 5 years.

Research and development costs

All research costs are charged to the profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development cost is stated at cost less any impairment losses and is amortised using the straight-line basis over its estimated useful lives of 10 years. The useful life is estimated based on the expected life cycle of the underlying product since the commercialisation. Both the period and method of amortisation are reviewed annually.

Deferred development cost not available for use are tested for impairment annually either individually or at the cash-generating unit level, irrespective of whether there is any indication that they may be impaired. Such intangible assets are not amortised.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	20 to 50 years
Buildings	2 to 8 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value asset recognition exemption to leases of equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include interest-bearing bank borrowings, lease liabilities, trade payables, due to related parties, and other payables.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Sales return provision is made by the Group upon the delivery of goods to the customers when the control of the goods are transferred to the customers. The provision is recognised by the Group based on best estimates by management with reference to past experience and other relevant factors.

Income tax

Income tax mainly comprises current tax and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised 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.

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 recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of vaccine

Revenue from the sale of vaccine is recognised at the point in time when control of the goods is transferred, being when the goods are delivered to the customers, and the customers have accepted the goods in accordance with the sales contracts.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Research and development services

Revenue from research and development services was recognised only when it satisfied a performance obligation by rendering the service or transferring the control of the result of research and development and there is no unfulfilled obligation that could affect the buyer's acceptance of the result. Before that, the counterparty had no right to receive and consume the benefits of the research and development services.

Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates employee share plans. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details are given in note 30 to the financial statements.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised 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 recognised for the award is recognised 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, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits

Social pension plans

The Group has social pension plans for its employees arranged by local government labour and security authorities. The Group makes contributions on a monthly basis to the social pension plans. The contributions are charged to profit or loss as they become payable in accordance with the rules of the social pension plans. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Notes to Financial Statements

31 December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

Notes to Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development expenses

All research expenses are charged to the profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development expenses in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses of RMB1,923,078,000 (2023: RMB1,422,118,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB417,008,000. Further details on deferred taxes are disclosed in note 27 to the financial statements.

Notes to Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was RMB271,453,000 (2023: RMB271,453,000). Further details are given in note 15.

Impairment of deferred development costs

The Group is required to test deferred development costs not available for use on an annual basis. Intangible assets are tested whenever events or changes in circumstances indicate that the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is determined based on the higher of fair value less cost to sell and value in use. The carrying amount of deferred development costs not available for use at 31 December 2024 was RMB714,101,000 (2023: RMB508,629,000). Further details are given in note 16.

Determination of the recoverable amount is an area involving management judgement in order to assess whether the carrying value of the intangible assets not available for use can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of (i) timing of commercialisation, productivity and market size; (ii) revenue compound growth rate; (iii) costs and operating expenses; and (iv) the selection of discount rates to reflect the risks involved.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing analysis of customers that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the distribution sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets (other than goodwill and deferred development cost not available for use)

The Group assesses whether there are any indicators of impairment for all non-financial assets other than goodwill and deferred development cost not available for use (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 13.

Notes to Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Write-down of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the ageing and conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed annually for write-down, if appropriate.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each of the years based on changes in circumstances. Further details of the property, plant and equipment are set out in note 13 to the financial statements.

Useful lives of items of intangible assets

The Group determines the estimated useful lives and related amortisation charges for its intangible assets. The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Further details of the intangible assets are set out in note 16 to the financial statements.

Notes to Financial Statements

31 December 2024

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is the sale of vaccine and research and development services. Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies set out in note 2.4. Accordingly, the Group has only a single operating segment and no further analysis of the single operating segment is presented.

Geographical information

As the Group generates all of its non-current assets are located in PRC during the year, no further geographical information is presented. The revenue information of continuing operations below is based on the locations of the customers.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Mainland China	**1,278,217**	1,187,468
Other countries/regions	**6,814**	–
Total revenue	**1,285,031**	1,187,468

Information about major customers

No revenue accounting for 10 percent or more of the Group's total revenue was derived from sale to a single customer during the year (2023: Nil).

Notes to Financial Statements

31 December 2024

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,285,031**	1,187,468

Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Sale of vaccine	**1,261,446**	1,187,468
Research and development services	**23,585**	–
Total	**1,285,031**	1,187,468
Geographical markets		
Mainland China	**1,278,217**	1,187,468
Other countries/regions	**6,814**	–
Total	**1,285,031**	1,187,468
Timing of revenue recognition		
Goods or services transferred at a point in time	**1,285,031**	1,187,468

Notes to Financial Statements

31 December 2024

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Sale of vaccine	**22,994**	15,803

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of vaccine

The performance obligation is satisfied upon the acceptance of the products by the customers and the payment is generally due within 180 days from delivery.

Research and development services

Based on the terms of the contract, the performance obligation is satisfied at the point in time as the services are rendered and accepted and payment is billed based on the milestone achieved.

Notes to Financial Statements

31 December 2024

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

An analysis of other income and gains is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other income and gains		
Government grants related to		
– Assets (i)	**5,879**	5,278
– Income	**18,220**	27,694
Bank interest income	**7,491**	10,707
Foreign exchange gains, net	**–**	662
Gain on disposal of right-in-use asset	**–**	6,915
Others	**1,257**	402
Total	**32,847**	51,658

(i) The Group has received certain government grants related to assets for investment in leasehold land, property, plant and equipment. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets. Details of these grants related to assets are set out in note 28.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans	**82,323**	71,545
Interest on lease liabilities	**1,188**	1,814
Less: Interest capitalised	**22,715**	29,527
Total	**60,796**	43,832

Notes to Financial Statements

31 December 2024

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		Year ended 31 December	
	Notes	**2024** *RMB'000*	2023 *RMB'000*
Cost of inventories sold*		**331,523**	286,452
Depreciation of property, plant and equipment	13	**103,319**	111,636
Depreciation of right-of-use assets	14	**34,367**	27,797
Amortisation of other intangible assets	16	**34,343**	35,264
Lease payments not included in the measurement of lease liabilities	14	**5,164**	5,394
Auditors' remuneration		**3,900**	3,880
Employee benefit expenses (including directors' and chief executive's remuneration (note 8))			
Wages and salaries		**282,843**	298,674
Equity-settled share-based compensation		**–**	(14,201)
Pension scheme contributions**		**74,076**	77,888
		356,919	362,361
Foreign exchange differences, net		**937**	(662)
(Reversal of)/Provision for impairment of trade and bills receivables (note 20)		**(6,258)**	4,177
Provision for impairment of prepayments, other receivables and other assets (note 21)		**–**	3
Write-down of inventories to net realisable value		**26,802**	10,518
Impairment of property, plant and equipment (note 13)		**32,746**	61,091
Impairment of goodwill (note15)		**–**	211,444
Impairment of other intangible assets (note 16)		**–**	1,512,230
Loss on disposal of property, plant and equipment		**144**	218
Gain on disposal of items of right-of-use assets		**–**	6,915
Interest income		**(7,491)**	(10,707)
Gain on disposal of wealth investment products at fair value		**(78)**	–

* Cost of inventories sold include expenses relating to staff cost, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Notes to Financial Statements

31 December 2024

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Fees	**1,200**	1,200
Other emoluments:		
Salaries, allowances and benefits in kind	**7,836**	6,421
Performance related bonuses	**735**	646
Pension scheme contributions	**461**	386
	9,032	7,453
Total	**10,232**	8,653

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Mr. Ker Wei PEI	**300**	300
Ms. Jie WEN	**300**	300
Mr. Hui OUYANG	**300**	300
Mr. Xiaoguang GUO	**300**	300
Total	**1,200**	1,200

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

Notes to Financial Statements

31 December 2024

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Directors and supervisors

2024

	Fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Mr. Yan ZHOU*	–	1,893	140	161	2,194
Mr. Wen GUAN	–	1,940	150	145	2,235
Mr. Shaojun JIA	–	2,106	167	–	2,273
Mr. Jie ZHOU**	–	684	124	–	808
Mr. Xin ZHOU**	–	705	124	67	896
	–	7,328	705	373	8,406
Non-executive directors:					
Mr. Jie ZHOU**	–	–	–	–	–
Mr. Xin ZHOU**	–	–	–	–	–
Ms. Aijun WANG	–	–	–	–	–
Mr. Jichen ZHAO	–	–	–	–	–
	–	–	–	–	–
Supervisors:					
Mr. Lun MA	–	–	–	–	–
Mr. Jiashuai SONG	–	208	30	88	326
Mr. Tingfeng SONG	–	300	–	–	300
	–	508	30	88	626
Total	–	7,836	735	461	9,032

Notes to Financial Statements

31 December 2024

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Directors and supervisors (continued)

2023

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Yan ZHOU*	–	1,882	140	153	2,175
Mr. Wen GUAN	–	1,933	150	143	2,226
Mr. Shaojun JIA	–	2,101	333	–	2,434
	–	5,916	623	296	6,835
Non-executive directors:					
Mr. Jie ZHOU**	–	–	–	–	–
Mr. Xin ZHOU**	–	–	–	–	–
Ms. Aijun WANG	–	–	–	–	–
Mr. Jichen ZHAO	–	–	–	–	–
	–	–	–	–	–
Supervisors:					
Mr. Lun MA	–	–	–	–	–
Mr. Jiashuai SONG	–	205	23	90	318
Mr. Tingfeng SONG	–	300	–	–	300
	–	505	23	90	618
Total	–	6,421	646	386	7,453

Notes:

* Mr. Yan ZHOU, who acts as a director of the Company, is also the chief executive officer of the Company.

