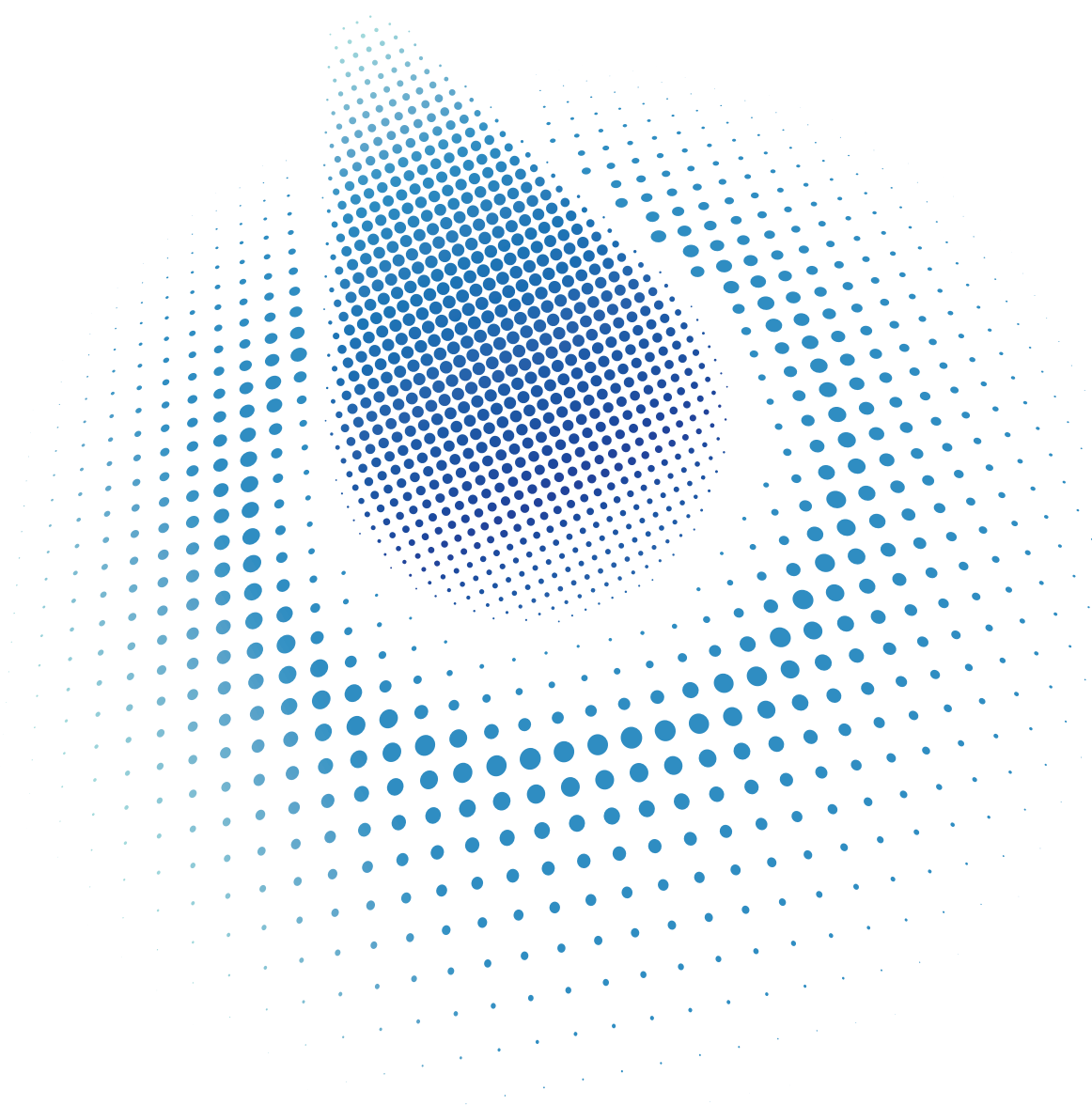


Cutia Therapeutics

科笛集团

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2487

Interim Report 2025





Contents

Corporate Information	2
Corporate Profile	4
Management Discussion and Analysis	5
Other Information	18
Independent Review Report	36
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	37
Interim Condensed Consolidated Statement of Financial Position	38
Interim Condensed Consolidated Statement of Changes in Equity	40
Interim Condensed Consolidated Statement of Cash Flows	41
Notes to Interim Condensed Consolidated Financial Information	43
Definitions	58

