

Brii Biosciences

Breakthrough innovation & insight

Brii Biosciences Limited

腾盛博药生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2137

2025 Interim Report



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CORPORATE PROFILE

Brii Biosciences Limited is a pioneering biotechnology company dedicated to developing innovative therapies for areas of high unmet medical needs, particularly infectious diseases. In the first six months of 2025, the Company advanced its core hepatitis B functional cure program while continuing to create value through both external partnership and internal discovery. With three complementary Phase 2b clinical studies now fully enrolled, the Company has laid important groundwork for meeting its goal of developing an effective functional cure for chronic HBV.

The ENSURE, ENRICH and ENHANCE studies form the key pillars of the Company's HBV clinical strategy. Each explores distinct but complementary aspects of combination regimens of the Company's core HBV assets, including BRIL-179, a recombinant protein-based HBV immunotherapeutic with unique potential to prime and boost immune response to achieve higher HBsAg loss, and elebsiran, a potent HBV-targeting siRNA. Among these studies, ENSURE study provided preliminary evidence that immunological markers may be used to identify patients with higher probability to achieve functional cure. The ENRICH study evaluates the role of BRIL-179 in identifying immune-responsive patients with a higher probability of achieving functional cure. The ENHANCE study evaluates a triple combination treatment regimen of BRIL-179 and elebsiran plus PEG-IFN α as well as a simplified triple combination regimen aimed at shortening PEG-IFN α treatment duration. These trials are strategically designed to assess different combination treatment regimens, identifying the most promising treatment regimen as the Company progresses toward registrational development.

For the non-HBV programs, the Company continues to seek external partnership opportunities to optimize the internal resource allocation. In July 2025, the Company announced its collaboration with Joincare Group, granting Joincare Group the rights to research, develop and commercialize sorelimixin (BRIL-693), a novel polymyxin antibiotic candidate for the treatment of serious MDR/XDR gram-negative bacterial infections, in the Greater China region. The Company retains the rights outside of the Greater China region. This partnership enables the Company to continue focusing its internal resources on its core HBV program, while advancing the regional development and commercialization of sorelimixin (BRIL-693). In addition, the Company continues to seek global partnership for the internally discovered HIV long-acting candidates, BRIL-753 and BRIL-732.

Looking ahead, the Company remains committed to delivering innovative therapies for infectious diseases, with a strategic focus on HBV cure. At the same time, the Company is actively pursuing partnership opportunities for its non-HBV assets and expanding its early discovery efforts to build a sustainable pipeline. With a strong cash position and a focused approach, the Company is well-positioned to fulfill its mission of delivering transformative therapies for patients with unmet clinical needs.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Zhi HONG (*Chairman and Chief Executive Officer*)

Dr. Ankang LI

Independent non-executive Directors

Mr. Gregg Huber ALTON

Dr. Martin J MURPHY JR

Ms. Grace Hui TANG

Mr. Yiu Wa Alec TSUI

Dr. Taiyin YANG

AUDIT AND RISK COMMITTEE

Ms. Grace Hui TANG (*Co-Chairlady*)

Dr. Taiyin YANG (*Co-Chairlady*)

Mr. Yiu Wa Alec TSUI

REMUNERATION COMMITTEE

Dr. Martin J MURPHY JR (*Chairman*)

Ms. Grace Hui TANG

Mr. Yiu Wa Alec TSUI

NOMINATION COMMITTEE

Mr. Gregg Huber ALTON (*Chairman*)

Dr. Zhi HONG

Dr. Martin J MURPHY JR

Ms. Grace Hui TANG

STRATEGY COMMITTEE

Dr. Ankang LI (*Chairman*)

Mr. Gregg Huber ALTON

Dr. Taiyin YANG

JOINT COMPANY SECRETARIES

Dr. Ankang LI

Ms. Wing Tsz Wendy HO

AUTHORISED REPRESENTATIVES

(*for the purpose of the Listing Rules*)

Dr. Ankang LI

Ms. Wing Tsz Wendy HO

LEGAL ADVISERS

As to Hong Kong laws:

Edwin Kwok & Co

As to PRC laws:

Global Law Office, Shanghai

As to Cayman Islands law:

Maples and Calder (Hong Kong) LLP

AUDITOR

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditor

REGISTERED OFFICE

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Cayman Islands

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Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

Bank of Beijing
Bank of China (Hong Kong)
China Merchants Bank
First Citizens Bank
Goldman Sachs International Bank
J.P. Morgan Chase Bank

COMPANY WEBSITE

www.briibio.com

STOCK CODE

2137

LISTING DATE

July 13, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Brii Biosciences Limited is fully focused on translating scientific breakthroughs into transformative treatments for infectious diseases with high unmet medical needs. Led by an experienced executive team and guided by global insights and patient-centric innovation, we continue to advance a robust pipeline, anchored by our HBV functional cure program.

Our strategic priority is achieving a functional cure for chronic HBV, where we are pursuing differentiated combination regimens that target both viral suppression and immune restoration. In the first half of 2025, we made meaningful progress across three Phase 2b studies (namely, the ENSURE, ENRICH and ENHANCE studies), each designed to explore optimized treatment strategies using our proprietary candidates BRII-179 (a therapeutic vaccine) and elebsiran (an HBV-targeting siRNA). All three trials are fully enrolled, and the CDE has granted both candidates BTDS.

Our ENSURE study evaluates elebsiran in combination with PEG-IFN α (including a cohort with BRII-179-experienced patients); our ENRICH study evaluates BRII-179 in priming HBV-specific immunity and/or enriching patients with competent immunity, followed by an elebsiran and PEG-IFN α combination treatment; and our ENHANCE study evaluates the triple combination of BRII-179, elebsiran and PEG-IFN α .

Data presented in early 2025 from Cohort 4 of the ENSURE study showed that BRII-179-experienced patients achieved faster and higher rates of HBsAg loss, supporting the potential to shorten PEG-IFN α treatment duration. These insights directly informed the initiation of an amended protocol of the ENHANCE study. The Company expects to report 24-week follow-up data from Cohort 4 of the ENSURE study in the second half of 2025. EOT data from the ENRICH and ENHANCE studies are expected to be available in the first half of 2026. These data will help define our late-stage clinical and registrational strategies.

Beyond HBV, we strengthened our infectious disease portfolio through a strategic out-licensing agreement with Joincare Group, granting to our partner exclusive rights in Greater China to soralimixin (BRII-693), our novel polymyxin antibiotic for treating serious gram-negative infections. This partnership exemplifies our dual-engine strategy, which combines internal innovation with external collaboration.

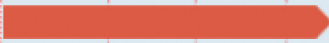
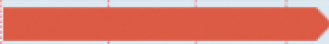

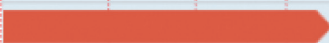





With a strong cash position and operational discipline, we are well-capitalized to support the continued advancement of our core HBV program and early discovery pipeline. Our goal remains to deliver meaningful therapeutic advances while creating long-term value for patients and our Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Pipeline Summary

We have developed an extensive pipeline targeting infectious diseases. Our lead programs are centered on HBV functional cure, primarily in China, the world's largest HBV market.

The table below outlines the status of our key product candidates as of the date of this report:

Indication	Program	Pre-clinical	IND	Phase 1	Phase 2	Phase 3	NDA/BLA	Commercial	Our Rights	Partners
HBV Curative Treatments ⁽¹⁾	BR11-179								Global	-
	Elebsiran								Greater China	
	Tobevibart								Greater China	
HIV Long-Acting	BR11-732								Global	-
	BR11-753								Global	-
MDR/XDR Gram-negative Bacterial Infections	Soralimixin ⁽²⁾								Outside of Greater China ⁽³⁾	

(1) The Phase 2 combination clinical trials conducted by the Company:

- ENSURE study: Elebsiran + PEG-IFN α vs PEG-IFN α alone
- ENRICH study: BR11-179 \rightarrow elebsiran + PEG-IFN α
- ENHANCE study: BR11-179 + elebsiran + PEG-IFN α

(2) Soralimixin was previously known as BR11-693.

(3) Joincare Group has obtained an exclusive license from Bii US for the research, development, and commercialization of soralimixin in the Greater China region. The Group retains the rights outside of the Greater China region.

BUSINESS REVIEW

We are actively advancing our strategy that integrates internal innovation and external collaboration by moving our leading HBV candidates into late-stage clinical development and out-licensing our other programs.

All three primary HBV Phase 2b studies (namely, the ENSURE, ENRICH and ENHANCE studies) of the Company are fully enrolled and ongoing. Notably, data presented at APASL and EASL 2025 from the ENSURE study's Cohort 4 provided valuable clinical insights, including improved HBsAg loss and accelerated responses in BR11-179-experienced patients. These findings informed a revised dosing strategy and the initiation of an amended protocol of the ENHANCE study, aimed at providing a simplified triple combination regimen and reducing PEG-IFN α treatment duration.

MANAGEMENT DISCUSSION AND ANALYSIS

Beyond HBV, Bii US entered into a strategic out-licensing agreement with Joincare Group for soralimixin (BRII-693), a novel polymyxin antibiotic for the treatment of serious gram-negative infections. This partnership grants Joincare Group exclusive research, development and commercialization rights in Greater China and reflects the Company's continued ability to generate value through external collaborations.

Operationally, the Company remains focused on disciplined resource allocation and internal development efficiencies. As of June 30, 2025, the Company maintained a robust cash position, providing capital to support late-stage development and discovery efforts through 2028. With EOT data readouts from the ENRICH and ENHANCE studies expected in the first half of 2026, the Company is positioned to define its next clinical steps and advance toward registrational studies in pursuit of a functional cure for HBV.

As of the date of this report, our key achievements, along with our planned next steps and upcoming milestones, include:

Core Clinical Pipeline Highlights and Upcoming Milestones

BRII-179 Related Studies and Plans

BRII-179 is a novel recombinant protein-based HBV immunotherapeutic candidate that expresses the Pre-S1, Pre-S2 and S HBV surface antigens and is designed to induce enhanced B-cell and T-cell immunity. We hold exclusive global rights to develop and commercialize BRII-179.

BRII-179 is currently being studied in three primary studies conducted by the Company, including the Phase 2b ENSURE study and two confirmatory Phase 2b ENRICH and ENHANCE studies. These studies aim to further define the role of BRII-179 in HBV treatment regimens and to select the optimal regimen for advancement to a registrational study. All three studies have been fully enrolled.

- The Phase 2b ENSURE study is a head-to-head comparison to ensure clear delineation of the roles of BRII-179 and elebsiran for cure with siRNA in combination with PEG-IFN α versus PEG-IFN α alone, as well as BRII-179-naïve versus BRII-179-experienced patients.
- BRII-179 demonstrated encouraging results from Cohort 4 of the ENSURE study, with key data presented at APASL and EASL 2025:
 - At Week 48 (EOT), 61% (11/18) of patients who previously responded to BRII-179 achieved HBsAg seroclearance, compared to 10% (1/10) of non-responders. Among responders, 91% (10/11) developed anti-HBs titers ≥ 100 IU/L.
 - BRII-179-experienced participants achieved faster HBsAg loss, with 83% (10/12) achieving loss by Week 24, versus 55% (6/11) in BRII-179-naïve participants.

MANAGEMENT DISCUSSION AND ANALYSIS

The ENSURE study's results demonstrate that prior treatment with BRIL-179 and elebsiran can induce robust anti-HBs responses and help identify patients more likely to achieve HBsAg loss. These data also suggest that most HBsAg loss may be achievable with a shorter PEG-IFN α treatment duration (24 weeks).

24-week follow-up data from Cohort 4 of the ENSURE study are expected in the second half of 2025.

- To further define BRIL-179's role in HBV treatment and identify the optimal combination regimen for advancement into a registrational study, the Company is assessing BRIL-179 in two additional Phase 2b trials:
 - ENRICH study: Evaluates the role of BRIL-179 in priming HBV-specific immunity and/or identifying immunoresponsive patients with a higher likelihood of achieving functional cure. We continue to believe that BRIL-179 may play a unique role as part of the curative regimens.
 - ENHANCE study: Evaluates a triple combination treatment regimen of BRIL-179 and elebsiran plus PEG-IFN α to enhance the functional cure rate. Based on the insight from Cohort 4 of the ENSURE study, we amended the protocol to evaluate a simplified triple combination regimen aimed at shortening PEG-IFN α treatment duration to 24 weeks.

All studies have been fully enrolled. EOT data from the ENRICH and ENHANCE studies are expected to be presented at a scientific conference in the first half of 2026.

- The Company has engaged with CDE on potential Phase 3 study design and primary endpoints. The results from the ongoing ENRICH and ENHANCE studies will inform which final combination regimen will be taken forward to potential registrational studies.

Tobevibart and Elebsiran Related Studies and Plans

Tobevibart is an investigational broadly neutralizing monoclonal antibody targeting the HBsAg. It is designed to inhibit the entry of hepatitis B and hepatitis delta viruses into hepatocytes and to reduce the level of circulating viral and subviral particles in the blood. Tobevibart was identified using Vir Biotechnology's proprietary monoclonal antibody discovery platform. The Fc domain has been engineered to increase immune engagement and clearance of HBsAg immune complexes and incorporates Xencor's Xtend™ technology to extend half-life. Tobevibart is administered subcutaneously, and it is currently in clinical development for the treatment of patients with HBV and chronic hepatitis delta. We in-licensed exclusive rights to develop and commercialize tobevibart for the Greater China territory from Vir Biotechnology in 2022.