** The board of directors of has announced that Mr. Jie ZHOU and Mr. Xin ZHOU have been re-designated from non-executive directors to executive directors and appointed as Executive Presidents of the Company, effective from 29 August 2024, until the expiration of the current term of the board.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

Notes to Financial Statements

31 December 2024

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2023: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two (2023: two) highest paid employees who are not directors, supervisors or the chief executive of the Company are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	**2,954**	2,814
Performance-related bonuses	**893**	1,010
Pension scheme contributions	**281**	227
Total	**4,128**	4,051

The number of the highest paid employees (who are not directors, supervisors or chief executive of the Company) whose remuneration fell within the following bands is as follows:

	Year ended 31 December	
	2024	2023
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**1**	1
HK$2,000,001 to HK$2,500,000	**–**	1
HK$2,500,001 to HK$3,000,000	**1**	–

During the year ended 31 December 2024, no emoluments have been paid to the five highest individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2023: nil).

Notes to Financial Statements

31 December 2024

10. INCOME TAX CREDIT

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless they are subject to preferential tax as set out below.

– AIM Action BioPharm Co., Ltd. was renewed as a "High and New Technology Enterprise" on 12 October 2022, and therefore, AIM Action BioPharm Co., Ltd. was entitled to a preferential CIT rate of 15% (2023: 15%) for the year ended 31 December 2024. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

– AIM Honesty Biopharmaceutical Co., Ltd. was renewed as a "High and New Technology Enterprise" on 24 December 2024, and therefore, AIM Honesty Biopharmaceutical Co., Ltd. was entitled to a preferential CIT rate of 15% (2023: 15%) for the year ended 31 December 2024. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

– AIM Rongyu (Ningbo) Biopharmaceutical Co., Ltd. was renewed as a "High and New Technology Enterprise" on 6 December 2024, and therefore, AIM Rongyu (Ningbo) Biopharmaceutical Co., Ltd. was entitled to a preferential CIT rate of 15% (2023: 15%) for the year ended 31 December 2024. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

– AIM Persistence Biopharmaceutical Co., Ltd. was renewed as a "High and New Technology Enterprise" on 6 December 2024, and therefore, AIM Persistence Biopharmaceutical Co., Ltd. was entitled to a preferential CIT rate of 15% (2023: 15%) for the year ended 31 December 2024. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

– AIM Explorer Biomedical R&D Co., Ltd. became a "High and New Technology Enterprise" on 12 December 2023, and therefore, AIM Explorer Biomedical R&D Co., Ltd. was entitled to a preferential CIT rate of 15% (2023: 15%) for the year ended 31 December 2024. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

– On 17 May 2022, Liverna Therapeutics Inc. was entitled to a preferential CIT rate of 15% effective for annual periods beginning on 1 January 2021.

Notes to Financial Statements

31 December 2024

10. INCOME TAX CREDIT (CONTINUED)

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**18,555**	4,284
Deferred (note 27)	**(30,804)**	(324,688)
Income tax credit for the year	**(12,249)**	(320,404)

A reconciliation of the tax credit applicable to profit before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(290,718)**	(2,270,645)
Tax at the statutory tax rate	**(72,680)**	(567,661)
Lower tax rate enacted by local authority	**19,126**	223,921
Adjustments in respect of current tax of previous periods	**(4,589)**	(121)
Additional deductible allowance for research and development expenses	**(65,868)**	(77,136)
Expenses not deductible for tax (i)	**5,301**	43,237
Utilisation of losses in previous years	**–**	(2,709)
Temporary difference and tax losses not recognised	**106,461**	60,065
Income tax credit at the Group's effective rate	**(12,249)**	(320,404)

(i) Expenses not deductible for tax mainly represent expenses that exceed the tax-deductible limitation such as impairment of goodwill, entertainment, commission and expense without invoices. These expenses are not to be deductible for tax.

11. DIVIDENDS

The board did not recommend the payment of any dividend during the year ended 31 December 2024 (2023: nil).

Notes to Financial Statements

31 December 2024

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,211,062,599 (2023: 1,211,062,599) outstanding during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted loss per share is based on:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(277,234)**	(1,301,005)

	Year ended 31 December	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculation	**1,211,062,599**	1,211,062,599

The diluted loss per share is equal to the basic loss per share as there was no potential ordinary shares outstanding during the year ended 31 December 2024.

As the Group incurred losses for the year ended 31 December 2023, the potential ordinary shares were not included in the calculation of diluted loss per share as the potential ordinary shares had an anti-dilutive effect on the basic loss per share.

Notes to Financial Statements

31 December 2024

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Plant and machinery *RMB'000*	Equipment and others *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2024							
At 1 January 2024							
Cost	1,050,864	604,675	86,659	14,818	108,979	2,301,479	4,167,474
Accumulated depreciation	(302,135)	(302,169)	(49,525)	(11,590)	(61,931)	–	(727,350)
Impairment	(26,405)	(50,029)	(1,931)	–	(25,512)	(42,330)	(146,207)
Net carrying amount	722,324	252,477	35,203	3,228	21,536	2,259,149	3,293,917
At 1 January 2024, net of accumulated depreciation and impairment	722,324	252,477	35,203	3,228	21,536	2,259,149	3,293,917
Additions	525	8,319	4,738	250	2,474	111,867	128,173
Depreciation provided during the year	(42,407)	(47,743)	(15,652)	(1,036)	(7,779)	–	(114,617)
Transfers	9,684	4,322	830	225	–	(15,320)	(259)
Disposals	–	(78)	(60)	(15)	–	–	(153)
Impairment provided during the year	–	(32,712)	(76)	–	–	42	(32,746)
At 31 December 2024, net of accumulated depreciation and impairment	690,126	184,585	24,983	2,652	16,231	2,355,738	3,274,315
At 31 December 2024							
Cost	1,061,073	616,367	91,177	15,001	111,453	2,398,025	4,293,096
Accumulated depreciation	(344,542)	(349,040)	(64,186)	(12,349)	(69,710)	–	(839,827)
Impairment	(26,405)	(82,742)	(2,008)	–	(25,512)	(42,287)	(178,954)
Net carrying amount	690,126	184,585	24,983	2,652	16,231	2,355,738	3,274,315

Notes to Financial Statements

31 December 2024

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings *RMB'000*	Plant and machinery *RMB'000*	Equipment and others *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2023							
At 1 January 2023							
Cost	823,272	551,802	72,691	15,204	107,779	2,420,691	3,991,439
Accumulated depreciation	(267,210)	(255,057)	(37,665)	(10,608)	(44,953)	–	(615,493)
Impairment	(16,881)	(24,858)	(1,048)	–	–	(42,330)	(85,117)
Net carrying amount	539,181	271,887	33,978	4,596	62,826	2,378,361	3,290,829
At 1 January 2023, net of accumulated depreciation and impairment	539,181	271,887	33,978	4,596	62,826	2,378,361	3,290,829
Additions	–	17,189	3,848	–	1,200	175,157	197,394
Depreciation provided during the year	(34,924)	(50,104)	(12,528)	(1,307)	(16,978)	–	(115,841)
Transfers	227,591	38,913	10,878	–	–	(292,876)	(15,494)
Disposals	–	(236)	(90)	(61)	–	(1,493)	(1,880)
Impairment provided during the year	(9,524)	(25,172)	(883)	–	(25,512)	–	(61,091)
At 31 December 2023, net of accumulated depreciation and impairment	722,324	252,477	35,203	3,228	21,536	2,259,149	3,293,917
At 31 December 2023							
Cost	1,050,864	604,675	86,659	14,818	108,979	2,301,479	4,167,474
Accumulated depreciation	(302,135)	(302,169)	(49,525)	(11,590)	(61,931)	–	(727,350)
Impairment	(26,405)	(50,029)	(1,931)	–	(25,512)	(42,330)	(146,207)
Net carrying amount	722,324	252,477	35,203	3,228	21,536	2,259,149	3,293,917

At 31 December 2024, certain of the Group's buildings with a net carrying amount of approximately RMB249,748,000 (2023: RMB259,358,000) were pledged to secure certain interest-bearing bank borrowings of the Group (note 26).

At 31 December 2024, certain of the Group's buildings with a net carrying amount of approximately RMB290,790,000 (2023: RMB81,737,000), do not have building ownership certificates.

During the year, the impairment loss of RMB32,746,000 (2023: RMB61,091,000) mainly represented the write-down of carrying amounts of certain plant and machinery and equipment and others because these assets have become idle. The recoverable amounts of the property, plant and equipment were assessed to be minimal since management estimated that there was no planned usage of the property, plant and equipment in the foreseeable future.