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Ms. Zhang Lele (張樂樂)
Mr. Huang Yuqing (黃雨青)

NON-EXECUTIVE DIRECTORS

Dr. Chen Lian Yong (陳連勇) (*Chairman*)
Dr. Xie Qin (謝沁)
Dr. Huang Xiao (黃瀟)
Ms. Yang Yunxia (楊雲霞)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Ming Kit (鍾明杰)
Mr. Ye Xiaoxiang (葉曉翔)
Mr. Zhang Zhisong (張志嵩) (*appointed on 28 August 2025*)
Mr. Tao Tak Yan Dennis (陶德仁) (*resigned on 28 August 2025*)

AUDIT COMMITTEE

Mr. Chung Ming Kit (鍾明杰) (*Chairman*)
Mr. Ye Xiaoxiang (葉曉翔)
Mr. Zhang Zhisong (張志嵩) (*appointed on 28 August 2025*)
Mr. Tao Tak Yan Dennis (陶德仁) (*resigned on 28 August 2025*)

REMUNERATION COMMITTEE

Mr. Ye Xiaoxiang (葉曉翔) (*Chairman*)
Dr. Chen Lian Yong (陳連勇)
Mr. Chung Ming Kit (鍾明杰)

NOMINATION COMMITTEE

Dr. Chen Lian Yong (陳連勇) (*Chairman*)
Dr. Xie Qin (謝沁) (*appointed on 28 August 2025*)
Mr. Chung Ming Kit (鍾明杰)
Mr. Zhang Zhisong (張志嵩) (*appointed on 28 August 2025*)
Mr. Ye Xiaoxiang (葉曉翔) (*appointed on 28 August 2025*)
Mr. Tao Tak Yan Dennis (陶德仁) (*resigned on 28 August 2025*)

COMPANY SECRETARY

Mr. Leung Chi Kit (梁志傑) (ACG, HKACG) (*appointed on 28 August 2025*)
Ms. Chan Sze Ting (陳詩婷) (FCG, HKFCG) (*resigned on 28 August 2025*)

AUTHORISED REPRESENTATIVES

Ms. Zhang Lele (張樂樂)
Mr. Leung Chi Kit (梁志傑) (ACG, HKACG) (*appointed on 28 August 2025*)
Ms. Chan Sze Ting (陳詩婷) (FCG, HKFCG) (*resigned on 28 August 2025*)

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STOCK CODE

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CORPORATE PROFILE

OVERVIEW

Founded in 2019, we are a R&D-driven, dermatology innovative products-focused biopharmaceutical company committed to developing comprehensive solutions that are tailored to meet the diverse and evolving needs of patients and consumers in the broader dermatology treatment and care market. We have built a broad portfolio of products, targeting the four main sectors of the broader dermatology treatment and care market, namely scalp diseases and care, skin diseases and care, topical anesthesia and localized adipose accumulation management. We currently have two main products with marketing approval and one drug marketing authorization application that has been accepted by the NMPA. We have also distributed several commercialized products developed by overseas collaboration partners and marketed several products in China.

We are one of the few players in the broader dermatology treatment and care market in China equipped with fully integrated capabilities. We have applied a customer-centric approach to bolster our product candidates and expand our integrated capabilities to the entire broader dermatology treatment and care industry value chain. Our platform spans from the early phase of identifying demands, developing core technologies, managing clinical trials and product registrations, to the manufacturing and marketing of products.

Our proprietary CATAME® technology platform improves drugs to achieve topical or transdermal delivery by developing micron and nano-sized particulates, as well as evaluating formulation quality and stability, and performing cutaneous pharmacokinetic analysis. Our platform also helps design the most suitable product formats that are keys to specific and successful drug delivery. Through this platform, we have built a competitive product pipeline of creams, sprays, ointments, aerosol foams and other dosage forms.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As at the date of this report, the Group had a number of scalp diseases and care products and skin care products on sale. The Group's CU-10201 (topical 4% minocycline foam) and CU-40102 (topical finasteride spray) have obtained marketing approval from the NMPA, CU-40102 has also obtained marketing approval from the Hong Kong Department of Health. Meanwhile, drug marketing authorization application for the Group's CU-30101 (localized topical lidocaine and tetracaine cream) has been accepted by the NMPA. We have achieved the following significant advancements in both our pipeline products and business operations.