Elebsiran is an investigational hepatitis B virus-targeting siRNA discovered by Alnylam Pharmaceuticals, Inc. It is designed to degrade hepatitis B virus RNA transcripts and limit the production of hepatitis B surface antigen. Current data indicate that it has the potential to have direct antiviral activity against hepatitis B virus and hepatitis delta virus. Elebsiran is administered subcutaneously, and it is currently in clinical development for the treatment of patients with HBV and chronic hepatitis delta. We in-licensed exclusive rights to develop and commercialize elebsiran for the Greater China territory from Vir Biotechnology in 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

- In May 2025, the Company presented 24-week follow-up data from Cohorts 1-3 of its ENSURE study at EASL Congress 2025. Data showed sustained off-treatment benefits in patients treated with elebsiran in combination with PEG-IFN α compared to those treated with PEG-IFN α alone.
- The data from Cohorts 1-3 of the ENSURE study continue to suggest the industry's first evidence delineating the contribution of siRNA (elebsiran) towards a functional cure, in addition to PEG-IFN α therapy, through a head-to-head comparison with PEG-IFN α alone. This highlights elebsiran's potential to make a substantial impact on achieving a higher HBV functional cure rate.
- Tobeivart and elebsiran have both been granted BTDs by CDE.
- Our partner, Vir Biotechnology is evaluating the combination of tobeivart and elebsiran for the treatment of CHD. Its ECLIPSE registration program is fully underway and actively recruiting.
- Vir Biotechnology has also been granted Breakthrough Therapy and Fast Track Designations from the U.S. FDA as well as Priority Medicines and orphan drug status for tobeivart and elebsiran from the European Medicines Agency for the treatment of HDV.

Additional Clinical and Pre-Clinical Development Updates

In line with the Company's strategy to focus on its advanced HBV cure programs, the development of the MDR/XDR and HIV programs is contingent on external partnership.

Multidrug- and Extensively Drug-Resistant Gram-Negative Bacteria Infections Program

Soralimixin (BRII-693) is a novel synthetic lipopeptide in development for the treatment of MDR/XDR gram-negative bacterial infections. Based on a combination of increased in vitro and in vivo potency and an improved safety profile compared with currently available polymyxins, soralimixin (BRII-693) has the potential to be an important addition to the arsenal of hospital-administered intravenous antibiotics for the treatment of critically ill patients with gram-negative bacterial infections. Soralimixin (BRII-693) has a highly differentiated safety and efficacy profile to address the most difficult-to-treat infections due to *Acinetobacter baumannii* and *Pseudomonas aeruginosa*, including infections due to MDR/XDR isolates resistant to carbapenem antibiotics.

- The U.S. FDA has granted soralimixin (BRII-693) designation as a Qualified Infectious Disease Product, which offers various incentives for its development in the U.S., including priority review and eligibility for the U.S. FDA's Fast Track Designation. This designation also opens the possibility for extended regulatory and market exclusivity in the U.S.
- As disclosed in the announcement of the Company dated July 4, 2025, Brii US entered into a strategic out-licensing agreement with Joincare Group for the research, development, and commercialization of soralimixin (BRII-693) in the Greater China region. This collaboration will leverage Joincare Group's strong capabilities in anti-infective therapeutics to accelerate the development and commercialization of soralimixin (BRII-693). The Company is still seeking non-dilutive funding or partnership opportunities for rights outside of the Greater China region.

MANAGEMENT DISCUSSION AND ANALYSIS

HIV Infection Program

BRII-753 is an NRTTI, which is an internally discovered NCE prodrug of EFdA currently in the pre-clinical stage of development. It is being developed as a long-acting subcutaneous injection with the potential to be given once monthly, once quarterly, or twice yearly. It can be used as a combination therapy for HIV treatment and as monotherapy for pre-exposure prophylaxis.

BRII-732 is a proprietary NCE prodrug that, upon oral administration, is rapidly metabolized into EFdA and is under evaluation as a potential HIV treatment or prevention option. EFdA is an NRTTI, acting as both a chain terminator and translocation inhibitor of HIV. BRII-732 has completed Phase 1 studies with the potential for development as part of an oral, once-weekly, long-acting combination treatment option for HIV patients.

- The Company is actively seeking global partnerships for HIV programs.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ANY OF THE ABOVE PRE-CLINICAL STAGE OR CLINICAL STAGE DRUG CANDIDATES SUCCESSFULLY.

Other Corporate Developments

- In December 2024, the Company announced the approval of a HK\$60 million share buyback program to buy back Shares not exceeding 10% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules)) as of June 25, 2024, underscoring the Company's confidence in its prospects. As of the date of this report, the Company had repurchased an aggregate of 12,723,500 Shares on the Stock Exchange for a consideration of approximately HK\$18.2 million.

Research and Development

We are a biotech company primarily engaged in pharmaceutical R&D activities. We recognize that R&D is fundamental for shaping our therapeutic strategy and sustaining our competitiveness in the biopharmaceutical industry. We prioritize diseases based on patients' needs, aiming to provide viable solutions to prevalent infectious diseases.

Our R&D capabilities, both in-house and through collaborations, enable us to identify and innovate therapies for both the Chinese and international markets. Led by industry veterans, our in-house R&D team is supported by a strong scientific advisory board and strategic partnerships with global pharmaceutical and biotech companies, along with contract research organizations, contract manufacturing organizations, contract development and manufacturing organizations, and research institutions. With our competitive advantage in cross-border and organic operations, we plan to further enhance our capacity and capabilities.

Our R&D executive team includes Chief Executive Officer Dr. Zhi Hong, Chief Medical Officer Dr. David Margolis, Chief Scientific Officer Dr. Brian A. Johns, Chief Technology Officer Dr. Ellee de Groot and Head of China R&D Dr. Qing Zhu. Our esteemed Board and scientific advisory board members, who possess diverse industry expertise and a proven record in successful drug development, direct our R&D processes and candidate selection through their extensive knowledge across various disciplines.

MANAGEMENT DISCUSSION AND ANALYSIS

Our multi-pronged R&D strategies are designed with flexibility in mind, resulting in expenses that vary according to the number and scale of projects each year. Our R&D expenses for the six months ended June 30, 2025 amounted to RMB117.0 million. We remain committed to leveraging our technology and R&D capabilities to broaden our life sciences research and application capabilities and product candidate portfolio.

Commercialization

Our pipeline includes therapeutic candidates, encompassing both programs with global rights and with in-licensed Greater China rights.

As of the date of this report, our efforts have primarily focused on developing our therapeutic candidate pipeline. Most of our programs are in various stages of clinical development, and we do not anticipate sales or commercialization of drug candidates in the immediate future. As our pipeline gradually matures, we will evaluate strategic commercialization options, ensuring that we maximize their potential in addressing critical unmet medical needs.

FUTURE DEVELOPMENT

In alignment with our corporate strategy devoted to alleviating public health burdens and improving patients' experiences through developing innovative treatment options, we strive to further advance our diverse pipeline by leveraging our in-house capabilities while exploring external partnerships.

As a leading company in the field of HBV functional cure, we will maintain our focus on improving the functional cure rate through various combination therapies. We will further evaluate our combination treatment regimens under development, aiming for a higher functional cure rate for HBV infection by leveraging the additional data available from several ongoing trials. We also plan to initiate definitive clinical studies to bring a combination treatment regimen to the next stage of development in Greater China. As our HBV candidates are approaching late-stage development, we are establishing a strategic and cost-effective manufacturing and supply chain management plan.

For our other programs, we are seeking partnerships for continued development, allowing us to optimize our resources and concentrate on our promising core HBV program.

Our long-term strategy focuses on expanding our pipeline through in-house discovery and strategic licensing opportunities. We aim to explore business development opportunities, especially the opportunities for out-licensing our internally discovered therapeutic candidates for international markets. As we embark on our second five-year period, we have refined our discovery strategy to align more closely with our long-term pipeline interests, priorities and overall vision. To ensure sustainable development, we will continue to optimize our organization to foster innovation and enhance our business development efforts, all in line with our mission to tackle the world's biggest public health challenges.

MANAGEMENT DISCUSSION AND ANALYSIS

SUBSEQUENT EVENTS

Save as disclosed in this report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to June 30, 2025 and up to the date of this report.

FINANCIAL REVIEW

1. Other income

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Government grants	993	22,155
Bank interest income	27,134	48,724
Total	28,127	70,879

Our other income decreased by RMB42.8 million from RMB70.9 million for the six months ended June 30, 2024 to RMB28.1 million for the six months ended June 30, 2025. This was mainly due to the decrease in bank interest income of RMB21.6 million attributable to the declining interest rates on HKD and CNY time deposits, reallocation of short-term deposits to money market fund investments, and the RMB21.2 million decrease in recognized income from government grants. These grants mainly represent the incentive and other subsidies from the PRC government which are intended to incentivize R&D activities and are recognized upon compliance with the attached conditions.

2. Other gains and losses, net

Our other gains and losses, net decreased by RMB115.5 million from losses of RMB115.4 million for the six months ended June 30, 2024 to gains of RMB0.2 million for the six months ended June 30, 2025. The decrease was primarily attributable to the changes in fair value in equity investments.

3. Fair value gain on equity instrument at FVTOCI

Our fair value gain on equity instrument at FVTOCI decreased by RMB1.0 million from gain of RMB1.0 million for the six months ended June 30, 2024 to nil for the six months ended June 30, 2025. The amount represents the equity investment in a biopharmaceutical company in the U.S. As the biopharmaceutical company was delisted from the NASDAQ Global Market on August 8, 2024, the fair value of the equity investment was determined to be zero. This biopharmaceutical company has completed a restructuring proceeding under the Companies' Creditors Arrangement Act (Canada) and as a result, the Group no longer holds any equity interest in this company.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Research and development expenses

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Third-party contracting cost	65,708	72,081
Employee cost	49,876	52,902
Amortization	340	–
Others	1,096	1,186
Total	117,020	126,169

Our research and development expenses decreased by RMB9.2 million from RMB126.2 million for the six months ended June 30, 2024 to RMB117.0 million for the six months ended June 30, 2025. The decrease was primarily attributable to the decrease in third-party contracting cost of RMB6.4 million and the decrease in employee cost of RMB3.0 million as the Company prioritizes HBV functional cure program and has strategically optimized its organization.

5. Administrative expenses

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Employee cost	33,821	43,345
Professional fees	13,355	16,741
Depreciation and amortization	2,415	7,504
Office expenses	1,507	925
Others	7,127	10,114
Total	58,225	78,629

Our administrative expenses decreased by RMB20.4 million from RMB78.6 million for the six months ended June 30, 2024 to RMB58.2 million for the six months ended June 30, 2025. This was primarily attributable to the decrease in employee cost of RMB9.5 million from RMB43.3 million for the six months ended June 30, 2024 to RMB33.8 million for the six months ended June 30, 2025, which was primarily attributable to organizational optimization.

MANAGEMENT DISCUSSION AND ANALYSIS

6. Liquidity and capital resources

As at June 30, 2025, our bank and cash balances, including restricted bank deposits and time deposits, decreased to RMB2,075.3 million from RMB2,413.4 million as of December 31, 2024. The decrease was primarily due to payout of daily operations and third-party contracting costs.

7. Non-IFRS measures

To supplement the Group's condensed consolidated financial statements, which are presented in accordance with the IFRS, we also use adjusted loss for the period and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. We believe that these adjusted measures provide useful information to the Shareholders and potential investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

Adjusted loss for the period represents the loss for the period excluding the effect of certain non-cash items and one-time events, namely share-based compensation expenses. The term adjusted loss for the period is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS. The presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. However, we believe that this and other non-IFRS measures are reflections of our normal operating results by eliminating potential impacts of items that the management does not consider to be indicative of our operating performance, and thus facilitate comparisons of operating performance from period-to-period and company-to-company to the extent applicable.

The table below sets forth a reconciliation of the loss to adjusted loss during the periods indicated:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Loss for the period	(148,848)	(283,238)
Added:		
Share-based compensation	2,261	3,139
Adjusted loss for the period	(146,587)	(280,099)

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth a reconciliation of the research and development expenses to adjusted research and development expenses during the periods indicated:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Research and development expenses for the period	(117,020)	(126,169)
Added:		
Share-based compensation	1,692	(3,336)
Adjusted research and development expenses for the period	(115,328)	(129,505)

The table below sets forth a reconciliation of the administrative expenses to adjusted administrative expenses during the periods indicated:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Administrative expenses for the period	(58,225)	(78,629)
Added:		
Share-based compensation	569	6,475
Adjusted administrative expenses for the period	(57,656)	(72,154)

8. Key financial ratios

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

	As at June 30, 2025	As at December 31, 2024
Current ratio ⁽¹⁾	4,298%	3,118%
Gearing ratio ⁽²⁾	NM	NM

(1) Current ratio is calculated using current assets divided by current liabilities as of the same date. Current ratio increased mainly due to the decrease in other payables as we have paid out most of the payables for third-party contracting cost.

(2) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by (deficiency of) total equity and multiplied by 100%. Gearing ratio is not meaningful as our interest-bearing borrowings less cash equivalents was negative.

MANAGEMENT DISCUSSION AND ANALYSIS

9. Indebtedness

Borrowings

As at June 30, 2025, the Group did not have any unutilized bank facilities, material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured.

Contingent liabilities

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

Lease liabilities

We lease our office places under operating lease arrangements. Leases for office places are negotiated for terms ranging mainly from one to five years. As at June 30, 2025, the Group had lease liabilities of RMB7.4 million recognized under IFRS 16.

10. Significant investments, material acquisitions and disposals

As at June 30, 2025, we did not hold any significant investments. For the six months ended June 30, 2025, we did not have material acquisitions or disposals of subsidiaries, associates, and joint ventures.

11. Charge on the Group's assets

As at June 30, 2025, none of the Group's assets were charged with any parties or financial institutions (as at December 31, 2024: nil).

12. Foreign exchange exposure

We are exposed to foreign exchange risk arising from certain currency exposures. Our reporting currency is RMB, but a significant portion of our operating transactions, assets, and liabilities are denominated in other currencies such as USD and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

As at June 30, 2025, the Group's restricted bank balances, time deposits with original maturity over three months and cash and cash equivalents were denominated as to 54.5% in US dollars, 26.6% in Hong Kong dollars, 18.7% in RMB and 0.2% in Australian dollars.