Notes to Financial Statements

31 December 2024

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as a lessee

The Group has lease contracts for various items of buildings, leasehold land, motor vehicles and other equipment used in its operations. Leases of buildings generally have lease terms between 3 years and 8 years, while leasehold land and motor vehicles generally have lease terms of 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings	Motor vehicles	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	45,323	468	151,472	197,263
Additions	4,762	–	62,591	67,353
Disposal	–	–	(9,207)	(9,207)
Depreciation charge	(19,692)	(119)	(7,986)	(27,797)
As at 31 December 2023 and 1 January 2024	**30,393**	**349**	**196,870**	**227,612**
Additions	**11,093**	**–**	**766**	**11,859**
Depreciation charge	**(19,593)**	**(118)**	**(14,656)**	**(34,367)**
As at 31 December 2024	**21,893**	**231**	**182,980**	**205,104**

At 31 December 2024, certain plots of the leasehold land with a net carrying amount of approximately RMB71,056,000 (2023: RMB59,034,000) were pledged to secure certain interest-bearing bank borrowings of the Group (note 26).

Notes to Financial Statements

31 December 2024

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The Group as a lessee (continued)

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the year are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Carrying amount at the beginning of the year	**32,969**	48,532
New leases	**11,093**	4,762
Accretion of interest recognised during the year	**1,188**	1,814
Payments	**(22,758)**	(22,139)
Carrying amount at the end of the year	**22,492**	32,969
Analysed into:		
Current portion	**13,957**	20,544
Non-current portion	**8,535**	12,425

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest on lease liabilities	**1,188**	1,814
Depreciation charge of right-of-use assets	**34,367**	27,797
Expense relating to short term leases	**5,164**	5,358
Expense relating to leases of low-value assets	**–**	36
Total amount recognised in profit or loss	**40,719**	35,005

(d) The total cash outflow for leases is disclosed in note 33 to the financial statements.

(e) Included in the lease liabilities, an amount of RMB5,212,000 as at 31 December 2024 (2023: RMB10,493,000), was due to related parties. Details were disclosed in note 36(b) to the financial statements.

Notes to Financial Statements

31 December 2024

15. GOODWILL

	AIM Rongyu RMB'000	AIM Honesty RMB'000	AIM Action RMB'000	Liverna RMB'000	Total RMB'000
At 1 January 2023:					
Cost	82,647	298,238	111,932	248,325	741,142
Accumulated impairment	–	(150,474)	(107,771)	–	(258,245)
Net carrying amount	82,647	147,764	4,161	248,325	482,897
Cost at 1 January 2023, net of accumulated impairment	82,647	147,764	4,161	248,325	482,897
Impairment during the year	–	–	–	(211,444)	(211,444)
At 31 December 2023	82,647	147,764	4,161	36,881	271,453
At 1 January 2024:					
Cost	**82,647**	**298,238**	**111,932**	**248,325**	**741,142**
Accumulated impairment	**–**	**(150,474)**	**(107,771)**	**(211,444)**	**(469,689)**
Net carrying amount	**82,647**	**147,764**	**4,161**	**36,881**	**271,453**
Cost at 31 December 2024, net of accumulated impairment	**82,647**	**147,764**	**4,161**	**36,881**	**271,453**
At 31 December 2024:					
Cost	**82,647**	**298,238**	**111,932**	**248,325**	**741,142**
Accumulated impairment	**–**	**(150,474)**	**(107,771)**	**(211,444)**	**(469,689)**
Net carrying amount	**82,647**	**147,764**	**4,161**	**36,881**	**271,453**

Notes to Financial Statements

31 December 2024

15. GOODWILL (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- AIM Rongyu cash-generating unit;
- AIM Honesty cash-generating unit;
- AIM Action cash-generating unit; and
- Liverna cash-generating unit.

AIM Rongyu cash-generating unit

The AIM Rongyu cash-generating unit principally focuses on the development and sales of rabies vaccine. The recoverable amount of the AIM Rongyu cash-generating unit has been determined, with the assistance of the independent valuer engaged by the Group, based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets covering an eight-year period approved by management. Management considers that using an eight-year forecast period for the financial budget in the impairment testing of goodwill is appropriate because it generally takes longer for a vaccine company to reach perpetual growth mode, compared to companies in other industries, especially when its products are still under clinical trials and the markets of such products are at an early stage of development with substantial growth potential. Hence, taking into account the stage of existing and pipeline vaccines, the financial budget covering an eight-year period was used as management believes that a forecasted period longer than five years is feasible and reflects a more accurate entity value. The discount rate applied to the cash flow projections is 13.26% (2023: 13.32%). The growth rate used to extrapolate the cash flows beyond the eight-year period is 2% (2023: 2%). Management of the AIM Rongyu cash-generating unit believes that this growth rate is justified, and it was consistent with the long-term average growth rate of the vaccine industry.

Assumptions were used in the value-in-use calculation of the cash-generating unit for the years end 31 December 2024 and 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Notes to Financial Statements

31 December 2024

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

AIM Rongyu cash-generating unit (continued)

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The following table sets forth the headroom of the AIM Rongyu cash-generating unit under impairment testing as of 31 December 2024 and 2023.

	Recoverable amount of the cash-generating unit exceeds its carrying amount Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
AIM Rongyu	**391,669**	388,501

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the AIM Rongyu cash-generating unit to exceed its recoverable amount.

AIM Honesty cash-generating unit

The AIM Honesty cash-generating unit principally focuses on the development and sales of hepatitis B vaccine. The recoverable amount of the AIM Honesty cash-generating unit has been determined, with the assistance of the independent valuer engaged by the Group, based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets covering a five-year period approved by management. The discount rate applied to the cash flow projections is 13.84% (2023: 14.52%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2023: 2%). Management of the AIM Honesty unit believes that this growth rate is justified, and it was the same as the long-term average growth rate of the vaccine industry.

Assumptions were used in the value-in-use calculation of the cash-generating unit for the years end 31 December 2024 and 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Notes to Financial Statements

31 December 2024

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

AIM Honesty cash-generating unit (continued)

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The following table sets forth the headroom of the AIM Honesty cash-generating unit under impairment testing as of 31 December 2024 and 2023.

	Recoverable amount of the cash-generating unit exceeds its carrying amount Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
AIM Honesty	**546,941**	739,084

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the AIM Honesty cash-generating unit to exceed its recoverable amount.

AIM Action cash-generating unit

The AIM Action cash-generating unit principally focuses on the development and sales of hepatitis A vaccine and EV71-CA16 bivalent HFMD vaccine. The recoverable amount of the AIM Action cash-generating unit has been determined, with the assistance of the independent valuer engaged by the Group, based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets covering an eight-year period approved by management. Management considers that using an eight-year forecast period for the financial budget in the impairment testing of goodwill is appropriate because it generally takes longer for a vaccine company to reach perpetual growth mode, compared to companies in other industries, especially when its products are still under clinical trials and the markets of such products are at an early stage of development with substantial growth potential. Hence, taking into account the stage of existing and pipeline vaccines, the financial budget covering a eight-year period was used as management believes that a forecasted period longer than five years is feasible and reflects a more accurate entity value. The discount rate applied to the cash flow projections is 13.03% (2023: 12.22%). The growth rate used to extrapolate the cash flows beyond the eight-year period is 2% (2023: 2%). Management of the AIM Action cash-generating unit believes that this growth rate is justified, and it was the same as the long-term average growth rate of the vaccine industry.

Notes to Financial Statements

31 December 2024

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

AIM Action cash-generating unit (continued)

Assumptions were used in the value-in-use calculation of the cash-generating unit for the years end 31 December 2024 and 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The following table sets forth the headroom of the AIM Action cash-generating unit under impairment testing as of 31 December 2024 and 2023.

	Recoverable amount of the cash-generating unit exceeds its carrying amount Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
AIM Action	**94,361**	45,950

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the AIM Action cash-generating unit to exceed its recoverable amount.

Notes to Financial Statements

31 December 2024

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

Liverna cash-generating unit

The Liverna cash-generating unit principally focuses on the development of mRNA vaccine with its patented mRNA platform technologies. The recoverable amount of the Liverna cash-generating unit has been determined, with the assistance of the independent valuer engaged by the Group, based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets covering an eleven-year period approved by management. Management considers that using an eleven-year forecast period for the financial budget in the impairment testing of goodwill is appropriate because it generally takes longer for a vaccine company to reach perpetual growth mode, compared to companies in other industries, especially when its products are still under clinical trials and the markets of such products are at an early stage of development with substantial growth potential. Hence, taking into account the stage of existing and pipeline vaccines, the financial budget covering an eleven-year period was used as management of the Group believes that a forecasted period longer than five years is feasible and reflects a more accurate entity value. The discount rate applied to the cash flow projections is 13.65% (2023: 13.66%). The growth rate used to extrapolate the cash flows beyond the eleven-year period is 2% (2023: 2%). Management of the Liverna cash-generating unit believes that this growth rate is justified, and it was the same as the long-term average growth rate of the vaccine industry.

Assumptions were used in the value-in-use calculation of the cash-generating unit for the years end 31 December 2024 and 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Revenue compound growth rate – The basis used to determine the budget revenue is based on management's expectation of when to launch the mRNA related products and also the expectation of the future market. The compound growth rate of revenue was estimated based on information available at the time of assessment, disregarding information that became available after the assessment. Such information includes current industry overview and estimated market development of related products.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Notes to Financial Statements

31 December 2024

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

Liverna cash-generating unit (continued)

The following table sets forth the headroom of the Liverna cash-generating unit under impairment testing as of 31 December 2024 and 2023.