Scalp Diseases and Care

Key Product CU-40102 (topical finasteride spray)

- CU-40102 is the first and only topical finasteride product approved for androgenetic alopecia treatment globally and the first topical finasteride to obtain marketing approval from the NMPA. Finasteride can treat androgenetic alopecia in male patients by acting as a competitive and specific inhibitor of Type II 5-alpha reductase to inhibit the conversion of testosterone to DHT in the scalp.
- Unlike oral finasteride, CU-40102's topical formulation allows patients to apply the drug directly to the surface of the scalp, thereby maintaining a high concentration at the affected site and reducing the systemic exposure of the drug compared with oral formulations.
- CU-40102 obtained marketing approval from the NMPA in June 2025 and from the Hong Kong Department of Health in August 2025, with an approved indication for the treatment of androgenetic alopecia. We are currently actively preparing for its commercialization activities.
- The marketing approval for CU-40102 was primarily based on the results of its Phase I and Phase III pivotal clinical trials completed in China. The clinical trials demonstrated that CU-40102 was effective in treating androgenetic alopecia and also showed a favorable local tolerance to the administration area.

Skin Diseases and Care

Key Product CU-10201 (topical 4% minocycline foam)

- CU-10201 is the first and only topical minocycline approved for acne vulgaris treatment globally and the first topical minocycline with priority review designation to obtain marketing approval from the NMPA. The indication of CU-10201 is for the treatment of non-nodular moderate to severe acne vulgaris in pediatric and adult patients aged nine and over.
- Minocycline is a tetracycline antibiotic used to treat a number of bacterial infections and acne vulgaris. The currently available minocycline products are mostly oral medications. Compared to other major anti-acne antibiotics and conventional oral drugs, topical minocycline foam has lower systemic drug exposure, fewer side effects, lower rate of drug resistance, and likely higher patient compliance.
- CU-10201 obtained marketing approval from the NMPA in November 2024. We are currently actively preparing for its commercialization activities in China.
- The marketing approval of CU-10201 was primarily based on the results of a Phase III pivotal clinical trial completed in China. The clinical trial demonstrated that CU-10201 has a significant efficacy and a favorable safety profile in the treatment of acne.

CU-10101 (topical novel small molecule agent)

- CU-10101 is a non-hormonal, small molecule drug for the treatment of mild to moderate atopic dermatitis. The non-hormonal properties of CU-10101 may reduce the side effects and restrictions associated with corticosteroids and its localized topical formulation allows the medication to reach the affected areas directly.
- The IND application of CU-10101 was approved by the CDE in May 2024, and we completed the first patient enrollment in Phase I clinical trial in China in September 2024.

Topical Anesthesia

CU-30101 (localized topical lidocaine and tetracaine cream)

- CU-30101 is a localized lidocaine and tetracaine compound topical anesthesia cream for topical anesthesia operations. The formulation of lidocaine and tetracaine combination in CU-30101 may produce rapid and long-lasting anesthetic effects due to its ingredients' unique pharmacokinetic properties.
- Lidocaine diffuses more rapidly, and more extensively than tetracaine, whereas tetracaine, a long-acting localized amino ester type anesthetic, is more lipophilic than lidocaine and can be concentrated in the topical stratum corneum. Systemic absorption of the anesthetic component ingredients is also limited from the topical cream formulation.
- The Phase III clinical trial of CU-30101 in China was completed in January 2024 and its drug marketing authorization application was accepted by the NMPA in July 2024.
- The drug marketing authorization application for CU-30101 was primarily based on the results of its Phase III pivotal clinical trial completed in China. The clinical trial showed that CU-30101 was as effective as its control and reference drug Pliaglis® lidocaine and tetracaine cream in analgesia and demonstrated an overall favorable safety profile.

Localized Adipose Accumulation Management

Core Product CU-20401 (recombinant mutant collagenase)

- CU-20401 is a recombinant mutant collagenase that targets localized adipose accumulation associated metabolic diseases. CU-20401 adopts an alternative mechanism of action where it acts as a collagenase to selectively act on the extracellular matrix attached to adipose tissue. After localized injection, CU-20401 degrades extracellular matrix collagen in the subcutaneous fat layer which leads to apoptosis of adipocytes, and is expected to effectively reduce localized adipose accumulation.
- CU-20401 is technologically modified with reduced rate to catalyze the collagen degradation with mild catalytic activity, thus reducing the adverse effects of wild-type collagenase, such as bruising and pain.
- In December 2024, we completed the Phase II clinical trial for submental adipose accumulation in China, and we expect to obtain its regulatory approval for commercialization in China in 2028. In the Phase II clinical trial, CU-20401 demonstrated significant and robust efficacy advantages with a favorable safety profile. In terms of efficacy, the treatment efficacy of different doses of CU-20401 was superior to that of the placebo group, with statistically significant differences in efficacy. During the follow-up period, as the follow-up time extended, the treatment efficacy of CU-20401 at different doses showed more significant improvement compared to baseline, and the treatment benefits were also greater than those of the placebo group. Preliminary observations from the clinical trial also indicated a dose-response trend. In terms of safety, the overall safety profile of CU-20401 was favorable, with no dosage-related differences in the incidence rate or severity level of adverse events observed.