MANAGEMENT DISCUSSION AND ANALYSIS

13. Employees and remuneration

As at June 30, 2025, we had a total of 96 employees. The following table sets forth the total number of employees by function as of June 30, 2025:

Function	Number of employees	% of total
Research and development	68	71%
Administration	28	29%
Total	96	100%

We enter into individual employment contracts with our employees to cover matters such as wages, benefits, equity incentive, and grounds for termination. We generally formulate our employees' remuneration package to include salary, bonus, equity incentive and allowance elements. Our compensation programs are designed to remunerate our employees based on their performance, measured against specified objective criteria. We also provide our employees with welfare benefits in accordance with applicable regulations and our internal policies.

The Group also has adopted share incentive schemes for the purpose of providing incentives and rewards to its employees.

In accordance with applicable regulations in the PRC, we participate in a pension contribution plan, a medical insurance plan, an unemployment insurance plan, and a personal injury insurance plan for our employees. We have made adequate provisions in accordance with applicable regulations. Additionally, in accordance with PRC regulations, we make annual contributions toward a housing fund, a supplemental medical insurance fund, and a maternity fund.

We provide formal and comprehensive company-level and department-level training to our new employees followed by on-the-job training. We also provide training and development programs to our employees from time to time to ensure their awareness and compliance with our various policies and procedures. Some of the training is conducted jointly by different groups and departments serving different functions but working with or supporting each other in our day-to-day operations.

The total remuneration cost incurred by the Group for the six months ended June 30, 2025 was RMB83.7 million, as compared to RMB96.2 million for the six months ended June 30, 2024.

14. Treasury policy

Majority of our cash arises from equity funding. Such cash can only be invested in relatively liquid and low-risk instruments such as bank deposits or money market instruments. The primary objective of our investments is to generate finance income at a yield comparable to the interest rate of current bank deposits, with an emphasis on preserving principal and maintaining liquidity.

15. Future plans for material investments or capital assets

As at June 30, 2025, the Group did not have detailed future plans for material investments or capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

On July 13, 2021, the Company was successfully listed on the Stock Exchange. The net proceeds received by the Group from the Global Offering (including the partial exercise of the over-allotment option) amounted to approximately HK\$2.614 billion (after deducting underwriting fee and relevant expenses).

Details of the planned applications of the net proceeds from the Global Offering were disclosed in the Prospectus and subsequently revised and disclosed in the annual results announcements of the Company dated March 24, 2023 and March 21, 2025.

The table below sets out the planned applications of the net proceeds and the actual usage up to June 30, 2025:

Use of proceeds	Percentage of total net proceeds	Allocation of net proceeds (HK\$ million)	Unutilized amount as at December 31, 2024 (HK\$ million)	Utilized amount during the Reporting Period (HK\$ million)	Utilized amount up to June 30, 2025 (HK\$ million)	Unutilized amount as at June 30, 2025 (HK\$ million)
1. Used for our HBV functional cure programs	56%	1,466.6	784.8	102.3	784.1	682.5
1.1 To fund ongoing and planned clinical trials and preparation for regulatory filings for developing combination regimens containing BRIL-179, BRIL-835 or BRIL-877	46%	1,195.9	514.1	102.3	784.1	411.8
1.2 Used for IP related payments for BRIL-179	5%	140.0	140.0	-	-	140.0
1.3 Used for the launch and commercialization of HBV curative treatment regimens	5%	130.7	130.7	-	-	130.7
2. Used for our HIV programs, funding the ongoing and planned non-clinical studies, clinical trials and preparation for registration filings for BRIL-732 and BRIL-753	6%	151.7	-	-	151.7	-
3. Used for our MDR/XDR gram-negative infections programs	3%	67.5	-	-	67.5	-
3.1 To fund the ongoing and planned clinical trials and preparation for registration filings for BRIL-636, BRIL-672 and soralimixin (BRIL-693)	2%	59.0	-	-	59.0	-
3.2 Used for regulatory milestone payments for BRIL-636, BRIL-672 and soralimixin (BRIL-693)	0%	8.5	-	-	8.5	-
4. Used for our CNS programs, funding the ongoing and planned non-clinical studies, clinical trials and preparation for registration filings for BRIL-296, BRIL-297 and other pre-clinical/clinical candidates	11%	274.6	-	-	274.6	-
5. Used for discovery and business development activities for pipeline expansion	15%	392.0	297.5	17.1	111.6	280.4
6. Used for working capital and general corporate purposes	10%	261.4	-	-	261.4	-
Total	100%	2,613.8	1,082.3	119.4	1,650.9	962.9

For the Company's planned usage of the proceeds as described above, the Company expects that the unutilized net proceeds will be used up by the end of 2027.

The unutilized net proceeds will be applied in a manner consistent with the above planned applications and remains subject to change based on the current and future development of market conditions and our actual business needs.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. During the Reporting Period, the Company has complied with all the applicable code provisions of the CG Code, save and except for the following deviation from code provision C.2.1 of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Accordingly, the appointment of Dr. Zhi Hong as the chairman of the Board and the chief executive officer of the Company deviates from the relevant code provision. Dr. Zhi Hong, as the founder of the Group, has extensive experience in the biopharmaceutical industry and has served in the Company since its establishment. Dr. Zhi Hong is in charge of overall management, business, strategic development and scientific research and development of the Group. The Board considers that vesting the roles of the chairman of the Board and the chief executive officer of the Company in the same person, Dr. Zhi Hong, is beneficial to the management of the Group. The Board also believes that the combined role of the chairman of the Board and the chief executive officer of the Company can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board.

The balance of power and authority is ensured by the operation of the Board, which comprises experienced and diverse individuals. The Board currently comprises two executive Directors and five independent non-executive Directors, and therefore has a strong independent element in its composition. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding securities transactions of the Directors (the “Company’s Code”) on terms no less exacting than the required standard set out in the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code and the Company’s Code during the Reporting Period. No incident of non-compliance with the Model Code or the Company’s Code by the relevant employees who are likely to be in possession of unpublished inside information of the Company was noted by the Company.

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended June 30, 2025.

AUDIT AND RISK COMMITTEE

The Board has established the Audit and Risk Committee which currently comprises three independent non-executive Directors, namely Ms. Grace Hui Tang, Dr. Taiyin Yang and Mr. Yiu Wa Alec Tsui. Each of Ms. Grace Hui Tang and Dr. Taiyin Yang serves as the co-chairlady of the Audit and Risk Committee, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules. The primary duties of the Audit and Risk Committee are to review and supervise the Company’s financial reporting process, risk management and internal controls.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Audit and Risk Committee, together with the management and external auditor of the Company, has reviewed the accounting principles and policies adopted by the Company and discussed the risk management, internal control system and financial reporting matters of the Group (including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025), and is of the view that the interim results of the Group for the six months ended June 30, 2025 is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

CHANGES TO DIRECTORS' INFORMATION

During the Reporting Period and up to the date of this report, the changes in Directors' information, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

Name of Director	Details of Change
Mr. Gregg Huber Alton	Mr. Gregg Huber Alton has ceased to be a director, a member of the audit committee and the chairman of the nominating and corporate governance committee of Renovaro, Inc. (formerly known as Enochian Biosciences Inc.), a pharmaceuticals company listed on NASDAQ Stock Exchange in the United States (stock code: ENOB) with effect from October 13, 2024.
Ms. Grace Hui Tang	Ms. Grace Hui Tang has been appointed as a member of the Nomination Committee with effect from June 3, 2025.
Dr. Taiyin Yang	The Company has renewed the letter of appointment with Dr. Taiyin Yang as independent non-executive Director for a term of three years commencing from September 1, 2025. Pursuant to the letter of appointment, the director's fee of Dr. Taiyin Yang is US\$100,000 per annum in cash.
Dr. Ankang Li	The Company has renewed the letter of appointment with Dr. Ankang Li as executive Director for a term of three years commencing from September 30, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 12,723,500 Shares on the Stock Exchange at an aggregate consideration of HK\$18,223,160. All the Shares repurchased by the Company during the Reporting Period were held as treasury shares (as defined in the Listing Rules) as at the date of this report. The purpose of share repurchases by the Board is to reflect the Company's confidence in its own business outlook and prospects and such share repurchases are in the best interest of the Company and the Shareholders.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Particulars of the Shares repurchased during the Reporting Period are as follows:

Month	Number of Shares repurchased	Highest price paid per Share (HK\$)	Lowest price paid per Share (HK\$)	Aggregate consideration paid (HK\$)
January 2025	4,433,000	1.16	0.99	4,875,870
April 2025	8,290,500	1.75	1.5	13,347,290
Total	12,723,500			18,223,160

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, including sales of treasury shares (as defined in the Listing Rules) during the Reporting Period. As at June 30, 2025, the Company held 12,723,500 treasury shares (as defined in the Listing Rules).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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

Name of Director/Chief executive	Capacity/Nature of Interest	Number of Shares/ underlying Shares	Approximate Percentage of Shareholding in the Company ⁽¹⁾	Long position/ Short position/ Lending pool
Zhi Hong ⁽²⁾	Trustee	17,212,750	2.35%	Long position
	Founder of discretionary trust	16,000,000	2.19%	Long position
	Beneficial owner	8,398,315	1.15%	Long position
Ankang Li ⁽³⁾	Beneficial owner	7,436,500	1.02%	Long position
Gregg Huber Alton ⁽⁴⁾	Beneficial owner	87,000	0.01%	Long position
Martin J Murphy Jr ⁽⁵⁾	Beneficial owner	87,000	0.01%	Long position
Grace Hui Tang ⁽⁶⁾	Beneficial owner	87,000	0.01%	Long position
Yiu Wa Alec Tsui ⁽⁷⁾	Beneficial owner	87,000	0.01%	Long position
Taiyin Yang ⁽⁸⁾	Beneficial owner	327,000	0.04%	Long position

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The calculation is based on the total number of 732,058,491 Shares in issue (including treasury shares (as defined in the Listing Rules)) as of June 30, 2025.
2. Dr. Zhi Hong is interested or deemed to be interested in an aggregate of 41,611,065 Shares, including (i) 282,190 Shares directly held by him; (ii) his entitlements to receive up to 6,928,000 Shares pursuant to the exercise of options granted to him under the 2023 Share Option Scheme, subject to the vesting conditions; (iii) 1,188,125 Shares underlying the RSUs granted to him under the Post-IPO Share Award Scheme and the 2023 Share Award Scheme, subject to the vesting conditions; (iv) 17,212,750 Shares held by an administrative family trust under the JINGFAN HUANG 2020 Revocable Trust, aka JINGFAN HUANG FAMILY TRUST UA DTD 9/24/2020, and the Zhi Hong 2020 Revocable Trust, of which he is the trustee; and (v) 16,000,000 Shares held by the Hong Family 2020 Irrevocable Trust, of which he is the grantor.
3. Dr. Ankang Li is interested in an aggregate of 7,436,500 Shares, including (i) 1,442,957 Shares directly held by him; (ii) his entitlements to receive up to 3,066,668 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Incentive Plan, subject to the vesting conditions; (iii) his entitlements to receive up to 1,996,500 Shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme and the 2023 Share Option Scheme, subject to the vesting conditions; and (iv) 930,375 Shares underlying the RSUs granted to him under the Post-IPO Share Award Scheme and the 2023 Share Award Scheme, subject to the vesting conditions.
4. Mr. Gregg Huber Alton directly held 87,000 Shares.
5. Dr. Martin J Murphy Jr directly held 87,000 Shares.
6. Ms. Grace Hui Tang directly held 87,000 Shares.
7. Mr. Yiu Wa Alec Tsui directly held 87,000 Shares.
8. Dr. Taiyin Yang is interested in an aggregate of 327,000 Shares, including (i) 218,000 Shares directly held by her; and (ii) 109,000 Shares underlying the RSUs granted to her under the Post-IPO Share Award Scheme, subject to the vesting conditions.

Save as disclosed above, as at June 30, 2025, to the best knowledge of the Directors, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company ⁽¹⁾	Long position/ Short position/ Lending pool
ARCH Venture Fund IX, L.P. ⁽²⁾	Beneficial interest	45,205,210	6.18%	Long position
ARCH Venture Fund IX Overage, L.P. ⁽²⁾	Beneficial interest	45,205,208	6.18%	Long position
ARCH Venture Partners IX, L.P. ⁽²⁾	Interest of controlled corporation	45,205,210	6.18%	Long position
ARCH Venture Partners IX Overage, L.P. ⁽²⁾	Interest of controlled corporation	45,205,208	6.18%	Long position
ARCH Venture Partners IX, LLC ⁽²⁾	Interest of controlled corporation	90,410,418	12.35%	Long position
Robert Taylor Nelsen ⁽²⁾	Interest of controlled corporation	90,410,418	12.35%	Long position
Clinton Bybee ⁽²⁾	Interest of controlled corporation	90,410,418	12.35%	Long position
Keith Crandell ⁽²⁾	Interest of controlled corporation	90,410,418	12.35%	Long position
Booming Passion Limited ⁽³⁾	Beneficial interest	72,019,612	9.84%	Long position
Boyu Capital Fund III, L.P. ⁽³⁾	Interest of controlled corporation	72,019,612	9.84%	Long position
Boyu Capital General Partner III, L.P. ⁽³⁾	Interest of controlled corporation	72,019,612	9.84%	Long position
Boyu Capital General Partner III, Ltd ⁽³⁾	Interest of controlled corporation	72,019,612	9.84%	Long position
Boyu Capital Group Holdings Ltd. ⁽³⁾	Interest of controlled corporation	72,019,612	9.84%	Long position
Boyu Group, LLC ⁽³⁾	Interest of controlled corporation	72,019,612	9.84%	Long position
XXXY Holdings Ltd. ⁽³⁾	Interest of controlled corporation	72,019,612	9.84%	Long position
Xiaomeng Tong ⁽³⁾	Interest of controlled corporation	72,019,612	9.84%	Long position

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The calculation is based on the total number of 732,058,491 Shares in issue (including treasury shares (as defined in the Listing Rules)) as of June 30, 2025.
2. ARCH Venture Fund IX, L.P. directly held 45,205,210 Shares. The general partner of ARCH Venture Fund IX, L.P. is ARCH Venture Partners IX, L.P., the general partner of which is ARCH Venture Partners IX, LLC. ARCH Venture Partners IX, LLC is owned by several individuals, but its voting power is controlled as to one-third by each of Mr. Robert Taylor Nelsen, Mr. Clinton Bybee and Mr. Keith Crandell. In addition, ARCH Venture Fund IX Overage, L.P. directly held 45,205,208 Shares. The general partner of ARCH Venture Fund IX Overage, L.P. is ARCH Venture Partners IX Overage, L.P., the general partner of which is ARCH Venture Partners IX, LLC.