	Recoverable amount of the cash-generating unit exceeds its carrying amount Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Liverna	**246,477**	N/A

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the Liverna cash-generating unit to exceed its recoverable amount.

During the year ended 31 December 2023, significant changes took place in the market condition for COVID-19 vaccine products both domestically and globally and the World Health Organization published a statement that COVID-19 is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern. Based on these changes and updates, and in particular, their impact on the market needs of the volume of COVID-19 vaccine products, management revisited the future market of the Group's pipeline COVID-19 vaccine products and was in the view that the current market conditions would have a negative impact to the future demand for COVID-19 vaccine products. Such negative situation also impacted the Group's research and development plan and the expected launch time and market share of the Group's other mRNA vaccine products. Based on the impairment testing and the recoverable amount of the Liverna cash-generating unit, an impairment loss of goodwill of RMB211,444,000 was recognised in the profit or loss for the year ended 31 December 2023 and the carrying amount of the goodwill of the Liverna cash-generating unit has been reduced to RMB36,881,000 as at 31 December 2023.

Notes to Financial Statements

31 December 2024

16. OTHER INTANGIBLE ASSETS

	Deferred development costs	Patents and proprietary know-how	Brands	Software	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024						
Cost at 1 January 2024, net of accumulated amortisation and impairment	**516,782**	**236,083**	**11,692**	**40,858**	**–**	**805,415**
Additions	**205,474**	**–**	**–**	**12,553**	**–**	**218,027**
Transfer	**–**	**–**	**–**	**259**	**–**	**259**
Amortisation provided during the year	**(1,704)**	**(26,471)**	**(1,298)**	**(4,870)**	**–**	**(34,343)**
At 31 December 2024	**720,552**	**209,612**	**10,394**	**48,800**	**–**	**989,358**
At 31 December 2024						
Cost	**2,243,392**	**511,517**	**23,220**	**62,484**	**3,117**	**2,843,730**
Accumulated amortisation	**(10,610)**	**(301,905)**	**(12,826)**	**(13,684)**	**(3,117)**	**(342,142)**
Impairment	**(1,512,230)**	**–**	**–**	**–**	**–**	**(1,512,230)**
Net carrying amount	**720,552**	**209,612**	**10,394**	**48,800**	**–**	**989,358**
31 December 2023						
Cost at 1 January 2023, net of accumulated amortisation and impairment	1,932,559	264,532	12,990	28,415	–	2,238,496
Additions	98,159	–	–	777	–	98,936
Transfer	–	–	–	15,494	–	15,494
Amortisation provided during the year	(1,706)	(28,449)	(1,298)	(3,811)	–	(35,264)
Dispose	–	–	–	(17)	–	(17)
Impairment provided during the year	(1,512,230)	–	–	–	–	(1,512,230)
At 31 December 2023	516,782	236,083	11,692	40,858	–	805,415
At 31 December 2023						
Cost	2,037,918	511,517	23,220	49,672	3,117	2,625,444
Accumulated amortisation	(8,906)	(275,434)	(11,528)	(8,814)	(3,117)	(307,799)
Impairment	(1,512,230)	–	–	–	–	(1,512,230)
Net carrying amount	516,782	236,083	11,692	40,858	–	805,415

Notes to Financial Statements

31 December 2024

16. OTHER INTANGIBLE ASSETS (CONTINUED)

Impairment testing of the acquired deferred development costs

Included in the deferred development costs, a cost of RMB1,869,400,000 as at 31 December 2024 (2023: RMB1,869,400,000) was acquired deferred development costs as a result of the acquisition of Liverna in May 2021, which were not yet available for use but subject to mandatory impairment testing on an annual basis until the completion or abandonment of the related research and development efforts. The recoverable amount is determined, with the assistance of the independent valuer engaged by the Group, based on the fair value less cost to sell.

The fair value of the acquired deferred development costs not yet available for use was determined using the multi-period excess earnings method, taking into account the nature of the assets, using cash flow projections and the contributory asset charges. Cash flow projection is estimated by management based on the financial budget covering the expected benefit period of the relevant mRNA vaccine products, ranging from 8 to 14 years.

Key assumptions used in the calculation are as follows:

	2024	2023
Discount rate	**17.29%**	17.14%
Contributory asset charges	**2.04%-6.61%**	2.45%-7.62%
Carrying amount *(in RMB thousand)*	**357,170**	357,170
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**62,070**	N/A

Discount rates – The discount rates used reflect specific risks relating to deferred development costs.

Contributory asset charges – The basis used to determine the value assigned to contributory asset charges is the return of revenue ("**ROR**") of the contributory assets, the ROR was determined according to the borrowing rate and cost of equity, and the contributory assets mainly included working capital, tangible assets and assembled workforce.

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amounts of the above acquired deferred development costs to exceed their recoverable amounts.

As impacted by the significant changes and development in market condition for COVID-19 vaccine products (detailed disclosed in note 15 for Liverna cash-generating unit), the recoverable amount of acquired deferred development costs not yet available for use based on the result of the impairment testing is lower than the carrying amount as at 31 December 2023. Impairment provision of RMB1,512,230,000 was provided for the acquired deferred development costs and was recorded in the consolidated statement of profit or loss for the year ended 31 December 2023.

Notes to Financial Statements

31 December 2024

16. OTHER INTANGIBLE ASSETS (CONTINUED)

Impairment testing of the capitalised deferred development costs not yet available for use

Included in the deferred development costs, costs of RMB356,931,000 as at 31 December 2024 (2023: RMB151,459,000) was internal development costs capitalised for vaccine pipeline products, which were not yet available for use but subject to mandatory impairment testing on an annual basis until the completion or abandonment of the related research and development efforts. The recoverable amounts of the relevant capitalised deferred cost are determined, with the assistance of the independent valuer engaged by the Group, based on the fair value less cost to sell.

The fair value of the capitalised deferred development costs not yet available for use was determined using the multi-period excess earnings method, taking into account the nature of the assets, using cash flow projections and the contributory asset charges.

Key assumptions used in the calculation of the recoverable amount and the impacts on the amounts by which the recoverable amounts exceed their respective carrying amount (headroom) for each of the pipeline products as at 31 December 2024 and 2023 are as bellow:

Pipeline product A

	2024	2023
Discount rate	**16.43%**	16.45%
Contributory asset charges	**2.69%-6.29%**	4.81%-15.7%
Carrying amount *(in RMB thousand)*	**208,271**	95,402
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**226,589**	167,608

Pipeline product B

	2024	2023
Discount rate	**16.56%**	16.06%
Contributory asset charges	**3.52%-11.63%**	7.67%-34.06%
Carrying amount *(in RMB thousand)*	**58,934**	15,947
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**24,766**	56,413

Notes to Financial Statements

31 December 2024

16. OTHER INTANGIBLE ASSETS (CONTINUED)

Impairment testing of the capitalised deferred development costs not yet available for use (continued)

Pipeline product C

	2024	2023
Discount rate	**16.12%**	16.45%
Contributory asset charges	**7.56%-14.43%**	10.37%-22.88%
Carrying amount *(in RMB thousand)*	**89,726**	40,110
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**109,454**	49,100

Discount rates – The discount rates used reflect specific risks relating to deferred development costs.

Contributory asset charges – The basis used to determine the value assigned to contributory asset charges is the return of revenue ("**ROR**") of the contributory assets, the ROR was determined according to the borrowing rate and cost of equity, and the contributory assets mainly included working capital, tangible assets and assembled workforce.

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amounts of the above capitalised deferred development costs to exceed their recoverable amounts.

17. PREPAYMENTS FOR EQUIPMENT

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Prepayments for equipment	**73,745**	82,697

18. OTHER NON-CURRENT ASSETS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Value-added tax recoverable	**1,374**	57
Rental deposits	**1,605**	2,581
Total	**2,979**	2,638

Notes to Financial Statements

31 December 2024

19. INVENTORIES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Raw materials	**83,988**	112,876
Work in progress	**70,456**	26,323
Finished goods	**308,167**	370,661
Total	**462,611**	509,860

20. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**1,173,906**	1,062,137
Bills receivables	**1,000**	343
Impairment	**(51,153)**	(57,411)
Total	**1,123,753**	1,005,069

The Group's trading terms with its customers are mainly on credit. The credit period is generally from two to six months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's bills receivables were all aged within six months and were neither past due nor impaired.

Notes to Financial Statements

31 December 2024

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of the Group's trade receivables, based on the invoice date and net of loss allowance, as at the end of the reporting period is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**892,494**	825,890
1–2 years	**192,021**	142,037
2–3 years	**27,383**	32,073
3–4 years	**9,467**	4,413
4–5 years	**1,388**	313
Total	**1,122,753**	1,004,726

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**57,411**	53,405
(Reversal of)/provided for impairment losses, net	**(6,258)**	4,177
Amount written off as uncollectible	**–**	(171)
At end of year	**51,153**	57,411

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off according to management approval.