Warning: There is no assurance that the Core Product and each of the pipeline products will ultimately be successfully developed and marketed by the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Commercialization

We have adopted a well-tailored commercialization strategy to penetrate the broader dermatology treatment and care market in China. Our pivotal research results have been consecutively selected for the Annual Meeting of Chinese Society of Dermatology and the Annual Meeting of China Dermatologist Association & National Congress of Cosmetic Dermatology. This highlights our influence in the industry and advanced standing in the field of dermatology, which can attract more customers. Our Scientific Advisory Committee consists of top dermatologists from numerous third-class hospitals, which helps to build consumers' trust. To align with the product approval timeline, we have proactively established a dedicated marketing team with strong market insights and marketing capabilities, covering various provinces. This team is able to respond quickly to market changes and has successfully developed partnerships with hundreds of institutions and hundreds of hospitals across China. Online marketing has always been one of our strategic priorities. We continue to deliver excellent marketing output and extensive science education on various e-commerce platforms and social media platforms such as Tmall, JD, Bilibili, Douyin, Zhihu and Xiaohongshu, enabling precise conversion of potential customers. In addition, our customer service team provides customers with professional and suitable products to optimize customer experience, increase repurchase rate and strengthen brand stickiness.

With strong product capabilities, sales and operational strengths, the Company has continued to launch blockbuster products. In the sector of scalp diseases and care, we have established and refined our product portfolio, along with outstanding performances from individual products. In addition, CU-40102 (topical finasteride spray) obtained marketing approval from the NMPA in June 2025 and from the Hong Kong Department of Health in August 2025, respectively. It can reduce the systemic exposure of the drug compared with oral formulations. We believe that CU-40102, as a topical treatment, will be more acceptable to patients with androgenetic alopecia, offering a new alternative in their treatment options. In the sector of skin diseases and care, CU-10201 (topical 4% minocycline foam) obtained marketing approval from the NMPA in November 2024. Compared to other major anti-acne antibiotics and conventional oral drugs, topical minocycline foam has lower systemic drug exposure, fewer side effects, a lower rate of drug resistance, and likely higher patient compliance.

Our comprehensive commercialized product portfolio could address distinctive demands from a wide range of population groups as their needs evolve with disease progression or improvement to gain customer stickiness. From pre-sales product consultations, in-use guidance, to post-sales feedback, our customer service team provides professional guidance and emotional support tailored to customers' specific needs throughout the entire product usage cycle. This approach not only optimizes the customer experience but also further enhances product repurchase rate and brand recognition.

Manufacturing Facilities

Our commercial-scale GMP manufacturing facilities with three drug product production lines in Jiangsu Province have commenced operation in 2023. The three production lines cover topical cream, ointment, aerosol, and foam products. The flow and control of the entire manufacturing processes are designed to be compliant with the latest GMP requirements, ensuring that our production can meet the clinical and marketing approval requirements of various drug regulatory authorities (including the NMPA, FDA and European Medicines Agency). We believe the production capacity of such manufacturing facilities can support our clinical trials and near-term commercialization plans for our drug candidates.

In addition, Cutia Wuxi, a wholly-owned subsidiary of the Company, has obtained the “Drug Manufacturing Certificate (藥品生產許可證)” issued by the Jiangsu Medical Products Administration in April 2024, which is expected to play a long-term constructive role in production capacity expansion and market development of the Company, thus laying the foundation for subsequent commercialization of our product candidates.

KEY EVENTS AFTER THE REPORTING PERIOD

In August 2025, CU-40102 (topical finasteride spray) obtained marketing approval from the Hong Kong Department of Health, with an approved indication for the treatment of androgenetic alopecia. This is another significant milestone for CU-40102 following the marketing approval obtained from the NMPA. This approval will accelerate CU-40102’s global expansion, broaden its market reach, and benefit more patients with androgenetic alopecia.