For the purpose of the SFO, each of ARCH Venture Partners IX, LLC, Mr. Robert Taylor Nelsen, Mr. Clinton Bybee and Mr. Keith Crandell is deemed to be interested in the Shares held by ARCH Venture Fund IX, L.P. and ARCH Venture Fund IX Overage, L.P. in aggregate.

3. Booming Passion Limited directly held 72,019,612 Shares. Booming Passion Limited is wholly owned by Boyu Capital Fund III, L.P., the general partner of which is Boyu Capital General Partner III, L.P. The general partner of Boyu Capital General Partner III, L.P. is Boyu Capital General Partner III, Ltd, which is wholly owned by Boyu Capital Group Holdings Ltd. Boyu Capital Group Holdings Ltd. is wholly owned by Boyu Group, LLC, which is controlled by XYXY Holdings Ltd. Mr. Xiaomeng Tong holds 100% of the outstanding shares of XYXY Holdings Ltd.

For the purpose of the SFO, each of Boyu Capital Fund III, L.P., Boyu Capital General Partner III, L.P., Boyu Capital General Partner III, Ltd, Boyu Capital Group Holdings Ltd., Boyu Group, LLC, XYXY Holdings Ltd. and Mr. Xiaomeng Tong is deemed to be interested in the Shares held by Booming Passion Limited.

Save as disclosed above, as at June 30, 2025, the Directors are not aware of any other persons (other than the Directors or chief executive of the Company) who had any interests or short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE SCHEMES

Pre-IPO Share Incentive Plan

The Pre-IPO Share Incentive Plan was approved and adopted by the Shareholders on October 30, 2018 and subsequently amended on August 27, 2020 and February 26, 2021. The Pre-IPO Share Incentive Plan shall be valid and effective for a period of 10 years from the date of adoption of the plan on October 30, 2018. For details of the principal terms of the Pre-IPO Share Incentive Plan, please refer to Appendix IV to the Prospectus.

Purpose

The purpose of the Pre-IPO Share Incentive Plan is to promote the success of the Company and the interests of its Shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of award recipients with those of the Company's shareholders generally. Further details of the Pre-IPO Share Incentive Plan are set out in the Prospectus and note 17 to the consolidated financial statements.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Eligible Participants

Those eligible to participate in the Pre-IPO Share Incentive Plan include officers, directors, employees, advisers or consultants of the Company or any of its affiliates as determined, authorized and approved by the Board or one or more committees appointed by the Board (the “Administrator”).

Maximum Number of Shares Available for Issue

The overall limit on the number of underlying Shares which may be delivered pursuant to awards granted under the Pre-IPO Share Incentive Plan is 35,816,502 Shares, representing approximately 4.98% of the total issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company as at June 30, 2025. The total number of Shares available for issue under the Pre-IPO Share Incentive Plan was 6,583,468 Shares, representing approximately 0.92% of the issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the date of this report.

Under the Pre-IPO Share Incentive Plan, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant, except that no option may be granted to any person who, at the time the option is granted, owns outstanding shares of the Company (or any of its affiliates) possessing more than 10% of the total combined voting power of all classes of shares of the Company (or any of its affiliates).

Consideration

Nil consideration is required to be paid by the grantees for the grant of awards under the Pre-IPO Share Incentive Plan. There is no specific exercise period of the options granted under the Pre-IPO Share Incentive Plan, which shall be exercisable when they become vested, but each option shall expire not more than 10 years after the date of grant. The Pre-IPO Share Incentive Plan does not require a minimum period for which an award must be held or a performance target which must be achieved before an award can be vested. The Administrator will determine the vesting and/or exercisability provisions of each award (which may be based on performance criteria, passage of time or other factors or any combination thereof), which will be set forth in the applicable award agreement.

Unless the Administrator otherwise expressly provides, once exercisable, an award will remain exercisable until the expiration or earlier termination of the award.

Determination of Exercise Price

The exercise price of an option may be a fixed price based on the par value of an ordinary share of the Company or variable price related to the fair market value of an ordinary share of the Company. The exercise price of all the options and share awards granted under the Pre-IPO Share Incentive Plan is between US\$0.035 and US\$1.33.

Life of the Pre-IPO Share Incentive Plan

The Pre-IPO Share Incentive Plan commenced on October 30, 2018 (the “Effective Date”) and will terminate at the close of business on the day before the 10th anniversary of the Effective Date. After the termination of the Pre-IPO Share Incentive Plan either upon such stated expiration date or its earlier termination by the Board, no additional awards may be granted under the Pre-IPO Share Incentive Plan, but previously granted awards (and the authority of the Administrator with respect thereto, including the authority to amend such awards) shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of the Pre-IPO Share Incentive Plan. The remaining life of the Pre-IPO Share Incentive Plan is approximately 3.2 years.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Outstanding Share Options

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Incentive Plan as of June 30, 2025. No options were granted since the Listing Date and up to June 30, 2025. For further details on the movement of the options during the Reporting Period, please see note 17 to the consolidated financial statements.

In connection with the listing of the Shares on the Stock Exchange on the Listing Date, the Board has approved that upon listing, the Company will not grant any additional share options or share awards under the Pre-IPO Share Incentive Plan, so the total number of share options or share awards available for grant under the scheme mandate of the Pre-IPO Share Incentive Plan as at January 1, 2025 and June 30, 2025 is nil and nil, respectively.

As at June 30, 2025, pursuant to the Pre-IPO Share Incentive Plan, the Company had granted to directors, employees and consultants of the Group outstanding options to subscribe for 6,623,468 Shares, representing approximately 0.92% of the total issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company as at June 30, 2025. There are no participants with options granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules, no service providers (as defined in Chapter 17 of the Listing Rules) with options granted in any 12-month period exceeding 0.1% of the Shares in issue (excluding treasury shares (as defined in the Listing Rules)) for the time being, and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules).

Details of the movements of the options granted under the Pre-IPO Share Incentive Plan during the Reporting Period are as follows:

Name or category of grantee	Exercise price	Date of grant	Vesting commencement date	Number of options					Outstanding as at June 30, 2025	Notes
				Outstanding as at January 1, 2025	Granted during the	Exercised during the	Cancelled during the	Lapsed during the		
					Reporting Period	Reporting Period	Reporting Period	Reporting Period		
1. Director										
Dr. Ankang Li	US\$0.13	September 18, 2020	August 31, 2021	1,866,668	–	–	–	–	1,866,668	1
Executive Director	US\$0.13	September 18, 2020	July 13, 2022	1,200,000	–	–	–	–	1,200,000	2
2. Other employee participants										
Other employees (in aggregate)	From US\$0.035 to US\$1.33	From October 30, 2018 to June 4, 2021	From July 1, 2018 to June 7, 2022	3,402,185	–	(320,000)	–	(101,000)	2,981,185	1,2,3,4,5,6
3. Service providers										
Service providers (in aggregate)	From US\$0.035 to US\$1.33	From October 30, 2018 to May 14, 2021	From July 1, 2018 to May 14, 2022	575,615	–	–	–	–	575,615	3, 4
Total									6,623,468	

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes :

1. In accordance with a vesting schedule, 25% of the options granted on the relevant date of grant will be vested on the vesting commencement date, and the remaining 75% of the options granted on the relevant date of grant will be vested in 36 substantially equal monthly installments with the first installment vesting on the last day of the month following the month in which the vesting commencement date occurs. The options shall be exercisable upon vesting and the exercise period commences on the date when they are vested and ends on the expiry of 10 years from the date of grant.
2. In accordance with a vesting schedule and subject to the satisfaction of certain IPO vesting conditions as specified in the relevant award agreement, 25% of the options granted on the relevant date of grant will be vested on the first anniversary of the completion of the IPO, and 75% of the options granted on the relevant date of grant will be vested in a series of 36 successive equal monthly installments for each monthly period of the relevant grantee's continuous full-time employment with the Company thereafter. The options shall be exercisable upon vesting and the exercise period commences on the date when they are vested and ends on the expiry of 10 years from the date of grant.
3. In accordance with a vesting schedule, the options granted on the relevant date of grant will be vested in 24 substantially equal monthly installments with the first installment vesting on the vesting commencement date occurs. The options shall be exercisable upon vesting and the exercise period commences on the date when they are vested and ends on the expiry of 10 years from the date of grant.
4. In accordance with a vesting schedule, 100% of the options granted on the relevant date of grant will be vested on the vesting commencement date. The options shall be exercisable upon vesting and the exercise period commences on the date when they are vested and ends on the expiry of 10 years from the date of grant.
5. The weighted average closing price of the Shares immediately before the dates on which the options were exercised during the Reporting Period was HK\$2.33.
6. During the Reporting Period, the exercise price of the exercised options is between US\$1.06 and US\$1.33.
7. Closing price of the Shares is not applicable as the Shares of the Company were not listed at the date of grant.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was approved by the Shareholders on June 22, 2021. The Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Listing Date, subject to early termination in accordance with the terms of the Post-IPO Share Option Scheme. For details of the principal terms of the Post-IPO Share Option Scheme, please refer to Appendix IV to the Prospectus. In view of the amendments to the Listing Rules relating to share schemes which took effect on January 1, 2023 (the “Share Scheme Amendments”), the termination of the Post-IPO Share Option Scheme and the adoption of the 2023 Share Option Scheme as proposed by the Company were approved by the Shareholders on September 1, 2023. Following the termination of the Post-IPO Share Option Scheme, no further options will be offered or granted under the Post-IPO Share Option Scheme, but the provisions of the Post-IPO Share Option Scheme shall remain in full force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme.

Purpose

The purpose of the Post-IPO Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Further details of the Post-IPO Share Option Scheme are set out in the Prospectus and note 17 to the consolidated financial statements.

Eligible Participants

Any directors (including executive directors, non-executive directors and independent non-executive directors), employees, advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners or service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

Maximum Number of Shares Available for Issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of the Group shall not in aggregate exceed 10% of the Shares in issue on the Listing Date, such 10% limit represents 70,620,092 Shares, representing approximately 9.83% of the total issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company as at June 30, 2025. The total number of Shares available for issue under the Post-IPO Share Option Scheme (including the options granted but not yet exercised) was 12,766,875 Shares, representing approximately 1.77% of the issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Maximum Entitlement of Each Participant

Unless approved by Shareholders in a general meeting, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme and any other share option scheme of the Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the Shares in issue (excluding treasury shares (as defined in the Listing Rules)) for the time being.

Exercise of Option

An option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Post-IPO Share Option Scheme. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Post-IPO Share Option Scheme for the holding of an option before it can be exercised, and a grantee is not required to achieve any performance targets before any options granted under the Post-IPO Share Option Scheme can be exercised.

Exercise Price

Pursuant to the Post-IPO Share Option Scheme, the participants may subscribe for the Shares on the exercise of an option granted under the Post-IPO Share Option Scheme at a price determined by the Board provided that it shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

Consideration

A nominal consideration of HK\$1.00 must be paid upon acceptance of the grant of an option, and such payment must be made within 5 business days from the date the share option grant offer is made to the grantee.

As at June 30, 2025, pursuant to the Post-IPO Share Option Scheme, the Company had granted to directors and employees of the Group outstanding options to subscribe for 14,022,500 Shares, representing approximately 1.95% of the total issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company as at June 30, 2025. There are no participants with options granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules) or service provider (as defined in Chapter 17 of the Listing Rules). Following the termination of the Post-IPO Share Option Scheme, no further options will be offered or granted under the Post-IPO Share Option Scheme. The total number of options available for grant under the scheme mandate of the Post-IPO Share Option Scheme as at January 1, 2025 and June 30, 2025 is nil and nil, respectively.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the movements of the options granted under the Post-IPO Share Option Scheme during the Reporting Period are as follows:

			Number of options							
								</		

Notes:

- The options granted shall be exercisable upon vesting in accordance with the relevant vesting schedule and the exercise period of the options granted commences on the date on which they are vested in accordance with the relevant vesting schedule and ends on the expiry of 10 years from the relevant date of grant.
- For the options granted on the date of grant, the options shall be vested over three years from the employment commencement date of each grantee or the date of grant subject to the fulfilment of certain performance targets relating to the Company determined by the Board which are specified in the relevant grant letter of the grantees.
- For the options granted on the date of grant, the options shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the Vesting Start Date of each grantee; 25% shall vest on the second anniversary of the Vesting Start Date of each grantee; 25% shall vest on the third anniversary of the Vesting Start Date of each grantee; and 25% shall vest on the fourth anniversary of the Vesting Start Date of each grantee, where the "Vesting Start Date" refers to the employment commencement date of each grantee, or the promotion date of each grantee, or the date of grant.