Notes to Financial Statements

31 December 2024

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Expected credit loss rate (%)	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
Provision on an individual basis	**100.00**	**3,430**	**3,430**	**–**
Provision on a collective basis				
Aged less than 1 year	**1.11**	**902,342**	**9,848**	**892,494**
Aged 1 to 2 years	**5.19**	**202,533**	**10,512**	**192,021**
Aged 2 to 3 years	**20.52**	**34,454**	**7,071**	**27,383**
Aged 3 to 4 years	**44.68**	**17,112**	**7,645**	**9,467**
Aged 4 to 5 years	**77.87**	**6,272**	**4,884**	**1,388**
Aged over 5 years	**100.00**	**7,763**	**7,763**	**–**
Total		**1,173,906**	**51,153**	**1,122,753**

As at 31 December 2023

	Expected credit loss rate (%)	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
Provision on an individual basis	100.00	3,430	3,430	–
Provision on a collective basis				
Aged less than 1 year	1.47	838,199	12,309	825,890
Aged 1 to 2 years	8.18	154,691	12,654	142,037
Aged 2 to 3 years	29.64	45,585	13,512	32,073
Aged 3 to 4 years	54.59	9,718	5,305	4,413
Aged 4 to 5 years	88.56	2,732	2,419	313
Aged over 5 years	100.00	7,782	7,782	–
Total		1,062,137	57,411	1,004,726

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Prepayments	**17,126**	33,085
Deposits for acquisition (i)	**81,751**	81,751
Deposits receivable	**15,188**	17,188
Receivables of land payments	**5,375**	21,497
Other receivables	**18,233**	15,668
	137,673	169,189
Impairment allowance	**(11,545)**	(11,548)
Total	**126,128**	157,641

(i) Deposits for acquisition of RMB81,751,000 (2023: RMB81,751,000) as of 31 December 2024 represented deposit balance in Renminbi paid to a previous offshore shareholder of AIM Persistence for the acquisition of AIM Persistence. The consideration for this acquisition payable in U.S. dollars has not been paid and was recorded in payable for acquisition included in other payables and accruals, amounting to RMB97,594,000 (2023: RMB96,159,000) as of 31 December 2024, as there is no legally enforceable right to set off the respective receivable and payable balances. Management of the Company considers there is no recoverability issue for this deposit as the Company is in the process of proceeding with the final settlement and the deposit balance will be collected upon the settlement of the payables.

Impairment of other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Notes to Financial Statements

31 December 2024

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Reconciliation of allowance for receivables of deposits, land payments and other receivables is as follows:

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2 Individual basis	Stage 2 Collective basis	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	**10**	**–**	**–**	**11,538**	**11,548**
Amount written off as uncollectible	**–**	**–**	**–**	**(3)**	**(3)**
Total	**10**	**–**	**–**	**11,535**	**11,545**

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2 Individual basis	Stage 2 Collective basis	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	10	–	–	11,535	11,545
Impairment losses, net	–	–	–	3	3
Total	10	–	–	11,538	11,548

Notes to Financial Statements

31 December 2024

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**513,563**	598,774
Time deposits	**128,904**	179,879
	642,467	778,653
Less:		
Pledged time deposit for performance bond	**6,944**	1,030
Pledged time deposit for construction project	**9,351**	9,227
Restricted bank deposit (i)	**31,299**	31,981
Non-pledged time deposits with original maturity of more than three months when acquired	**100,608**	153,272
Cash and cash equivalents	**494,265**	583,143

(i) Restricted bank deposit

As at 31 December 2024, a bank deposit amounting to RMB31,299,000 has been frozen by the court due to litigation, which was related to the litigation arising before the acquisition of AIM Honesty. Further details are included in note 36(c)(i).

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to RMB513,464,000 (2023: RMB576,015,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

Notes to Financial Statements

31 December 2024

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**44,664**	50,260
1 to 2 years	**4,690**	9,225
2 to 3 years	**672**	3
Over 3 years	**868**	870
Total	**50,894**	60,358

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

24. OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Promotion fee payable	**572,603**	403,306
Payable for acquisition (Note 21 (i))	**97,594**	96,159
Payable for purchase of property, plant and equipment	**324,504**	327,287
Deposits payable	**95,345**	83,968
Salary payables	**54,273**	50,911
Other tax payables	**18,308**	18,173
Freight payable	**77,441**	81,003
Payable for research and development costs	**280,588**	127,527
Others	**49,040**	48,203
Total	**1,569,696**	1,236,537

Other payables are unsecured, non-interest-bearing and repayable on demand.

Notes to Financial Statements

31 December 2024

25. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Advances received from customers:		
Sale of vaccine	**35,289**	47,500
Research and development services	**–**	9,434
Current portion	**35,289**	56,934

Contract liabilities include advances received to deliver vaccine products. The changes in contract liabilities during the year were mainly due to the changes in advances received from customers in relation to the sale of vaccine products.

26. INTEREST-BEARING BANK BORROWINGS

	As at 31 December 2024			As at 31 December 2023		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans – secured	**3.15–4.35**	**2025**	**522,570**	3.45–4.60	2024	437,532
Bank loans – secured (a)	**5.22**	**on demand**	**409,688**	5.22	on demand	444,080
Bank loans – unsecured	**3.30–4.55**	**2025**	**190,216**	3.45–4.55	2024	269,819
Current portion of long-term bank loans – secured	**3.50**	**2025**	**50,156**	4.65	2024	51,612
Current portion of long-term bank loans – unsecured	**3.85–4.65**	**2025**	**221,162**	3.52–4.05	2024	2,653
Total – current			**1,393,792**			1,205,696
Non-current						
Bank loans – secured	**3.85–4.65**	**2025–2028**	**324,993**	4.41–4.65	2025–2028	340,543
Bank Loans – unsecured	**3.35**	**2025–2026**	**100,000**	3.45–4.05	2025–2026	216,401
Total – non-current			**424,993**			556,944
Total			**1,818,785**			1,762,640

Notes to Financial Statements

31 December 2024

26. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**1,393,792**	1,205,696
In the second year	**225,844**	187,965
In the third to fifth years, inclusive	**199,149**	368,979
Total	**1,818,785**	1,762,640

Certain of the Group's bank loans are secured by:

(i) mortgages over the Group's buildings, which had a net carrying value at the end of the reporting period of approximately RMB249,748,000 (2023: RMB259,358,000);

(ii) mortgages over the Group's leasehold land, which had a net carrying value at the end of the reporting period of approximately RMB71,056,000 (2023: RMB59,034,000); and

(iii) the guarantee from the Company and a subsidiary of the Group.

(a) Certain of the bank loans are subject to the fulfilment of covenants. If the entities were to breach the covenants, the bank loans would become repayable on demand. These borrowings were classified as current liabilities even though the directors of the Company do not expect that the lenders would exercise their rights to demand immediate repayment. The directors of the Company regularly monitor its compliance with these covenants and do not consider it probable that the lenders will exercise their discretion to demand immediate repayment so long as the Group continues to make payments according to the schedule of the loans. As at 31 December 2024, covenants relating to bank loans amounting to approximately RMB409,688,000 had been breached (2023: RMB444,080,000).

Notes to Financial Statements

31 December 2024

27. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax assets

	Loss available for offsetting against future taxable profits	Lease liabilities	Impairment of inventories and financial assets	Impairment of Property, plant and equipment	Accruals	Share-based compensation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	17,363	13,702	7,273	10,798	14,158	6,918	9,310	79,522
Deferred tax credited/(charged) to profit or loss during the year (note 10)	74,822	(4,584)	765	9,031	8,054	(5,030)	5,669	88,727
Credited to the reserve during the year	–	–	–	–	–	(1,888)	–	(1,888)
Gross deferred tax assets at 31 December 2023	92,185	9,118	8,038	19,829	22,212	–	14,979	166,361
At 1 January 2024	**92,185**	**9,118**	**8,038**	**19,829**	**22,212**	**-**	**14,979**	**166,361**
Deferred tax credited/(charged) to profit or loss during the year (note 10)	**5,137**	**(4,577)**	**(826)**	**(1,844)**	**9,741**	**-**	**13,567**	**21,198**
Gross deferred tax assets at 31 December 2024	**97,322**	**4,541**	**7,212**	**17,985**	**31,953**	**-**	**28,546**	**187,559**

Notes to Financial Statements

31 December 2024

27. DEFERRED TAX (CONTINUED)

The movements in deferred tax liabilities and assets during the year are as follows: (continued)

Deferred tax liabilities

	Fair value adjustment arising from acquisition of subsidiaries	Right-of-use asset	Depreciation	Unrealised internal losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	333,502	13,756	567	708	348,533
Deferred tax credited to profit or loss during the year (note 10)	(231,571)	(4,686)	(79)	–	(236,336)
Gross deferred tax liabilities at 31 December 2023	101,931	9,070	488	708	112,197
At 1 January 2024	**101,931**	**9,070**	**488**	**708**	**112,197**
Deferred tax (credited)/charged to profit or loss during the year (note 10)	**(4,948)**	**(4,578)**	**(80)**	**–**	**(9,606)**
Gross deferred tax liabilities at 31 December 2024	**96,983**	**4,492**	**408**	**708**	**102,591**