On 28 August 2025, the Company entered into placing agreements with BOCI Asia Limited and Haitong International Securities Company Limited (the “**Placing Agents**”), pursuant to which, the Placing Agents have agreed to, as agents of the Company, procure on a best efforts basis placees for 28,904,000 new Shares in aggregate at a price of HK\$8.40 per Share (the “**Placing**”). On 5 September 2025, 28,904,000 Shares, representing approximately 9.05% and 8.30% of the issued Share (excluding treasury shares) immediately before and after the completion of the Placing, respectively, have been successfully placed to the placees at the placing price of HK\$8.40 per Share. The gross proceeds raised from the Placing is approximately HK\$242.79 million. The net proceeds from the Placing is approximately HK\$240.27 million, after deducting related fees and expenses. The Company intended to use the net proceeds from the Placing for (i) approximately 45% of the net proceeds of the Placing, or approximately HK\$108.12 million for pre-clinical research and development and clinical trials for the Company’s pipeline in localized adipose accumulation management, scalp diseases and care, skin diseases and care, and topical anesthesia, as well as for the deployment of corresponding production facilities and equipments; (ii) approximately 45% of the net proceeds of the Placing, or approximately HK\$108.12 million for marketing activities, channel expansion, and brand building for CU-40102 (topical finasteride spray) and CU-10201 (topical 4% minocycline foam); and (iii) approximately 10% of the net proceeds of the Placing, or approximately HK\$24.03 million for working capital and other corporate purposes. For details, please refer to the announcements of the Company dated 28 August 2025 and 5 September 2025.

Save as disclosed above, there are no significant events affecting the Group occurred after the Reporting Period and up to the date of this report.

FUTURE DEVELOPMENT

We are dedicated to providing consumers and patients with safe and comprehensive dermatology treatment and care solutions. Looking forward to the second half of 2025, we will continue to strengthen the commercialization activities of CU-10201 (topical 4% minocycline foam) and CU-40102 (topical finasteride spray), enabling patients and consumers to access our products at the earliest possible. By leveraging our established online channels and pre-arranged offline channels, we aim to accelerate the rapid market expansion of our products, thereby significantly enhancing not only our brand recognition but also the competitiveness and influence of our products. CU-30101 (localized topical lidocaine and tetracaine cream) is anticipated to receive regulatory approval for commercialization in China and we are proactively coordinating market launch initiatives to ensure seamless connection to our existing sales platforms. We hope to deliver a comprehensive portfolio of products that addresses the changing and diverse therapeutic needs of patients and consumers by expanding our sales network more extensively.

Furthermore, CU-20401 (recombinant mutant collagenase) has demonstrated a favorable safety and efficacy profile in its Phase II clinical trial conducted in China. Based on the positive outcomes of the Phase II clinical trial, the Group will further explore CU-20401's therapeutic advantages and expedite the progression to Phase III clinical trial. We will also fully leverage our R&D strengths to systematically promote the clinical progress of the remaining pipeline candidates.

We are optimistic on the market potential of the online and offline channels and will continue to adhere to our core marketing strategy of online and offline marketing while exploring online-to-offline marketing combination and leverage the synergistic advantages of multiple products to drive robust overall sales growth. We will also continue to strengthen our sales capabilities and actively develop online marketing campaigns on various e-commerce platforms and social media platforms to increase brand awareness. In addition, we will work closely with renowned physicians to conduct product demonstrations and trainings.

Leveraging on our CATAME® technology platform, our integrated commercialization model, in-depth industry experience and the determination of our team, we believe we can seize the opportunities arising from the rapid expansion of China's sales network, provide innovative solutions for patients and generate higher returns to our Shareholders.

FINANCIAL REVIEW

Revenue

Our revenue was substantially generated from the sale of our in-licensed and distributed scalp diseases and care products and certain skin care products (“**Routine Skin Care Products**”). Revenue of the Group decreased by 30.6% from approximately RMB95.6 million for the six months ended 30 June 2024 to approximately RMB66.3 million for the six months ended 30 June 2025, which was primarily due to the Group’s prudent decision to terminate its agency cooperation with US skincare brand Phyto-C under the influence of macroeconomic policies and international environmental factors, while reallocating resources to commercialization preparations for newly approved products, including CU-40102 (topical finasteride spray) and CU-10201 (topical 4% minocycline foam). These products are projected to demonstrate greater market potential and higher return on investment ratios, with this adjustment expected to benefit the Group’s medium-to-long term development.