CORPORATE GOVERNANCE AND OTHER INFORMATION

4. For the options granted on the date of grant, the options shall be vested in four tranches as follows: 5% shall vest on the first anniversary of the date of grant; 10% shall vest on the second anniversary of the date of grant; 40% shall vest on the third anniversary of the date of grant; and 45% shall vest on the fourth anniversary of the date of grant.
5. For the options granted on the date of grant, the options shall be vested over three years from the employment commencement date of each grantee upon the achievements by the Group of certain program milestones and/or market capitalization milestones determined by the Board which are specified in the relevant grant letter of the grantees.

Post-IPO Share Award Scheme

The Post-IPO Share Award Scheme was approved by the Shareholders on June 22, 2021. The Post-IPO Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Listing Date, subject to early termination in accordance with the terms of the Post-IPO Share Award Scheme. For details of the principal terms of the Post-IPO Share Award Scheme, please refer to Appendix IV to the Prospectus. In view of the Share Scheme Amendments, the termination of the Post-IPO Share Award Scheme and the adoption of the 2023 Share Award Scheme as proposed by the Company were approved by the Shareholders on September 1, 2023. Following the termination of the Post-IPO Share Award Scheme, no further share awards will be offered or granted under the Post-IPO Share Award Scheme, but the provisions of the Post-IPO Share Award Scheme shall remain in full force to the extent necessary to give effect to the settlement of any share awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Share Award Scheme.

Purpose

The purpose of the Post-IPO Share Award Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. Further details of the Post-IPO Share Award Scheme are set out in the Prospectus and note 17 to the consolidated financial statements.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Eligible Participants

Any directors (including executive directors, non-executive directors and independent non-executive directors), employees, advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners or service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

Share Awards

A share award may be granted in the form of Restricted Shares or RSUs under the Post-IPO Share Award Scheme. Restricted Shares are Shares awarded to the participant under the Post-IPO Share Award Scheme. RSU is a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one Share, such unit to be used solely for the determination of the payment to eventually be made to the participant upon vesting of the applicable award.

Maximum Number of Shares Available for Issue

Shares which may be issued pursuant to all share awards to be granted under the Post-IPO Share Award Scheme must not in aggregate exceed 5% of the Shares in issue on the Listing Date, such 5% limit represents 35,310,046 Shares, representing approximately 4.91% of the total issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company as at June 30, 2025. The total number of Shares available for issue under the Post-IPO Share Award Scheme (including the share awards granted but unvested) was 3,050,150 Shares, representing approximately 0.42% of the issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the date of this report.

Maximum Entitlement of each Participant

There is no restriction on the maximum entitlement of each participant under the Post-IPO Share Award Scheme. Under the Post-IPO Share Award Scheme, there is no specific limit on the maximum number of share award which may be granted to a single eligible participant, but the maximum share award entitlement of each participant of the Post-IPO Share Award Scheme shall not exceed the limits as required under the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Grant of Share Award

On and subject to the terms of the Post-IPO Share Award Scheme, the Board shall be entitled (but shall not be bound) at any time within the life of the Post-IPO Share Award Scheme to make an offer of a share award to participant, as the Board may in its absolute discretion select. The Post-IPO Share Award Scheme does not require a minimum period for which a share award must be held or a performance target which must be achieved before a share award can be vested. Share awards may be granted on such terms and conditions as the Board shall determine. Such terms may include any minimum period(s) for which the grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved, before the share award shall vest in whole or in part, and may include at the discretion of the Board such other terms either on a case by case basis or generally.

Acceptance of Share Award

An offer of the grant of a share award shall be deemed to have been accepted and the share award to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein. No such offer shall be open for acceptance after the expiry of the period of 10 years commencing on the Listing Date or after the Post-IPO Share Award Scheme has been terminated in accordance with the provisions thereof, whichever is the earlier. In addition, acceptance of an award of Restricted Shares under the Post-IPO Share Award Scheme shall be subject to payment of such consideration to the Company as the Board may determine or as required by applicable law. There is no requirement on the purchase price payable in respect of the share award granted under the Post-IPO Share Award Scheme.

As at June 30, 2025, pursuant to the Post-IPO Share Award Scheme, the Company had granted to directors and employees of the Group outstanding RSUs representing 3,517,650 Shares, accounting for approximately 0.49% of the total issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company as at June 30, 2025. There are no participants with share awards granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules) or service provider (as defined in Chapter 17 of the Listing Rules). Following the termination of the Post-IPO Share Award Scheme, no further share awards will be offered or granted under the Post-IPO Share Award Scheme. The total number of awards available for grant under the scheme mandate of the Post-IPO Share Award Scheme as at January 1, 2025 and June 30, 2025 is nil and nil, respectively.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the movements of the RSUs granted under the Post-IPO Share Award Scheme during the Reporting Period are as follows:

		Number of RSUs						Closing price of the Shares immediately before the	
Name or category of grantee	Date of grant	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025	date of grant	Notes
1. Directors									
Dr. Zhi Hong	January 20, 2022	45,500	–	–	–	–	45,500	HK\$22.65	2,5
Chairman, chief executive officer and executive Director	September 21, 2022	170,000	–	–	–	–	170,000	HK\$5.91	3,9
	August 23, 2023	272,625	–	–	–	–	272,625	HK\$2.77	3,9
Dr. Ankang Li	January 20, 2022	20,250	–	–	–	–	20,250	HK\$22.65	2,5
Executive Director	September 21, 2022	570,750	–	–	–	–	570,750	HK\$5.91	3
	August 23, 2023	108,375	–	–	–	–	108,375	HK\$2.77	3,9
Dr. Taiyin Yang	September 21, 2022	109,000	–	–	–	–	109,000	HK\$5.91	8,9
Independent non-executive Director									
2. Other employee participants									
Other employees (in aggregate)	January 20, 2022	131,475	–	–	–	–	131,475	HK\$22.65	2,3,4,5
	March 29, 2022	394,900	–	(154,229) ⁽¹¹⁾	(37,496)	(12,500)	190,675	HK\$9.15	3,6,7,10
	June 24, 2022	232,000	–	(54,529) ⁽¹²⁾	(11,471)	(100,000)	66,000	HK\$8.57	3,10
	September 21, 2022	1,264,750	–	–	–	(391,500)	873,250	HK\$5.91	3,7
	December 15, 2022	124,250	–	–	–	(39,000)	85,250	HK\$8.33	3
	April 12, 2023	233,250	–	(57,313) ⁽¹³⁾	(12,562)	(34,625)	128,750	HK\$4.48	3,10
	June 30, 2023	216,375	–	(57,152) ⁽¹⁴⁾	(14,973)	(12,750)	131,500	HK\$3.13	3,10
	August 23, 2023	718,875	–	–	–	(104,625)	614,250	HK\$2.77	3
Total							3,517,650		

Notes:

- All the RSUs were granted to the grantees at nil consideration. Once the RSUs are vested in accordance with the relevant vesting schedule, the underlying Shares will be transferred to the grantees at nil consideration.
- For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 25% shall vest on September 17, 2022; 25% shall vest on September 17, 2023; 25% shall vest on September 17, 2024; and 25% shall vest on September 17, 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

3. For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the Vesting Start Date of each grantee; 25% shall vest on the second anniversary of the Vesting Start Date of each grantee; 25% shall vest on the third anniversary of the Vesting Start Date of each grantee; and 25% shall vest on the fourth anniversary of the Vesting Start Date of each grantee, where the “Vesting Start Date” refers to the employment commencement date of each grantee, or the promotion date of each grantee, or the date of grant.
4. For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 5% shall vest on the first anniversary of September 17, 2021; 10% shall vest on the second anniversary of September 17, 2021; 40% shall vest on the third anniversary of September 17, 2021; and 45% shall vest on the fourth anniversary of September 17, 2021.
5. For the RSUs granted on the date of grant, the RSUs shall be vested upon the achievements by the Group of certain milestones determined by the Board which are specified in the relevant award agreement of the grantees.
6. For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 5% shall vest on the first anniversary of the date of grant; 10% shall vest on the second anniversary of the date of grant; 40% shall vest on the third anniversary of the date of grant; and 45% shall vest on the fourth anniversary of the date of grant.
7. For the RSUs granted on the date of grant, the RSUs shall be vested over three years from the employment commencement date of each grantee upon the achievements by the Group of certain program milestones and/or market capitalization milestones determined by the Board which are specified in the relevant award agreement of the grantees.
8. For the RSUs granted on the date of grant, the RSUs shall be vested in three tranches as follows: one-third of the grant shall vest on September 1, 2023, one-third of the grant shall vest on September 1, 2024 and the remaining one-third of the grant shall vest on September 1, 2025.
9. The RSUs granted would be satisfied by way of purchase of existing Shares on the secondary market using the Company’s internal resources.
10. During the Reporting Period, the purchase price of the vested RSUs or the cancelled RSUs is nil.
11. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.47.
12. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.88.
13. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.49.
14. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.80.
15. Any unvested Shares held by the trustee of the Post-IPO Share Award Scheme appointed by the Company, Kastle Limited, will abstain from voting on matters that require Shareholders’ approval under the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

2023 Share Option Scheme

The adoption of the 2023 Share Option Scheme was approved by the Shareholders on September 1, 2023. The 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption of the scheme on September 1, 2023. The remaining life of the 2023 Share Option Scheme is approximately 8.0 years. For details of the principal terms of the 2023 Share Option Scheme, please refer to the circular of the Company dated August 4, 2023.

Purpose

The purpose of the 2023 Share Option Scheme is to attract and retain eligible participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward eligible participants for their past contribution to the Group, to provide eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage eligible participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

Eligible Participants

Any director (including executive directors, non-executive directors and independent non-executive directors) and employee of the Company or any of its subsidiaries, and any person who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

Scheme Mandate Limit and Service Provider Sublimit

To the extent permissible under the Listing Rules, the Company may use treasury shares (as defined in the Listing Rules) to satisfy the options granted under the 2023 Share Option Scheme. Any reference to new Shares in the 2023 Share Option Scheme shall also include treasury shares (as defined in the Listing Rules), and references to issuance of Shares shall include the transfer of treasury shares (as defined in the Listing Rules).

The scheme mandate limit is the total number of Shares which may be issued or transferred in respect of all options and awards involving issue of new Shares that may be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the adoption date of the above schemes (i.e. 72,813,078 Shares). The service provider sublimit, being a sublimit under the scheme mandate limit, is the total number of Shares which may be issued or transferred in respect of all options and awards involving issue of new Shares that may be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company to the service providers, and shall not in aggregate exceed 1% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the adoption date of the above schemes (i.e. 7,281,307 Shares). The total number of Shares available for issue under the 2023 Share Option Scheme (including the options granted but not yet exercised and the options available for future grants) was 70,568,703 Shares, representing approximately 9.81% of the issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Maximum Entitlement of Each Participant

Unless approved by the Shareholders, the total number of Shares issued and to be issued (and/or transferred and to be transferred) in respect of all options and awards granted under the 2023 Share Option Scheme and any other share scheme(s) of the Company to each participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares (as defined in the Listing Rules)).

Exercise of Option

Pursuant to the 2023 Share Option Scheme, the Board shall be entitled at any time within the life of the 2023 Share Option Scheme to make an offer of the grant of an option to any eligible participant, as the Board may in its absolute discretion select, to take up an option pursuant to which such participant may subscribe for such number of Shares as the Board may determine at the exercise price and on and subject to such terms and conditions as the Board may determine and impose and inform the grantee accordingly.

The offer shall specify the terms and conditions on which the option is to be granted. Such terms and conditions may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised or vested in whole or in part, may include any clawback mechanism in respect of the option, and may include at the discretion of the Board such other terms either on a case by case basis or generally.

The period within which an option may be exercised is to be determined and notified by the Board to each grantee at the time of making an offer of the grant of an option, which shall not expire later than ten years from the date of grant. Save for the circumstance as described in the 2023 Share Option Scheme, the vesting period in respect of any option granted shall be no less than 12 months from (and including) the date of grant. Subject to the said limitation in relation to vesting period, the 2023 Share Option Scheme does not provide for any minimum period for which an option must be held before it can be exercised or vested.

Consideration

A nominal consideration of HK\$1.00 must be paid upon acceptance of the grant of an option, and such payment must be made within five business days from the date the offer of the grant of an option is made to the grantee.

Exercise Price

Pursuant to the 2023 Share Option Scheme, the exercise price in respect of any option shall be such price determined by the Board in its absolute discretion and notified to the participant in the offer of the grant of an option and shall be no less than the higher of: (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

Upon exercise of the option and payment of the exercise price by the relevant grantee, the Board shall allot and issue new Shares (or transfer treasury shares (as defined in the Listing Rules)) to the grantee.

CORPORATE GOVERNANCE AND OTHER INFORMATION

As at June 30, 2025, pursuant to the 2023 Share Option Scheme, the Company had granted to directors and employees of the Group outstanding options to subscribe for 18,197,500 Shares, representing approximately 2.53% of the total issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company as at June 30, 2025. There are no participants with options granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules) or service provider (as defined in Chapter 17 of the Listing Rules). The total number of options available for grant under the scheme mandate of the 2023 Share Option Scheme as at January 1, 2025 and June 30, 2025 is 51,259,078 and 52,395,078, respectively, and the total number of options available for grant under the service provider sublimit of the 2023 Share Option Scheme as at January 1, 2025 and June 30, 2025 is 7,281,307 and 7,281,307, respectively.