27. DEFERRED TAX (CONTINUED)

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Reflected in the consolidated statements of financial position:		
– Deferred tax assets	**109,970**	95,327
– Deferred tax liabilities	**25,002**	41,163

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Tax losses	**1,923,078**	1,422,118
Deductible temporary differences	**505,505**	474,801
Total	**2,428,583**	1,896,919

The Group has tax losses arising in Mainland China of RMB500,960,000 for the year ended 31 December 2024 (2023: RMB327,077,000), that will expire in five to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries and the Company that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Notes to Financial Statements

31 December 2024

28. DEFERRED GOVERNMENT GRANTS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**166,093**	132,257
Addition	**225**	39,114
Amortisation during the year	**(5,879)**	(5,278)
At the end of the year	**160,439**	166,093
Current portion	**6,024**	6,106
Non-current portion	**154,415**	159,987

29. SHARE CAPITAL

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid:		
ordinary shares	**1,211,063**	1,211,063

A summary of movements in the Company's share capital is as follows:

	Numbers of ordinary shares	**Paid-in capital/ share capital**
		RMB'000
As at 1 January 2023	1,211,062,599	1,211,063
At 31 December 2023 and 1 January 2024	1,211,062,599	1,211,063
At 31 December 2024	**1,211,062,599**	**1,211,063**

Notes to Financial Statements

31 December 2024

30. SHARE-BASED PAYMENT

2020 Share option scheme

In 2020, the Company implemented a share option scheme to motivate and reward those who contribute to the operation of the Group. Eligible persons include senior management, core technical personnel and core business personnel of the Group. The plan became effective on 30 November 2020 and, unless otherwise cancelled or amended, will remain in force for 7 years from that date. Under the 2020 share option scheme, grantees are granted options which only vest if certain non-market performance conditions are met.

On 16 February 2022, the general meeting of shareholders of the Company approved a modification of the vesting conditions of the 2020 Share Option Scheme, which was beneficial to the employee.

A stock option does not give the holder the right to vote at the general meeting of shareholders.

The following share options were outstanding under the 2020 Share Option Scheme during the year:

31 December 2024

	Weighted average exercise price RMB per share ordinary shares	**Number of options** *'000*
At the beginning of the year	**6.98**	**3,351**
Forfeited during the year	**6.98**	**(345)**
Expired during the year	**6.98**	**(3,006)**
At the end of the year	**6.98**	**–**

31 December 2023

	Weighted average exercise price RMB per share ordinary shares	Number of options *'000*
At the beginning of the year	6.98	11,807
Forfeited during the year	6.98	(5,105)
Expired during the year	6.98	(3,351)
At the end of the year	6.98	3,351

Notes to Financial Statements

31 December 2024

30. SHARE-BASED PAYMENT (CONTINUED)

2020 Share option scheme (continued)

No share options were exercised during the year (2023: No share options were exercised).

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

As of 31 December 2024, there were no outstanding share options under the 2020 Share option scheme.

31 December 2023

Number of options *'000*	Exercise price RMB per share	Exercise period
3,351	6.98	1 December 2023 to 30 November 2024
3,351		

The Group recognised a share option expense of nil (2023: a reversal of share option expense of RMB14,201,000) during the year ended 31 December 2024.

Notes to Financial Statements

31 December 2024

31. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity of the financial statements.

(i) Capital reserve

The capital reserve comprises the capital/share premium of the Company and the difference between the aggregate of the then net assets of the non-controlling interests acquired and the consideration paid by the Group.

(ii) Merger reserve

The merger reserve of the Group represents the difference between the aggregate of the then net assets of the subsidiary acquired and the consideration paid by the Group for the business combination under common control.

(iii) Statutory reserve

In accordance with the Company Law of the PRC, the Company in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the Company's registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the Company. The statutory reserve is not available for dividend distribution to shareholders of the PRC subsidiaries.

Notes to Financial Statements

31 December 2024

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Liverna

	As at 31 December	
	2024	2023
Percentage of equity interest held by non-controlling interests	**49.8454%**	49.8454%

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss for the period allocated to non-controlling interests	**(1,235)**	(649,236)

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Accumulated balances of non-controlling interests	**245,588**	246,823

Notes to Financial Statements

31 December 2024

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

Liverna

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**23,585**	14,805
Total expenses	**(26,061)**	(1,317,368)
Loss for the period	**(2,476)**	(1,302,563)
Total comprehensive loss for the period	**(2,476)**	(1,302,563)
Net cash flows used in operating activities	**(29,052)**	(17,478)
Net cash flows used in investing activities	**(387)**	(2,625)
Net decrease in cash and cash equivalents	**(29,439)**	(20,103)
Current assets	**154,336**	173,309
Non-current assets	**400,582**	395,714
Current liabilities	**(7,514)**	(19,486)
Non-current liabilities	**(54,704)**	(54,361)

Notes to Financial Statements

31 December 2024

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

– *Recognition of right-of-use assets and lease liabilities*

During the year, the Group had non-cash additions to right-of-use assets of RMB10,761,000 (2023: RMB4,762,000), and lease liabilities of RMB10,761,000 (2023: RMB4,762,000), in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2024

	Bank loans *RMB'000*	**Lease liabilities** *RMB'000*
At 1 January 2024	**1,762,640**	**32,969**
Changes from financing cash flows	**(3,463)**	**(22,758)**
New leases	**–**	**11,093**
Interest expense (note 6)	**59,608**	**1,188**
At 31 December 2024	**1,818,785**	**22,492**

Year ended 31 December 2023

	Bank loans *RMB'000*	Lease liabilities *RMB'000*
At 1 January 2023	1,350,135	48,532
Changes from financing cash flows	389,207	(22,139)
New leases	–	4,762
Interest expense (note 6)	42,018	1,814
Financing through reverse factoring arrangements	(18,720)	–
At 31 December 2023	1,762,640	32,969

Notes to Financial Statements

31 December 2024

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within operating activities	**5,164**	5,394
Within investing activities	**766**	62,591
Within financing activities	**22,758**	22,139
Total	**28,688**	90,124

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for business operation are included in note 26 to the financial statements.

35. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Property, plant and equipment	**483,294**	510,351

Notes to Financial Statements

31 December 2024

36. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related party	Relationship with the Company
Mr. Yan ZHOU	Director and the single largest shareholder
Shanghai Tianxia Asset Management Co., Ltd. ("**Shanghai Tianxia**")	Company controlled by Mr. Yan ZHOU
Shenyang Yuanyan Sino Pharmaceutical Co., Ltd. (瀋陽原研賽諾藥業有限公司) ("**Shenyang Yuanyan Sino**")	Company controlled by Mr. Yan ZHOU
上海中聯信投資發展股份有限公司 (Shanghai Zhonglianxin Investment Development Co., Ltd.) ("**Zhonglianxin**")	Significantly influenced by director
拉薩梅花生物投資控股有限公司 (Lhasa Meihua Biological Investment Holding Co., Ltd.) ("**Lhasa Meihua**")	Shareholder of the Company

(b) The Group had the following material related party transactions during the year:

		Year ended 31 December	
	Notes	**2024** ***RMB'000***	2023 *RMB'000*
Rental expenses to related parties			
Mr. Yan ZHOU	(i)	**11,010**	10,630
Shanghai Tianxia	(ii)	**336**	336
Shenyang Yuanyan Sino	(iii)	**267**	256
Zhonglianxin	(iv)	**–**	1,529

Notes:

(i) The Group has entered into lease agreements in respect of buildings from Mr. Yan ZHOU. The rental fees under the lease were RMB11,010,000 (2023: RMB10,630,000) for the year ended 31 December 2024. The Group recorded right-of-use assets of RMB5,212,000 (2023: RMB9,137,000), and lease liabilities of RMB5,212,000 (2023: RMB10,493,000) as at 31 December 2024. The transactions were made according to the prices and terms agreed with the related parties.

(ii) The Group has entered into lease agreements in respect of motor vehicles from Shanghai Tianxia. The rental fees under the lease were RMB336,000 (2023: RMB336,000) for the year ended 31 December 2024. As the lease agreements were short-term leasing, the Group did not recognise right-of-use assets and lease liabilities. The transactions were made according to the prices and terms agreed with the related parties.

(iii) The Group has entered into lease agreements in respect of buildings from Shenyang Yuanyan Sino. The rental fees under the lease were RMB267,000 (2023: RMB256,000) for the year ended 31 December 2024. As the lease agreements were short-term leasing, the Group did not recognise right-of-use assets and lease liabilities. The transactions were made according to the prices and terms agreed with the related parties.

(iv) The Group has entered into lease agreements in respect of buildings from Zhonglianxin, which had been matured on 19 February 2024. The rental fees under the lease were nil (2023: RMB1,529,000) for the year ended 31 December 2024.