Cost of Sales

Our cost of sales primarily consisted of purchase costs and logistics costs related to our scalp diseases and care products, and Routine Skin Care Products. For the six months ended 30 June 2025, we recorded cost of sales of approximately RMB34.2 million, representing a decrease of approximately 24.3% from approximately RMB45.2 million for the six months ended 30 June 2024. Such decrease was in line with the change of our revenue trend.

Gross Profit and Gross Profit Margin

Gross profit represents our revenue less our cost of sales. Gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit amounted to approximately RMB32.1 million for the six months ended 30 June 2025, representing a decrease of 36.3% from approximately RMB50.3 million for the six months ended 30 June 2024. Our gross profit margin was 53% and 48% for the six months ended 30 June 2024 and the six months ended 30 June 2025, respectively, which fluctuated with the change in the product portfolio mix but remained stable overall.

Other Income and Gains

Our other income primarily consisted of interest income and government grants. The government grants mainly represent subsidies received from local government authorities for that relate to both expenses and assets. Our interest income comprised (i) bank interest income; (ii) deemed interest income from loans to employees and related parties; and (iii) imputed interest income on rental and other deposits. Other income of the Group decreased by 10.7% from approximately RMB11.9 million for the six months ended 30 June 2024 to approximately RMB10.6 million for the six months ended 30 June 2025, which was primarily due to the decrease in our bank interest income.

Our gains primarily consisted of our fair value gains on financial assets at fair value through profit or loss (“**FVTPL**”). Other gains decreased by 58.9% from approximately RMB11.8 million for the six months ended 30 June 2024 to approximately RMB4.9 million for the six months ended 30 June 2025, which was primarily due to a decrease in fair value gains on financial assets at FVTPL.

Selling and Distribution Expenses

Our selling and distribution expenses consisted of staff costs, share-based payments expenses, marketing expenses and others. Our selling and distribution expenses decreased by 11.4% from approximately RMB103.5 million for the six months ended 30 June 2024 to approximately RMB91.7 million for the six months ended 30 June 2025, which was primarily due to a decrease in the share-based payment expenses resulting from the vesting of a portion of share options and restricted share units under the Pre-IPO Equity Incentive Plan. Meanwhile, the Company is actively optimizing the return on investment ratios of several products and rationally investing in channel expansion and marketing preparations for products approaching commercialization (including CU-40102 and CU-10201, etc.).

Research and Development Costs

Our research and development costs consisted of staff costs, share-based payment expenses, acquisition/licensing-in expenses, third-party contracting costs, depreciation and amortization and others. For the six months ended 30 June 2025, we recorded research and development costs of approximately RMB78.9 million, representing a decrease of 20.3% as compared to approximately RMB99.0 million for the corresponding period of 2024, which was primarily due to (i) a decrease in the share-based payment expenses resulting from the vesting of a portion of share options and restricted share units under the Pre-IPO Equity Incentive Plan; and (ii) a decrease in acquisition/licensing-in expenses in line with the achievement of key milestones.

Set out below are the components of research and development costs for the periods indicated:

	For the six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Staff costs	25,181	27,802
Share-based payment expenses	6,489	11,809
Acquisition/licensing-in expenses	7,258	24,385
Third-party contracting costs	26,337	18,972
Depreciation and amortization	9,891	11,487
Others	3,724	4,553
Total	78,880	99,008

Administrative Expenses

Our administrative expenses consisted of staff costs, share-based payment expenses, consulting fees, depreciation and amortization and others. Administrative expenses decreased by 5.0% from approximately RMB67.6 million for the six months ended 30 June 2024 to approximately RMB64.2 million for the six months ended 30 June 2025, which was primarily due to the decrease in the share-based payment expenses resulting from the vesting of a portion of share options and restricted share units under the Pre-IPO Equity Incentive Plan.

Set out below are the components of administrative expenses for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Staff costs	25,378	23,752
Share-based payment expenses	10,791	21,111
Consulting fees	8,290	7,943
Depreciation and amortization	11,114	7,153
Others	8,675	7,641
Total	64,248	67,600

Impairment Losses on Financial Assets, net

Our impairment losses on financial assets, approximately RMB7.2 million for the six months ended 30 June 2025, were the impairment losses under the expected credit loss model, net of reversal, related to our trade receivables (for the six months ended 30 June 2024: nil).