Details of the movements of the options granted under the 2023 Share Option Scheme during the Reporting Period are as follows:

Name or category of grantee	Date of grant	Exercise price	Number of options					Outstanding as at June 30, 2025	Closing price of the Shares immediately before the date of grant	Notes
			Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period			
1. Directors										
Dr. Zhi Hong <i>Chairman, chief executive officer and executive Director</i>	October 25, 2024	HK\$1.062	6,928,000	-	-	-	-	6,928,000	HK\$1.06	2
Dr. Ankang Li <i>Executive Director</i>	October 25, 2024	HK\$1.062	386,500	-	-	-	-	386,500	HK\$1.06	2
2. Other employee participants										
Other employees (in aggregate)	March 28, 2024	HK\$0.964	5,104,500	-	-	-	(392,000)	4,712,500	HK\$0.93	2
	October 25, 2024	HK\$1.062	6,758,500	-	-	-	(588,000)	6,170,500	HK\$1.06	2
Total								18,197,500		

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The options granted shall be exercisable upon vesting in accordance with the relevant vesting schedule and the exercise period of the options granted commences on the date on which they are vested in accordance with the relevant vesting schedule and ends on the expiry of 10 years from the relevant date of grant.
2. For the options granted on the date of grant, the options shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the Vesting Start Date of each grantee; 25% shall vest on the second anniversary of the Vesting Start Date of each grantee; 25% shall vest on the third anniversary of the Vesting Start Date of each grantee; and 25% shall vest on the fourth anniversary of the Vesting Start Date of each grantee, where the “Vesting Start Date” refers to the employment commencement date of each grantee, or the promotion date of each grantee, or the date of grant.
3. None of the above options granted under the 2023 Share Option Scheme was subject to any performance target.

2023 Share Award Scheme

The adoption of the 2023 Share Award Scheme was approved by the Shareholders on September 1, 2023. The 2023 Share Award Scheme shall be valid and effective for a period of 10 years commencing on the adoption of the scheme on September 1, 2023. The remaining life of the 2023 Share Award Scheme is approximately 8.0 years. For details of the principal terms of the 2023 Share Award Scheme, please refer to the circular of the Company dated August 4, 2023.

Purpose

The purpose of the 2023 Share Award Scheme is to attract and retain eligible participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward eligible participants for their past contribution to the Group, to provide eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage eligible participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

Eligible Participants

Any director (including executive directors, non-executive directors and independent non-executive directors) and employee of the Company or any of its subsidiaries, and any person who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long term growth of the Group, who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Scheme Mandate Limit and Service Provider Sublimit

To the extent permissible under the Listing Rules, the Company may use treasury shares (as defined in the Listing Rules) to satisfy the share awards granted under the 2023 Share Award Scheme in place of allotting and issuing new Shares to the grantee. Any reference to new Shares in the 2023 Share Award Scheme shall also include treasury shares (as defined in the Listing Rules), and references to issuance of Shares shall include the transfer of treasury shares (as defined in the Listing Rules).

The scheme mandate limit is the total number of Shares which may be issued or transferred in respect of all options and awards involving issue of new Shares that may be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the adoption date of the above schemes (i.e. 72,813,078 Shares). The service provider sublimit, being a sublimit under the scheme mandate limit, is the total number of Shares which may be issued or transferred in respect of all options and awards involving issue of new Shares that may be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company to the service providers, and shall not in aggregate exceed 1% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the adoption date of the above schemes (i.e. 7,281,307 Shares). The total number of Shares available for issue under the 2023 Share Award Scheme (including the share awards granted but unvested and the share awards available for future grants) was 54,544,078 Shares, representing approximately 7.58% of the issued Shares (excluding treasury shares (as defined in the Listing Rules)) as at the date of this report.

Maximum Entitlement of Each Participant

Unless approved by the Shareholders, the total number of Shares issued and to be issued (and/or transferred and to be transferred) in respect of all options and awards granted under the 2023 Share Award Scheme and any other share scheme(s) of the Company to each participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares (as defined in the Listing Rules)).

Share Awards

A share award may be granted in the form of Restricted Shares or RSUs under the 2023 Share Award Scheme. Restricted Shares are Shares awarded to a participant under the 2023 Share Award Scheme. RSU is a restricted share unit conferring the grantee a conditional right upon vesting of the RSU to obtain, as determined by the Board in its absolute discretion, either a Share or an equivalent value in cash.

Pursuant to the 2023 Share Award Scheme, the Board shall be entitled at any time within the life of the 2023 Share Award Scheme to make an offer of the grant of a share award to any eligible participant, as the Board may in its absolute discretion select, and on and subject to such terms and conditions as the Board may determine and impose and inform the grantee accordingly.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The offer shall specify the terms and conditions on which the share award is to be granted. Such terms and conditions may include any minimum period(s) for which a share award must be held, any minimum period(s) for which the grantee must be employed or in service to the Group and/or any minimum performance target(s) that must be achieved, before the share award shall vest in whole or in part, may include any clawback mechanism in respect of the share award, and may include at the discretion of the Board such other terms either on a case by case basis or generally.

Save for the circumstance as described in the 2023 Share Award Scheme, the vesting period in respect of any share award granted shall be no less than 12 months from (and including) the date of grant. Subject to the said limitation in relation to vesting period, the 2023 Share Award Scheme does not provide for any minimum period for which a share award must be held before it can be vested.

Consideration

Subject to otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the consideration (if any) for the acceptance of any particular share award which shall be stated in the offer documentation, the grantee is not required to pay any grant or purchase price or make any other payment to the Company to accept a share award granted.

Purchase Price

Subject to otherwise determined by the Board at its sole discretion or as required by applicable law in respect of the purchase price (if any) of any particular share award which shall be stated in the offer documentation, the grantee is not required to pay any purchase price to the Company to purchase any RSU underlying a share award granted or may only be required to pay a nominal value to purchase any Restricted Shares.

Subject to the terms of the 2023 Share Award Scheme, the Board may decide at its sole and absolute discretion to (i) direct the trustee of the 2023 Share Award Scheme to transfer the number of Restricted Shares or the Shares underlying the RSUs to the grantee which the trustee has acquired by making purchases of existing Shares and to be held pending the vesting of the relevant share award; (ii) procure the Company to allot and issue the number of Restricted Shares or the Shares underlying the RSUs (or transfer treasury shares (as defined in the Listing Rules) in accordance with the 2023 Share Award Scheme) to the grantee (as new Shares under the scheme mandate limit) as fully paid up Shares directly; and/or (iii) pay, or procure the payment of, an amount equivalent to the market value of the Shares underlying the RSUs to the grantee in cash, for the purpose of satisfying the relevant share awards of the grantee upon vesting.

As at June 30, 2025, pursuant to the 2023 Share Award Scheme, the Company had granted to directors and employees of the Group outstanding RSUs representing 2,015,125 Shares, accounting for approximately 0.28% of the total issued share capital (excluding treasury shares (as defined in the Listing Rules)) of the Company as at June 30, 2025. There are no participants with share awards granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules) or service provider (as defined in Chapter 17 of the Listing Rules). The total number of awards available for grant under the scheme mandate of the 2023 Share Award Scheme as at January 1, 2025 and June 30, 2025 is 51,259,078 and 52,395,078, respectively, and the total number of awards available for grant under the service provider sublimit of the 2023 Share Award Scheme as at January 1, 2025 and June 30, 2025 is 7,281,307 and 7,281,307, respectively.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Details of the movements of the RSUs granted under the 2023 Share Award Scheme during the Reporting Period are as follows:

Name or category of grantee	Date of grant	Number of RSUs					Outstanding as at June 30, 2025	Closing price of the Shares immediately before the date of grant	Notes
		Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period			
1. Directors									
Dr. Zhi Hong <i>Chairman, chief executive officer and executive Director</i>	October 25, 2024	700,000	-	-	-	-	700,000	HK\$1.06	2
Dr. Ankang Li <i>Executive Director</i>	October 25, 2024	231,000	-	-	-	-	231,000	HK\$1.06	2
2. Other employee participants									
Other employees (in aggregate)	March 28, 2024	760,750	-	(105,478) ⁽⁴⁾⁽⁵⁾	(39,147) ⁽⁴⁾	-	616,125	HK\$0.93	2
	October 25, 2024	624,000	-	-	-	(156,000)	468,000	HK\$1.06	2
Total							2,015,125		

Notes:

- All the RSUs were granted to the grantees at nil consideration. Once the RSUs are vested in accordance with the relevant vesting schedule, the underlying Shares will be transferred to the grantees at nil consideration.
- For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the Vesting Start Date of each grantee; 25% shall vest on the second anniversary of the Vesting Start Date of each grantee; 25% shall vest on the third anniversary of the Vesting Start Date of each grantee; and 25% shall vest on the fourth anniversary of the Vesting Start Date of each grantee, where the "Vesting Start Date" refers to the employment commencement date of each grantee, or the promotion date of each grantee, or the date of grant.
- None of the above RSUs granted under the 2023 Share Award Scheme was subject to any performance target.
- During the Reporting Period, the purchase price of the vested RSUs or the cancelled RSUs is nil.
- The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.40.
- Any unvested Shares held by the trustee of the 2023 Share Award Scheme appointed by the Company, Kastle Limited, will abstain from voting on matters that require Shareholders' approval under the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Additional Information

The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period (i.e. nil) divided by the weighted average number of the Shares in issue (excluding treasury shares (as defined in the Listing Rules)) for the Reporting Period is zero.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF BRII BIOSCIENCES LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Brii Biosciences Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 45 to 66, which comprise the condensed consolidated statement of financial position as of June 30, 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (“**ISRE 2410**”) issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

August 21, 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended June 30,	
		2025	2024
		RMB'000	RMB'000
	NOTES	(unaudited)	(unaudited)
Other income	4	28,127	70,879
Other gains and losses, net	5	170	(115,374)
Net impairment losses under expected credit loss ("ECL") model	18	–	(32,956)
Research and development expenses		(117,020)	(126,169)
Administrative expenses		(58,225)	(78,629)
Finance costs	6	(1,900)	(989)
Loss before tax	7	(148,848)	(283,238)
Income tax expense	8	–	–
Loss for the period		(148,848)	(283,238)
Other comprehensive (expense) income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		(8,956)	17,710
Fair value gain on equity instrument at fair value through other comprehensive income ("FVTOCI")		–	976
		(8,956)	18,686
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(60)	(719)
Other comprehensive (expense) income for the period		(9,016)	17,967
Total comprehensive expense for the period		(157,864)	(265,271)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended June 30,	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
	NOTES		
Loss for the period attributable to:			
Owners of the Company		(148,067)	(280,535)
Non-controlling interests		(781)	(2,703)
		(148,848)	(283,238)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(157,083)	(262,568)
Non-controlling interests		(781)	(2,703)
		(157,864)	(265,271)
Loss per share			
– Basic and diluted (RMB)	9	(0.20)	(0.38)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2025

	NOTES	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Non-current assets			
Plant and equipment	11	2,932	3,243
Right-of-use assets	11	8,320	11,055
Intangible assets	11	303,525	179,710
Financial assets at fair value through profit or loss ("FVTPL")	12	7,036	9,198
Deposits and other receivables	13	74,300	71,068
Restricted bank balances	14	–	18,229
		396,113	292,503
Current assets			
Deposits, prepayments and other receivables	13	13,906	18,962
Restricted bank balances	14	527	74,845
Time deposits with original maturity over three months	14	567,235	1,316,950
Cash and cash equivalents	14	1,507,500	1,003,365
		2,089,168	2,414,122
Current liabilities			
Other payables	15	27,839	55,582
Lease liabilities		4,523	4,896
Deferred income		16,246	16,943
		48,608	77,421
Net current assets		2,040,560	2,336,701
Total assets less current liabilities		2,436,673	2,629,204

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2025

	NOTES	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Non-current liabilities			
Lease liabilities		2,867	5,153
Note payables	15	–	17,971
		2,867	23,124
Net assets		2,433,806	2,606,080
Capital and reserves			
Share capital	16	24	24
Share premium and reserves		2,485,440	2,656,933
Equity attributable to owners of the Company		2,485,464	2,656,957
Non-controlling interests		(51,658)	(50,877)
Total equity		2,433,806	2,606,080

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Attributable to owners of the Company											Total equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000	Shares held in trust RMB'000	Share premium RMB'000	Investments revaluation reserve RMB'000	Translation reserve RMB'000	Other reserve RMB'000 (Note b)	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	
At January 1, 2024 (audited)	24	-	(67)	9,376,845	(37,262)	351,854	(75,917)	200,602	(6,697,039)	3,119,040	(46,658)	3,072,382
Loss for the period	-	-	-	-	-	-	-	-	(280,535)	(280,535)	(2,703)	(283,238)
Other comprehensive income for the period	-	-	-	-	976	16,991	-	-	-	17,967	-	17,967
Total comprehensive income (expense) for the period	-	-	-	-	976	16,991	-	-	(280,535)	(262,568)	(2,703)	(265,271)
Vesting of restricted ordinary shares and restricted share units	.*	-	-	4,023	-	-	-	(4,023)	-	-	-	-
Exercising of share options	.*	-	-	266	-	-	-	(223)	-	43	-	43
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	3,139	-	3,139	-	3,139
At June 30, 2024 (unaudited)	24	-	(67)	9,381,134	(36,286)	368,845	(75,917)	199,495	(6,977,574)	2,859,654	(49,361)	2,810,293
At January 1, 2025 (audited)	24	-	(1)	9,389,863	(45,182)	389,969	(75,917)	203,402	(7,205,201)	2,656,957	(50,877)	2,606,080
Loss for the period	-	-	-	-	-	-	-	-	(148,067)	(148,067)	(781)	(148,848)
Other comprehensive expense for the period	-	-	-	-	-	(9,016)	-	-	-	(9,016)	-	(9,016)
Total comprehensive expense for the period	-	-	-	-	-	(9,016)	-	-	(148,067)	(157,083)	(781)	(157,864)
Derecognition of investments in equity instrument at FVTOCI (Note 18)	-	-	-	-	45,182	-	-	-	(45,182)	-	-	-
Repurchase of ordinary shares (Note a)	-	(16,900)	-	-	-	-	-	-	-	(16,900)	-	(16,900)
Vesting of restricted ordinary shares and restricted share units	.*	-	-	2,273	-	-	-	(2,273)	-	-	-	-
Exercising of share options	.*	-	-	1,003	-	-	-	(774)	-	229	-	229
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	2,261	-	2,261	-	2,261
At June 30, 2025 (unaudited)	24	(16,900)	(1)	9,393,139	-	380,953	(75,917)	202,616	(7,398,450)	2,485,464	(51,658)	2,433,806

* Amount less than RMB1,000

Note a: During the six months ended June 30, 2025, the Company repurchased 12,723,500 ordinary shares at an aggregate consideration of RMB16,900,000, including the transaction costs paid by the Company.