Notes to Financial Statements

31 December 2024

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Non-trade related:		
Due from related parties		
Lhasa Meihua (i)	**32,438**	31,407
Zhonglianxin	**–**	306
Total	**32,438**	31,713

(i) The Company acquired the 100% equity shareholding of AIM Honesty from Lhasa Meihua in 2015. Based on the agreement between the Company and Lhasa Meihua, any unrecorded liabilities of AIM Honesty arising before this acquisition should be assumed by Lhasa Meihua. On 4 July, 2023, AIM Honesty received the second instance judgement from an intermediate people's court of the PRC in respect of a claim concerning the subrogation rights of a creditor arising before the acquisition. Pursuant to this written judgement, AIM Honesty was obliged to pay an amount of RMB28,697,000 with interest at the loan prime rate. As at 31 December 2024, the Group recorded relevant payables of RMB32,438,000, including the principal of RMB28,697,000 and interest of RMB3,741,000, to the creditors in other payables and accruals, and the same amount was assumed by Lhasa Meihua in the amount due from Lhasa Meihua, respectively, as there is no legally enforceable right to set off the respective receivable and payable balances.

(d) Compensation of key management personnel of the Group:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	**13,082**	12,877
Performance-related bonuses	**1,340**	1,449
Equity-settled share-based compensation	**–**	(1,140)
Pension scheme contributions	**917**	948
Total	**15,339**	14,134

Further details of directors' emoluments are included in note 8 to the financial statements.

Notes to Financial Statements

31 December 2024

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

As at 31 December 2024

	Financial assets at amortised cost ***RMB'000***
Trade and bills receivables	**1,123,753**
Financial assets included in prepayments and other receivables (note 21)	**100,976**
Due from related parties	**32,438**
Restricted cash	**47,594**
Time deposits	**100,608**
Cash and cash equivalents	**494,265**
Total	**1,899,634**

As at 31 December 2023

	Financial assets at amortised cost *RMB'000*
Trade and bills receivables	1,005,069
Financial assets included in prepayments and other receivables (note 21)	118,831
Due from related parties	31,713
Restricted cash	42,238
Time deposits	153,272
Cash and cash equivalents	583,143
Total	1,934,266

Notes to Financial Statements

31 December 2024

37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial liabilities

As at 31 December 2024

	Financial liabilities at amortised cost ***RMB'000***
Financial liabilities included in other payables and accruals (note 24)	**1,497,115**
Trade payables	**50,894**
Interest-bearing bank borrowings	**1,818,785**
Lease liabilities	**22,492**
Total	**3,389,286**

As at 31 December 2023

	Financial liabilities at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals (note 24)	1,167,453
Trade payables	60,358
Interest-bearing bank borrowings	1,762,640
Lease liabilities	32,969
Total	3,023,420

Notes to Financial Statements

31 December 2024

37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	As at 31 December		As at 31 December	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial liability				
Interest-bearing bank borrowings	**1,818,785**	1,762,640	**1,827,890**	1,623,830

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Notes to Financial Statements

31 December 2024

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The Group did not have any financial assets at fair value through profit or loss and financial liabilities measured at fair value as at 31 December 2024 (2023: nil).

Liabilities for which fair values are disclosed:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Interest-bearing bank borrowing	–	1,827,890	–	1,827,890

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Interest-bearing bank borrowing	–	1,623,830	–	1,623,830

Notes to Financial Statements

31 December 2024

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and bank loans. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities such as trade receivables which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. Generally, management of the Company meets regularly to analyse and formulate measures to manage the Group's exposure to these risks. In addition, the board of directors of the Company holds meetings regularly to analyse and approve the proposals made by management of the Company. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its interest-bearing bank borrowings. The increase/decrease in 100 basis points of floating rates on the Group's interest-bearing bank borrowings will not have a significant impact on the Group's profit/(loss) before tax.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) after tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points *(RMB'000)*	**(Decrease)/ increase in profit/(loss) after tax** *(RMB'000)*	**(Decrease)/ increase in equity*** *(RMB'000)*
Year ended 31 December 2024	**100/(100)**	**(2,987)/2,987**	**(2,987)/2,987**
Year ended 31 December 2023	100/(100)	(899)/899	(899)/899

* Excluding retained profits

Notes to Financial Statements

31 December 2024

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The Group trades only with recognised and creditworthy third parties, and there is no requirement for collateral. Concentrations of credit risk are managed by analysis by customer/counterparty.

Concentrations of credit risk are managed by analysis by customer. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different regions.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

31 December 2024

	12-month ECLs	Lifetime ECLs			
				Simplified	
	Stage 1	Stage 2	Stage 3	approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	1,173,906	1,173,906
Financial assets included in prepayments, other receivables and other assets					
– Normal**	106,343	–	–	–	106,343
– Doubtful**	–	–	6,178	–	6,178
Due from related parties	32,438	–	–	–	32,438
Restricted cash	47,594	–	–	–	47,594
Time deposits	100,608	–	–	–	100,608
Cash and cash equivalents	494,265	–	–	–	494,265
Total	781,248	–	6,178	1,173,906	1,961,332

Notes to Financial Statements

31 December 2024

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging (continued)

31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	1,062,137	1,062,137
Financial assets included in prepayments, other receivables and other assets					
– Normal**	118,841	–	–	–	118,841
– Doubtful**	–	–	11,538	–	11,538
Due from related parties	31,713	–	–	–	31,713
Restricted cash	42,238	–	–	–	42,238
Time deposits	153,272	–	–	–	153,272
Cash and cash equivalents	583,143	–	–	–	583,143
Total	929,207	–	11,538	1,062,137	2,002,882

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and deposits and other receivables are respectively disclosed in notes 20 and 21 to the financial statements.

Notes to Financial Statements

31 December 2024

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2024				
	On demand *RMB'000*	**Within 1 year** *RMB'000*	**1 to 5 years** *RMB'000*	**Over 5 years** *RMB'000*	**Total** *RMB'000*
Lease liabilities	**–**	**14,862**	**8,477**	**–**	**23,339**
Interest-bearing bank borrowings	**409,688**	**1,338,725**	**444,458**	**–**	**2,192,871**
Trade payables	**15,099**	**35,795**	**–**	**–**	**50,894**
Financial liabilities included in other payables and accruals	**1,497,115**	**–**	**–**	**–**	**1,497,115**
	1,921,902	**1,389,382**	**452,935**	**–**	**3,764,219**

	As at 31 December 2023				
	On demand *RMB'000*	Within 1 year *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Lease liabilities	–	22,739	13,628	–	36,367
Interest-bearing bank borrowings	444,080	923,117	592,157	–	1,959,354
Trade payables	15,843	44,515	–	–	60,358
Financial liabilities included in other payables and accruals	1,167,453	–	–	–	1,167,453
	1,627,376	990,371	605,785	–	3,223,532

Notes to Financial Statements

31 December 2024

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, by pricing services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Group monitors capital on the basis of the asset-liability ratio. This ratio is calculated as total liabilities divided by total assets.

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Total assets	**7,314,321**	7,261,995
Total liabilities	**3,703,213**	3,372,418
Asset-liability ratio	**51%**	46%

40. EVENTS AFTER THE REPORTING PERIOD

On 28 February 2025, the Company entered into the placing agreement with the placing agent, DBS Asia Capital Limited, pursuant to which the placing agent has conditionally agreed, as the Company's placing agent, to procure, on a best effort basis, a placee (who and whose ultimate beneficial owner(s) (where applicable) will be independent third parties) to purchase 15,500,000 placing shares at the placing price of HK$5.01 per placing Share. The placing shares have been placed to one placee, namely Factorial Master Fund. Completion of the placing took place on March 6, 2025, the gross proceeds from the placing amounted to HK$77,655,000 (equivalent to RMB71,638,000).

Notes to Financial Statements

31 December 2024

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**6,591**	4,666
Right-of-use assets	**45,396**	60,154
Other intangible assets	**1,195**	1,392
Prepayments for equipment	**62,262**	60,804
Investments in subsidiaries	**4,698,205**	4,267,706
Due from related parties	**481,484**	481,484
Other non-current assets	**627**	1,602
Total non-current assets	**5,295,760**	4,877,808
CURRENT ASSETS		
Prepayments, other receivables and other assets	**42,754**	153,532
Due from related parties	**734,001**	707,143
Cash and cash equivalents	**211,309**	289,395
Total current assets	**988,064**	1,150,070
CURRENT LIABILITIES		
Trade payables	**565,298**	395,460
Other payables and accruals	**182,415**	151,744
Lease liabilities	**6,165**	12,876
Interest-bearing bank borrowings	**100,107**	57
Total current liabilities	**853,985**	560,137
NET CURRENT ASSETS	**134,079**	589,933
TOTAL ASSETS LESS CURRENT LIABILITIES	**5,429,839**	5,467,741
NON-CURRENT LIABILITIES		
Lease liabilities	**328**	–
Total non-current liabilities	**328**	–
NET ASSEST	**5,429,511**	5,467,741
EQUITY		
Share capital	**1,211,063**	1,211,063
Reserves (note)	**4,218,448**	4,256,678
TOTAL EQUITY	**5,429,511**	5,467,741