Other Expenses

Our other expenses primarily consisted of (i) write-down of inventories to net realisable value; (ii) net foreign exchange losses, primarily related to our bank balances and time deposits over three months denominated in the U.S. dollars; (iii) loss on disposal of items of property, plant and equipment; and (iv) loss on termination of a lease contract. Our other expenses was approximately RMB0.03 million and RMB40.0 million for the six months ended 30 June 2024 and the six months ended 30 June 2025, respectively, which was primarily due to the increase in write-down of inventories.

Finance Costs

Our finance costs mainly included interests on bank loans and lease liabilities. Finance costs increased by 2.1% from approximately RMB4.8 million for the six months ended 30 June 2024 to approximately RMB5.0 million for the six months ended 30 June 2025, which was primarily due to the increase in bank loans obtained to finance our daily operation.

Income Tax Expenses

Our income tax expense for the six months ended 30 June 2025 was nil (for the six months ended 30 June 2024: nil).

Loss for the Period

As a result of the foregoing, we recorded a loss of approximately RMB239.4 million for the six months ended 30 June 2025, representing an increase of approximately 19.1% from a loss of approximately RMB200.9 million for the six months ended 30 June 2024.

Non-IFRS Measure

To supplement our condensed consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted net loss for the period, a non-IFRS measure to present our operating performance. Adjusted net loss for the period, as an additional financial measure, is not required by, or presented in accordance with IFRS Accounting Standards. We believe that such non-IFRS measure facilitates comparisons of our operating performance from period to period by eliminating impacts of non-cash or non-recurring items that our management considers to be not indicative of our operating performance and provides useful information to Shareholders and investors to evaluate our operating results in the same manner as our management does. However, our presentation of the adjusted net loss for the period may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and Shareholders and investors should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRS Accounting Standards. We define adjusted net loss for the period as loss for the period adjusted by adding back share-based payment expenses.

The following table reconciles our non-IFRS adjusted net loss for the period with our loss for the periods indicated:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	(239,387)	(200,926)
<i>Add:</i>		
Share-based payment expenses	21,124	39,917
Non-IFRS adjusted net loss for the period	(218,263)	(161,009)
Proportion of non-IFRS adjusted net loss to revenue for the period (Note)	(3.29)	(1.68)

Note:

Share-based payment expenses relates to the share options and restricted share units granted by the Company under its equity incentive plans, which the management considers that to be a non-cash item.

Liquidity and Financial Resources

Our primary uses of cash were to fund (i) R&D activities of our product candidates; and (ii) our daily operation and commercial promotion activities. We financed our operations primarily through equity financing, bank borrowings and cash generated from sale of our products. We monitor and maintain a level of cash and cash equivalents deemed adequate to mitigate the effects of fluctuations in cash flows. Currently, we follow a set of funding and treasury policies to manage our capital resources and mitigate potential risks involved.

As of 30 June 2025, our total cash and cash equivalents amounted to approximately RMB208.8 million, representing a decrease of 45.9% as compared to approximately RMB385.7 million as of 31 December 2024, which was primarily due to expenditures on research and development, selling and distribution and other operating activities.

As of 30 June 2025, our time deposits over three months amounted to approximately RMB10.7 million, representing an increase of 1.5% as compared to approximately RMB10.5 million as of 31 December 2024, which was primarily due to the increase in accrued interest receivable.

As of 30 June 2025, our financial assets at FVTPL amounted to approximately RMB462.0 million, representing a decrease of 3.7% as compared to approximately RMB480.0 million as of 31 December 2024, which was primarily due to the withdrawal of the financial assets, partially offset by the fair value gains during the Reporting Period.

As of 30 June 2025, our current assets amounted to approximately RMB822.5 million, including cash and cash equivalents of approximately RMB208.8 million. Our current liabilities amounted to approximately RMB260.0 million, including interest-bearing bank borrowings of approximately RMB196.3 million.

Details of the maturity profile of interest-bearing bank borrowings as of 30 June 2025 are set out in Note 16 to the financial statements.

Indebtedness

The following table sets forth the breakdown of our lease liabilities and interest-bearing bank borrowings as of the dates indicated:

	As of 30 June 2025 RMB'000 (Unaudited)	As of 31 December 2024 RMB'000 (Audited)
Lease liabilities	58,498	57,636
Interest-bearing bank borrowings	231,907	263,303

Except as discussed above, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of 30 June 2025.

Gearing Ratio

As of 30 June 2025, our gearing ratio was 32.2%, as compared with 30.0% as of 31 December 2024. The gearing ratio was fluctuating but remains stable overall. Gearing ratio is calculated by dividing total liabilities by total assets and multiplying the product by 100%.