Note b: Other reserve represents the adjustment to the non-controlling interests to reflect the changes in the respective share of the carrying amounts of the net liabilities of a subsidiary upon the capital contribution by the Company which resulted in its additional interest in that subsidiary.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(221,376)	(225,788)
INVESTING ACTIVITIES		
Interest received	31,086	26,282
Receipt of return from money market funds	8,083	6,467
Placement of time deposits with original maturity over three months	(573,738)	(12,302)
Withdrawal of time deposits with original maturity over three months	1,317,072	464,520
Placement of restricted bank balances	–	(90,294)
Withdrawal of restricted bank balances	92,484	–
Purchase of plant and equipment	(29)	(765)
Purchase of intangible assets	(125,787)	–
NET CASH FROM INVESTING ACTIVITIES	749,171	393,908
FINANCING ACTIVITIES		
Proceeds from exercise of share options	229	43
Payments of lease liabilities	(2,659)	(3,476)
Payments on repurchase of ordinary shares	(16,900)	–
Interest paid	(1,900)	(989)
NET CASH USED IN FINANCING ACTIVITIES	(21,230)	(4,422)
NET INCREASE IN CASH AND CASH EQUIVALENTS	506,565	163,698
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,003,365	489,650
Effects of foreign exchange rate changes	(2,430)	2,908
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,507,500	656,256

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

1. GENERAL INFORMATION

Brii Biosciences Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on December 8, 2017. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on July 13, 2021.

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

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

2. ACCOUNTING POLICIES

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

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

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

3. SEGMENT INFORMATION

The Group's chief operating decision maker ("CODM") has been identified as the Chief Executive Officer of the Group. For the purpose of resource allocation and performance assessment, the CODM reviews the overall results and financial position of the Group as a whole prepared based on the Group's accounting policies. Accordingly, the Group has only one reportable segment and only entity-wide disclosures are presented.

Geographical information

At June 30, 2025, the Group has total non-current assets (excluding financial assets at FVTPL and certain deposits and other receivables) of RMB381,603,000 (December 31, 2024: RMB257,325,000), among which, RMB303,525,000 (December 31, 2024: RMB179,710,000), RMB435,000 (December 31, 2024: RMB489,000) and RMB77,643,000 (December 31, 2024: RMB77,126,000) are located in the Cayman Islands, the United States of America (the "USA") and the People's Republic of China (the "PRC"), respectively.

4. OTHER INCOME

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Bank interest income	27,134	48,724
Government grants (Note)	993	22,155
	28,127	70,879

Note: Government grants including the incentive and other subsidies from government which are specifically for operating activities are recognised upon compliance with the attached conditions. In the current interim period, the Group did not receive any government grant (six months ended June 30, 2024: nil). At June 30, 2025, government grants of RMB16,246,000 (December 31, 2024: RMB16,943,000) are recorded as deferred income and will be amortised upon compliance with the relevant conditions.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

5. OTHER GAINS AND LOSSES, NET

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Fair value gain on money market funds	8,083	6,467
Impairment loss recognised on intangible assets	(718)	–
Fair value loss on financial assets at FVTPL	(2,130)	(120,801)
Net foreign exchange loss	(5,065)	(1,040)
	170	(115,374)

6. FINANCE COSTS

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on note payables	1,745	942
Interest on lease liabilities	155	47
	1,900	989

7. LOSS BEFORE TAX

Loss before tax for the period has been arrived at after charging:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Depreciation of plant and equipment	340	2,118
Depreciation of right-of-use assets	2,415	3,723
Amortisation of intangible assets	–	201
Impairment loss recognised on intangible assets (included in other gains and losses, net)	718	–

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

8. INCOME TAX EXPENSE

No provision for income tax expense has been made since the operating subsidiaries of the Company have no assessable profits for both periods.

9. LOSS PER SHARE

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

	Six months ended June 30,	
	2025 (unaudited)	2024 (unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share (RMB'000)	(148,067)	(280,535)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ('000)	723,552	729,713

For the six months ended June 30, 2024 and 2025, the weighted average number of ordinary shares for the purpose of basic and diluted loss per share excluded the shares held in trust, treasury shares and unvested restricted share units of the Company, details of which are set out in Note 17.

The computation of diluted loss per share for the six months ended June 30, 2024 and 2025 did not assume the exercise of share options and the vesting of unvested restricted share units since their assumed exercise and vesting would be anti-dilutive.

10. DIVIDENDS

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

11. MOVEMENTS IN PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

During the current interim period, the Group purchased plant and equipment of RMB29,000 (six months ended June 30, 2024: RMB128,000) and had no disposal of plant and equipment (six months ended June 30, 2024: nil).

During the current interim period, the Group purchased intangible assets of RMB125,787,000 (six months ended June 30, 2024: nil) and had no disposal of intangible assets (six months ended June 30, 2024: nil).

During the current interim period, the Group had no additions of right-of-use assets (six months ended June 30, 2024: RMB2,219,000) and had no termination of lease arrangements (six months ended June 30, 2024: nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

12. FINANCIAL ASSETS AT FVTPL

At June 30, 2025 and December 31, 2024, financial assets at FVTPL represents investment in a listed entity in the USA focusing on infectious diseases. During the six months ended June 30, 2025, the Group has no additions of equity investment (six months ended June 30, 2024: nil) and no disposal of equity investment (six months ended June 30, 2024: nil). The fair value of the listed equity investment is measured based on quoted market price.

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Prepayments	5,433	6,597
Receivables for prepayments and deposits paid for intangible assets (Note 18)	–	50,788
Rental and other deposits	1,319	1,319
Value-added tax recoverable	66,826	63,305
Interests receivable	7,421	11,582
Deposits paid for acquisition of plant and equipment	–	13
Other receivables	7,207	7,214
	88,206	140,818
Less: impairment loss allowance for other receivables	–	(50,788)
	88,206	90,030
Analysed as:		
Non-current	74,300	71,068
Current	13,906	18,962
	88,206	90,030

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

14. RESTRICTED BANK BALANCES/TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/CASH AND CASH EQUIVALENTS

At June 30, 2025, restricted bank balances represent bank deposits carry fixed rate interest at 0.01% (December 31, 2024: from 0.01% to 4.00%) per annum.

At June 30, 2025, time deposits with original maturity over three months from the date of placement carry fixed rate interest ranging from 3.25% to 3.61% (December 31, 2024: from 3.71% to 4.42%) per annum. These time deposits will mature within 12 months.

Cash and cash equivalents comprise cash held by the Group, short-term bank deposits with an original maturity of three months or less and low volatility net asset value money market funds. At June 30, 2025, the short-term bank deposits and bank balances carry interests at market rates ranging from 0.01% to 1.40% (December 31, 2024: from 0.01% to 4.85%) per annum.

At June 30, 2025, the low volatility net asset value money market funds are measured at fair value of RMB377,588,000 (December 31, 2024: RMB515,449,000).

15. NOTE AND OTHER PAYABLES

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Note payables (Note 18)	–	17,971
Payables for research and development expenses	5,662	7,845
Other payables for		
– legal and professional fee	1,813	7,416
– others	3,250	1,458
Other tax payables	1,134	1,189
Payroll payables	15,628	27,810
Accrued research and development expenses	352	9,864
	27,839	55,582
	27,839	73,553
Analysed as:		
Current	27,839	55,582
Non-current	–	17,971
	27,839	73,553

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

15. NOTE AND OTHER PAYABLES (Continued)

Ageing analysis of the Group's payables for research and development expenses based on the invoice dates at the end of the reporting period is as follows:

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
0-30 days	4,813	7,057
31-60 days	764	751
61-90 days	—	33
Over 90 days	85	4
	5,662	7,845

The following is an ageing analysis of note payables presented based on the issue date at the end of each reporting period:

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
0-360 days	—	17,971

The following is an ageing analysis of note payables presented based on the maturity date at the end of each reporting period:

	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
1-2 years	—	17,971

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

16. SHARE CAPITAL

	Number of Ordinary shares	Share capital US\$	
Ordinary shares			
Ordinary shares of US\$0.000005 each			
Authorised			
At January 1, 2024 (audited), June 30, 2024 (unaudited), January 1, 2025 (audited) and June 30, 2025 (unaudited)	1,200,000,000	6,000	
	Ordinary Shares Number of shares	Amount US\$	
		Equivalent amount of ordinary shares RMB'000	
Issued and fully paid			
At January 1, 2024 (audited)	729,385,446	3,647	24
Issuance of ordinary shares in relation to exercise of share options (Note 17)	121,500	-#	-*
Issuance of ordinary shares in relation to vesting of restricted share units (Note 17)	482,830	2	-*
At June 30, 2024 (unaudited)	729,989,776	3,649	24
At January 1, 2025 (audited)	731,309,790	3,657	24
Issuance of ordinary shares in relation to exercise of share options (Note 17)	320,000	2	-*
Issuance of ordinary shares in relation to vesting of restricted share units (Note 17)	428,701	2	-*
At June 30, 2025 (unaudited)	732,058,491	3,661	24

* Less than RMB1,000.

Less than US\$1.

Note: During the six months ended June 30, 2025, the Company repurchased 12,723,500 (six months ended June 30, 2024: nil) of its own ordinary shares through the Stock Exchange of Hong Kong Limited with an aggregate consideration of RMB16,900,000 (six months ended June 30, 2024: nil) paid, including the transaction costs. They are not cancelled and remained as treasury shares at the end of the reporting period.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

17. SHARE-BASED PAYMENT TRANSACTIONS

Post-IPO Share Award Scheme

On June 22, 2021, a Post-IPO share award scheme (the “**Post-IPO Share Award Scheme**”) was approved and adopted pursuant to a board resolution passed. The directors of the Company may, from time to time, at its absolute discretion to make an offer of a share award (consisting of either restricted shares or restricted share units (the “**RSUs**”)) to an eligible person in accordance with the Post-IPO Share Award Scheme. The overall limit on the number of RSUs under the Post-IPO Share Award Scheme is 35,310,046 shares and the maximum number of shares which may be awarded to any eligible person under the Post-IPO Share Award Scheme shall not exceed 5% of the issued share capital of the Company at July 13, 2021.

The vesting of the Post-IPO RSUs granted is subjected to the eligible person remaining at all times after the date of granting and on the vesting date an eligible person of the Post-IPO Share Award Scheme. RSUs granted under the Post-IPO Share Award Scheme consists of time-based RSUs and milestone-based RSU, and shall have a contractual term of 10 years. The time-based RSUs shall have the vesting periods for different batches as follows:

- (i) One fourth (25%) of the RSUs shall vest each time on the first, second, third and fourth anniversary of the vesting commencement date.
- (ii) Five percent (5%), ten percent (10%), forty percent (40%) and forty-five percent (45%) of the RSUs shall vest each time on the first, second, third and fourth anniversary of the vesting commencement date.
- (iii) One third (33.3%) of the RSUs shall vest each time on the first, second and third anniversary of the vesting commencement date.
- (iv) All of the RSUs shall vest on the first anniversary of the vesting commencement date.

The expected vesting period of milestone RSUs is estimated by directors of the Company based on the most likely outcome of each of the performance condition.

The grantee may not have any interest or right in the RSUs granted until such Post-IPO RSUs have been vested.

A share award shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of or enter into any agreement with any other person over or in relation to such share award (or, prior to vesting of a restricted share award, the shares subject thereto).

In the current interim period, no RSU (six months ended June 30, 2024: 821,500 shares under the 2023 Share Award Scheme (as defined below)) was granted to employees of the Group. The fair values of the Post-IPO RSUs determined at the dates of grant are measured on the basis of an observable market price (i.e. the Company’s closing share price) per Post-IPO RSU.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

17. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Post-IPO Share Award Scheme (Continued)

The following table summarised the Group's Post-IPO RSUs and movement during the period.

	Number of Post-IPO RSUs
At January 1, 2024 (audited)	10,973,543
Granted	–
Vested	(482,830)
Forfeited	(2,441,896)
At June 30, 2024 (unaudited)	8,048,817
At January 1, 2025 (audited)	4,612,375
Granted	–
Vested	(323,223)
Forfeited	(771,502)
At June 30, 2025 (unaudited)	3,517,650

The following table summarised the Group's RSUs movement under 2023 Share Award Scheme during the period.

	Number of RSUs under 2023 Share Award Scheme
At January 1, 2024 (audited)	–
Granted	821,500
Vested	–
Forfeited	–
At June 30, 2024 (unaudited)	821,500
At January 1, 2025 (audited)	2,315,750
Granted	–
Vested	(105,478)
Forfeited	(195,147)
At June 30, 2025 (unaudited)	2,015,125

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

17. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Post-IPO Share Award Scheme (Continued)

For the six months ended June 30, 2025, the Group's share-based payment expenses recognised in the condensed consolidated statement of profit or loss and other comprehensive income in relation to RSUs granted by the Company is RMB1,425,000 (six months ended June 30, 2024: RMB1,728,000).

Equity-settled share option scheme of the Company

(a) Incentive Plan

The Company's pre-IPO share incentive plan (the "Incentive Plan") was adopted pursuant to a resolution passed on October 30, 2018. The primary purpose of the Incentive Plan is to promote the success of the Company and the interests of its shareholders by providing a mean through which the Company may grant equity-based incentives to attract, motivate, retain and reward employees, directors and consultants (the "Eligible Persons") and to further link the Eligible Persons' interests with those of the Company's shareholders generally.