Notes to Financial Statements

31 December 2024

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve	Merger reserve	Share-based compensation reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	4,573,733	(68,015)	1,209,141	(1,035,928)	4,678,931
Loss for the year	–	–	–	(408,052)	(408,052)
Total comprehensive loss for the year	–	–	–	(408,052)	(408,052)
Equity-settled share-based compensation	–	–	(14,201)	–	(14,201)
At 31 December 2023 and at 1 January 2024	**4,573,733**	**(68,015)**	**1,194,940**	**(1,443,980)**	**4,256,678**
Loss for the year	**–**	**–**	**–**	**(38,230)**	**(38,230)**
Total comprehensive loss for the year	**–**	**–**	**–**	**(38,230)**	**(38,230)**
At 31 December 2024	**4,573,733**	**(68,015)**	**1,194,940**	**(1,482,210)**	**4,218,448**

The share-based compensation reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

Five-Year Financial Summary

CONSOLIDATED RESULTS

	Year ended December 31,				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**1,285,031**	1,187,468	1,264,073	1,570,129	1,637,970
Gross profit	**953,508**	901,016	1,027,659	1,294,700	1,354,088
Loss before tax	**(290,718)**	(2,270,645)	(434,165)	(606,703)	485,886
Loss for the year	**(278,469)**	(1,950,241)	(230,630)	(675,873)	400,414
Total comprehensive loss for the year and attributable to owners of the parent and non-controlling interests	**(278,469)**	(1,950,241)	(230,630)	(675,873)	400,414

CONSOLIDATED ASSETS AND LIABILITIES

	Year ended December 31,				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	**4,926,924**	4,779,059	6,327,083	5,713,669	2,249,495
Current assets	**2,387,397**	2,482,936	2,548,703	2,358,684	2,438,458
Total assets	**7,314,321**	7,261,995	8,875,786	8,072,353	4,687,953
Non-current liabilities	**612,945**	770,519	765,082	803,021	135,359
Current liabilities	**3,090,268**	2,601,899	2,249,797	1,570,042	1,130,969
Total liabilities	**3,703,213**	3,372,418	3,014,879	2,373,063	1,266,328
Total equity	**3,611,108**	3,889,577	5,860,907	5,699,290	3,421,625

Definitions

"AIM Explorer"	AIM Explorer Biomedical R&D Co., Ltd. (艾美探索者生命科學研發有限公司), a company incorporated under the laws of PRC on September 10, 2018, a wholly-owned subsidiary of our Company;
"AIM Honesty"	AIM Honesty Biopharmaceutical Co., Ltd. (艾美誠信生物製藥有限公司), a company incorporated under the laws of PRC on September 20, 1993, a wholly-owned subsidiary of our Company;
"AIM Innovator"	AIM Innovator Biomedical Research (Shanghai) Co., Ltd. (艾美創新者生物醫藥研究(上海)有限公司), a company incorporated under the laws of PRC on May 17, 2021 and owned as to 95% by our Company, and 1% by each of AIM Action, AIM Honesty, AIM Persistence, AIM Responsibility Biopharmaceutical (Liaoning) Co., Ltd. (艾美責任生物製藥(遼寧)有限公司) (a company incorporated under the laws of PRC on January 28, 2023 and a wholly-owned subsidiary of our Company), and AIM Rongyu;
"AIM Action"	AIM Action BioPharm Co., Ltd. (艾美行動生物製藥有限公司) (previously known as AIM Kanghuai Biopharmaceutical (Jiangsu) Co., Ltd. (艾美康淮生物製藥(江蘇)有限公司)), a company incorporated under the laws of PRC on October 13, 2011, a wholly-owned subsidiary of our Company;
"AIM Persistence"	AIM Persistence Biopharmaceutical Co., Ltd. (艾美堅持生物製藥有限公司) (previously known as AIM Weixin Biopharmaceutical (Zhejiang) Co., Ltd. (艾美衛信生物藥業(浙江)有限公司)), a company incorporated under the laws of PRC on December 24, 2002 and owned as to 96.45% by our Company and 3.55% by Beibi Road;
"AIM Rongyu"	AIM Rongyu (Ningbo) Biopharmaceutical Co., Ltd. (艾美榮譽(寧波)生物製藥有限公司), formerly known as Ningbo Rong'an Biological Pharmaceutical Co., Ltd. (寧波榮安生物藥業有限公司), a company incorporated under the laws of PRC on April 30, 2001 and owned as to 20% by our Company and 80% by AIM Persistence;
"Articles"	the articles of association of the Company;
"Audit Committee"	the audit committee of the Board of Directors;
"Beibi Road"	Shanghai Beibi Road Cultural Development Co., Ltd. (上海北壁之路文化發展有限公司), a company incorporated under the laws of PRC on March 28, 2017, a wholly-owned subsidiary of our Company;
"Board" or "Board of Directors"	the board of Directors of our Company;

Definitions

"CDC(s)"	Centre(s) for Disease Control and Prevention (疾病預防控制中心);
"CDE"	the Center for Drug Evaluation of the NMPA;
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
"China" or "the PRC"	the People's Republic of China, which for the purpose of this report only, references to "China" or "the PRC" exclude Taiwan, Macau Special Administration Region and Hong Kong;
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Company", "our Company", or "the Company"	AIM Vaccine Co., Ltd. (艾美疫苗股份有限公司), a joint stock company incorporated in the PRC with limited liability on November 9, 2011;
"CSO(s)"	contract sales organization(s);
"CTA"	clinical trial application, the PRC equivalent of investigational new vaccine application;
"Director(s)" or "our Director(s)"	the director(s) of our Company;
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for and paid up in Renminbi by PRC domestic investors and not listed on any stock exchange;
"ESG Report"	Environmental, Social and Governance Report 2023 of the Company published on the websites of the Stock Exchange and the Company;
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use;
"CDE"	the Center for Drug Evaluation of the NMPA

Definitions

"FDA"	the United States Food and Drug Administration
"Group A, C, Y and W135 MPSV" or "MPSV4"	Group A, C, Y and W135 MPSV, a vaccine used for the prevention of epidemic cerebrospinal meningitis in children aged above two years old;
"Group", "the Group", "our Group", "we" or "us"	our Company and its subsidiaries;
"H Share(s)"	overseas listed foreign share(s) in the issued share capital of the Company, with a nominal value of RMB1.00 each, listed on the Stock Exchange;
"HAV"	hepatitis A virus;
"HBV"	hepatitis B virus;
"HDC"	human diploid cell;
"HFMD"	hand foot and mouth disease;
"HFRS"	hemorrhagic fever with renal syndrome;
"HKEx"	Hong Kong Exchanges and Clearing Limited;
"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"IFRSs"	the International Financial Reporting Standards;
"Independent Third Party(ies)"	an individual or a company which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules;
"IPO"	the initial public offering and listing of the Company's shares on the Stock Exchange on October 6, 2022;
"Latest Practicable Date"	April 17, 2025, being the latest practicable date prior to the bulk printing and publication of this annual report

Definitions

"Licensed Manufacturing Facility"	our manufacturing facility in each of AIM Rongyu, AIM Honesty, AIM Action and AIM Persistence, which have obtained valid production permitsand passed GMP inspections, each a Licensed Manufacturing Facility, collectively Licensed Manufacturing Facilities;
"Listing"	the listing of our H Shares on the Main Board;
"Listing Date"	October 6, 2022, the date on which the H Shares of the Company were listed on the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange, as amended and supplemented from time to time;
"AIM Liverna"	Liverna Therapeutics Inc. (珠海麗凡達生物技術有限公司), a company incorporated under the laws of PRC on June 21, 2019 and owned as to 50.1546% by our Company. The other minority shareholders of AIM Liverna are Independent Third Parties;
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange;
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部);
"mRNA"	messenger ribonucleic acid or messenger RNA, a single-stranded molecule of RNA that corresponds to the genetic sequence of a gene, and is read by a ribosome in the process of synthesizing a protein;
"NDA"	new drug application (藥品註冊證書申請);
"NDA approval"	new drug application approval (藥品註冊證書批准);
"NIFDC"	the National Institutes for Food and Drug Control of the PRC (中國食品藥品檢定研究院);
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局);

Definitions

"Original Strain"	the SARS-CoV-2 virus strain that caused the initial COVID-19 outbreak;
"PRC laws"	the Company Law of the People's Republic of China;
"Prospectus"	the Company's Prospectus dated September 23, 2022;
"Remuneration Committee"	the remuneration and appraisal committee of the Board of Directors;
"Reporting Period"	for the year ended December 31, 2024;
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Share(s)"	Ordinary share(s) in the issued share capital of our Company with a nominal value of RMB1.00 each;
"Shareholder(s)"	holder(s) of our Shares;
"Share Option(s)"	share options under the Pre-IPO ESOP;
"SPHCC"	Shanghai Public Health Clinical Center (上海市公共衛生臨床中心);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance;
"Supervisor(s)"	supervisor(s) of our Company;
"Unlisted Foreign Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each and is (are) held by non-PRC investors and not listed on any stock exchange;
"Unlisted RMB Denominated Ordinary Share(s)"	Domestic Share(s) and/or Unlisted Foreign Share(s), as the case may be; and
"%"	percentage.

In this annual report, the terms "associate(s)", "close associate(s)", "connected person(s)", "connected transaction(s)", "continuing connected transaction(s)", "controlling shareholder(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.