(b) Post-IPO Share Option Scheme

On June 22, 2021, a Post-IPO share option scheme (the "Post-IPO Share Option Scheme") was approved and adopted pursuant to a board resolution. The purpose of the Post-IPO Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

(c) 2023 Share Award Scheme and Share Option Scheme

On September 1, 2023, 2023 share award scheme (the "2023 Share Award Scheme") and 2023 share option scheme (the "2023 Share Option Scheme") were approved and adopted pursuant to a board resolution. The primary purpose of both incentive plans is to attract and retain eligible persons whose contributions are important to the long-term growth and success of the Company, to recognise and reward eligible persons for their past contribution to the Company, to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage eligible persons to further contribute to the Company and work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

Set out below are details of the movements of the outstanding options granted under the Incentive Plan, the Post-IPO Share Option Scheme and 2023 Share Option Scheme during the reporting period:

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

17. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

For the six months ended June 30, 2025

Option	Type of grantee	Date of grant	Vesting period	Exercisable period	Exercise price	Outstanding at 1.1.2025	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30.6.2025
Time-based										
Option A	Consultants and employees	30.10.2018	Note i	Note iii	US\$0.035	985,000	-	-	-	985,000
Option B	Consultants and employees	3.4.2019 – 16.9.2019	Note i	Note iii	US\$0.05	440,000	-	(120,000)	-	320,000
Option C	Employees	4.2.2020 – 11.12.2020	Note i	Note iii	US\$0.13 – US\$0.68	3,803,668	-	(200,000)	-	3,603,668
Option D	Consultants and employees	18.2.2021 – 3.12.2021	Note i	Note iii	US\$0.68 – US\$1.33 HK\$43.41 – HK\$47.60	749,800	-	-	(101,000)	648,800
Option E	Employees	29.3.2022 – 15.12.2022	Note i	Note iii	HK\$6.454 – HK\$10.33	9,998,000	-	-	(1,979,250)	8,018,750
Option I	Employees	12.4.2023 – 23.8.2023	Note i	Note iii	HK\$3.01 – HK\$4.54	6,350,875	-	-	(737,625)	5,613,250
Option J	Employees	28.3.2024	Note i	Note iii	HK\$0.964	5,104,500	-	-	(392,000)	4,712,500
Option K	Employees	25.10.2024	Note i	Note iii	HK\$1.062	14,073,000	-	-	(588,000)	13,485,000
Sub-total						41,504,843	-	(320,000)	(3,797,875)	37,386,968
Milestone-based										
Option F	Employees	18.9.2020	Note ii	Note iii	US\$0.13 – US\$0.68	1,200,000	-	-	-	1,200,000
Option H	Employees	29.3.2022 – 21.9.2022	Note ii	Note iii	HK\$6.454 – HK\$10.33	818,000	-	-	(561,500)	256,500
Sub-total						2,018,000	-	-	(561,500)	1,456,500
Total						43,522,843	-	(320,000)	(4,359,375)	38,843,468
Weighted average exercise price						HK\$3.21	-	HK\$0.78	HK\$5.13	HK\$3.01

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

17. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

For the six months ended June 30, 2024

Option	Type of grantee	Date of grant	Vesting period	Exercisable period	Exercise price	Outstanding at 1.1.2024	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 30.6.2024
Time-based										
Option A	Consultants and employees	30.10.2018	Note i	Note iii	US\$0.035	985,000	-	-	-	985,000
Option B	Consultants and employees	3.4.2019 – 16.9.2019	Note i	Note iii	US\$0.05	574,000	-	(121,500)	(12,500)	440,000
Option C	Employees	4.2.2020 – 11.12.2020	Note i	Note iii	US\$0.13 – US\$0.68	12,151,068	-	-	(267,400)	11,883,668
Option D	Consultants and employees	18.2.2021 – 3.12.2021	Note i	Note iii	US\$0.68 – US\$1.33	3,458,325	-	-	(959,025)	2,499,300
Option E	Employees	29.3.2022 – 15.12.2022	Note i	Note iii	HK\$43.41 – HK\$47.60	22,294,250	-	-	(5,360,750)	16,933,500
Option I	Employees	12.4.2023 – 23.8.2023	Note i	Note iii	HK\$6.454 – HK\$10.33	13,448,000	-	-	(2,767,750)	10,680,250
Option J	Employees	28.3.2024	Note i	Note iii	HK\$3.01 – HK\$4.54	-	5,752,500	-	-	5,752,500
Sub-total						52,910,643	5,752,500	(121,500)	(9,367,425)	49,174,218
Milestone-based										
Option F	Employees	18.9.2020	Note ii	Note iii	US\$0.13 – US\$0.68	5,200,000	-	-	-	5,200,000
Option G	Employees	4.6.2021 – 3.12.2021	Note ii	Note iii	US\$1.06	3,626,416	-	-	-	3,626,416
Option H	Employees	29.3.2022 – 21.9.2022	Note ii	Note iii	HK\$43.41 – HK\$47.60	1,256,167	-	-	(256,500)	999,667
Sub-total					HK\$6.454 – HK\$10.33	10,082,583	-	-	(256,500)	9,826,083
Total						62,993,226	5,752,500	(121,500)	(9,623,925)	59,000,301
Weighted average exercise price						HK\$9.32	HK\$0.96	HK\$0.39	HK\$7.83	HK\$8.76

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

17. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

Notes:

- (i) The share options were granted to employees of the Group or consultants who are in contractual agreements with the Group in providing services similar to those rendered by the Group's employees. The vesting is based on the vesting schedules within the vesting period of 1 – 4 years.
- (ii) The milestone-based share options are vested conditionally upon the achievement of the specified performance target milestones. The expected vesting period is estimated by the directors of the Company based on the most likely outcome of the performance conditions.
- (iii) Each vested option is exercisable during a period from and including the vesting date of the relevant option to the tenth anniversary of grant date of the option.

For the six months ended June 30, 2025, the Group's share-based payment expenses recognized in the condensed consolidated statement of profit or loss and other comprehensive income in relation to share options granted by the Company is RMB836,000 (six months ended June 30, 2024: RMB1,411,000).

18. SIGNIFICANT TRANSACTIONS

Transactions with VBI Vaccines, Inc.

In 2023 and 2024, the Group entered into several transactions with VBI Vaccines, Inc. and its affiliates (together, "VBI"). Details of these transactions were set forth in the Company's announcements dated July 6, 2023, February 14, 2024, and December 31, 2024 (below capitalised terms shall have the same meanings as those defined in the announcements).

During the year ended December 31, 2024, for the transactions with VBI, the Group has issued the Promissory Notes of US\$2,500,000 (equivalent to RMB17,971,000) which carries interest at 1 year loan prime rate of the United States plus 4% per annum and are secured by the Collateral pursuant to the Collateral Agreements, and the Group has deposited total of US\$12,500,000 (equivalent to RMB89,855,000) into the escrow account. The Promissory Notes were assigned by VBI to one of its creditors. During the six months ended June 30, 2025, the Promissory Notes of US\$2,500,000 (equivalent to RMB17,971,000) were settled and the escrow was released.

On July 30, 2024, VBI initiated its restructuring proceedings. On August 8, 2024, VBI was delisted from NASDAQ Global Market.

As at December 31, 2024, the directors of the Company assessed that the recoverability of the US\$7.1 million (equivalent to RMB50.8 million) receivables for prepayments are in doubt and thus full provision of ECL impairment is recognised. It is fully written off during six months ended June 30, 2025.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

18. SIGNIFICANT TRANSACTIONS (Continued)

Transactions with VBI Vaccines, Inc. (Continued)

In January 2025, VBI announced, that, in connection with its creditor protection proceedings under the Companies' Creditors Arrangement Act (Canada) and its previously announced sale and investment solicitation process, VBI completed the transactions contemplated by that certain amended and restated acquisition agreement made effective as of October 24, 2024 (as amended from time to time) with K2 VBI Equity Trust, LLC. Following completion of the transaction, all of the previously issued and outstanding common shares of VBI have been redeemed and cancelled without consideration. Accordingly, in the six months ended June 30, 2025, the equity investment in VBI held by the Group were derecognized and reserve of RMB45,182,000 was transferred to accumulated losses.

In the six months ended June 30, 2025, the BR11-179 and PreHevbri Assets Purchase and the PreHevbri License have been completed and all considerations related to these transactions with VBI have been settled.

Out-licensing

The Group has entered into an intellectual property license and technology transfer agreement (the "Licensing Agreement") with an independent third party, which was set forth in the Company's announcements dated July 4, 2025. Pursuant to the Licensing Agreement, the third party will obtain an exclusive license for the research, development, and commercialization of BR11-693 in mainland China, Hong Kong, Macau and Taiwan. The transaction was completed subsequently in July 2025 and the Group has received an upfront payment in July 2025.

19. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors of the Company and other members of key management of the Group during the interim period were as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Short term benefits	16,969	16,189
Discretionary bonus	5,752	5,376
Post-employment benefits	613	478
Share-based payments	791	6,677
	24,125	28,720

The remuneration of key management personnel of the Group is determined by the directors of the Company having regard to the performance of individuals and market trends.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The Chief Strategy and Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value, the Group uses market observable data to the extent it is available.

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

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

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets	Notes	Fair value at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
		June 30, 2025 RMB'000 (unaudited)	December 31, 2024 RMB'000 (audited)			
Listed equity investment at FVTPL	12	7,036	9,198	Level 1	Active market quoted transaction price	N/A
Money market funds	14	377,588	515,449	Level 2	Based on the net asset value of the funds, which are determined with reference to observable and quoted prices of underlying investment portfolio	N/A

(ii) Fair value of the financial assets and liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in these condensed consolidated financial statements approximate their fair values.

21. EVENTS AFTER THE REPORTING PERIOD

Apart from the matters disclosed in Note 18, there was no material event taken place subsequent to the reporting period.

DEFINITIONS

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

“2023 Share Award Scheme”	the 2023 share award scheme adopted by the Company on September 1, 2023, as amended from time to time
“2023 Share Option Scheme”	the 2023 share option scheme adopted by the Company on September 1, 2023, as amended from time to time
“anti-HBs”	hepatitis B surface antibody
“APASL”	The Asian Pacific Association for the Study of the Liver
“Audit and Risk Committee”	the audit and risk committee of the Board
“BLA”	biologics license application
“Board”	the board of directors of the Company
“Brii US”	Brii Biosciences, Inc., a corporation incorporated under the laws of Delaware, the United States, being a direct wholly-owned subsidiary of the Company
“BTD(s)”	Breakthrough Therapy Designation
“CDE”	the Center for Drug Evaluation of the NMPA of China
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CHD”	chronic hepatitis D
“China” or “the PRC”	the People’s Republic of China excluding, for the purposes of this report, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“CNS”	central nervous system, part of the nervous system consisting of the brain and spinal cord
“Company”, “we” or “us”	Brii Biosciences Limited (腾盛博药生物科技有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company

DEFINITIONS

“EASL”	the European Association for the Study of the Liver
“EFdA”	an NRTTI and an investigational drug for the treatment of HIV infection
“ENHANCE study”	a study to evaluate the efficacy and safety of combination therapy of BRII-179, elebsiran and PEG-IFN α in participants with chronic HBV infection
“ENRICH study”	a study to investigate the efficacy and safety of regimens containing BRII-179, elebsiran, and PEG-IFN α treating chronic HBV infection
“ENSURE study”	a study to investigate the efficacy and safety of elebsiran and PEG-IFN α combination therapy in chronic HBV patients
“EOT”	end-of-treatment
“Global Offering”	the Hong Kong initial public offering and the international offering of the Company
“Greater China”	mainland China, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Group”	the Company and its subsidiaries
“HBsAg”	hepatitis B surface antigen
“HBV”	hepatitis B virus
“HDV”	hepatitis D virus
“HIV”	human immunodeficiency virus
“HK\$” or “HKD”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standard
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China or clinical trial notification in Australia
“IP”	intellectual property

DEFINITIONS

“Joincare Group”	Joincare Pharmaceutical Group Industry Co., Ltd, a company incorporated in the PRC
“Listing Date”	July 13, 2021, the date on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MDR/XDR”	multi-drug resistant/extensive drug resistant
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix C3 to the Listing Rules
“NCE”	new chemical entity
“NDA”	new drug application
“NMPA”	the National Medical Products Administration
“Nomination Committee”	the nomination committee of the Board
“NRTTI”	nucleoside analogue reverse transcriptase translocation inhibitor
“PEG-IFN α ”	pegylated interferon alfa
“Post-IPO Share Award Scheme”	the post-IPO share award scheme adopted by the Company on June 22, 2021
“Post-IPO Share Option Scheme”	the post-IPO share option scheme adopted by the Company on June 22, 2021
“Pre-IPO Share Incentive Plan”	the pre-IPO share incentive plan approved and adopted by the Company on October 30, 2018
“Prospectus”	the prospectus of the Company dated June 30, 2021
“Reporting Period”	the six months ended June 30, 2025

DEFINITIONS

“RMB” or “CNY”	Renminbi, the lawful currency of the PRC
“RNA”	ribonucleic acid
“RSU(s)”	restricted stock unit(s)
“R&D”	research and development
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of US\$0.00001 each
“Shareholder(s)”	the holder(s) of the Share(s)
“siRNA”	small interfering RNA, sometimes known as short interfering RNA or silencing RNA, a class of double stranded non-coding RNA molecules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States” or “U.S.” or “USA”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. FDA”	the U.S. Food and Drug Administration
“Vir Biotechnology”	Vir Biotechnology, Inc., a corporation incorporated in San Francisco, the United States, whose stocks are listed on the NASDAQ Global Market (NASDAQ: VIR)
“%”	per cent.