Significant Investments, Material Acquisitions and Disposal

On 13 and 16 June 2023, the Company had subscribed for the wealth management products in the aggregate amount of US\$63,840,000 offered by different funds. Each of the wealth management products is characterized by its nature of principal-and-return-guaranteed, and the Subscriptions were funded by the Group's surplus cash reserves for treasury management purpose in order to maximize its return on the surplus capital. For further details, please refer to the announcement of the Company dated 28 August 2023.

The following are the details of the performance of the wealth management products held by the Group with size relative to the total assets of the Group above or equal 5% as of 30 June 2025:

Relevant fund	Subscription date	Principal amount of subscription (USD'000)	Realised gain during the Reporting Period (USD'000)	Unrealised gain during the Reporting Period (USD'000)	Fair value as at 30 June 2025 (USD'000)	Size relative to the total assets of the Group as of 30 June 2025 (%)
Alpha Generation	13 June 2023	14,200	–	211	15,066	10
Innovation Prosperity	13 June 2023	14,200	–	211	15,066	10
Oriental Kylin	13 June 2023	14,200	–	211	15,066	10
Summit View	16 June 2023	14,400	–	214	15,268	10

The Company did not receive any dividend from the above funds during the six months ended 30 June 2025.

Save as disclosed above, we did not hold any significant investments as defined under the Listing Rules, and we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures for six months ended 30 June 2025.

Capital Commitments

As of 30 June 2025, we had capital commitment of approximately RMB4.8 million for the contracts in relation to acquisition of property, plant and equipment and other intangible assets (as of 31 December 2024: RMB5.0 million).

Contingent Liabilities

As of 30 June 2025, we did not have any material contingent liabilities, guarantees or any litigation against us (as of 31 December 2024: nil).

Pledge of Assets

As of 30 June 2025, we did not pledged or charged any assets (as of 31 December 2024: nil).

Foreign Exchange Exposure

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect our financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars and the U.S. dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars and the U.S. dollars, has been based on rates set by the People's Bank of China. The Group primarily limits our exposure to foreign currency risk by closely monitoring the foreign exchange market. For the six months ended 30 June 2025, the Group did not enter into any currency hedging transactions.

Employees and Remuneration

As of 30 June 2025, the Group had a total of 298 employees. The total remuneration cost of the Group for the six months ended 30 June 2025 was approximately RMB90.6 million, as compared to approximately RMB113.7 million for the six months ended 30 June 2024, which was primarily due to the decrease in share-based payment expenses. The following table sets forth the total number of employees by function as of 30 June 2025:

Function	Number	Percentage of total
R&D	38	12.7%
Manufacturing and Quality Control	56	18.8%
Medical and Regulatory Affairs	44	14.8%
Sales, Marketing and Administration	160	53.7%
Total	298	100.0%

The remuneration of the employees of the Group comprises salaries, bonuses, employees' provident fund, share-based payment, social security contributions and other welfare payments. In accordance with applicable laws and regulations, we made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for the Group's employees. Two equity incentive plans, namely Pre-IPO Equity Incentive Plan and Post-IPO Equity Incentive Plan were adopted by the Company to incentivize and reward our employees and to align their interests with that of the Company.

Use of Proceeds

The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the global offering of approximately HK\$392.7 million (equivalent to approximately RMB356.8 million). Such net proceeds were used, and are proposed to be used accordingly to the intentions previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus of the Company. As of 30 June 2025, such net proceeds were utilized as follows:

Use of proceeds from the listing	Amount of net proceeds for planned applications (HK\$ million)	Percentage of total net proceed (%)	Unutilized net proceeds as of 1 January 2025 (HK\$ million)	Utilized net proceeds during the Reporting Period (HK\$ million)	Utilized net proceeds as of 30 June 2025 (HK\$ million)	Unutilized net proceeds as of 30 June 2025 (HK\$ million)	Expected time frame for unutilized amount
For the Core Product							
1. For funding the costs and expenses in connection with R&D personnel as well as continuing R&D activities of CU-20401	164.9	42.0	104.1	15.1	75.9	89.0	by the end of 2029
2. For the local production of CU-20401 in Mainland China	11.8	3.0	11.8	–	–	11.8	by the end of 2029
For the Key Products							
1. For funding the costs and expenses in connection with R&D personnel as well as continuing R&D activities of CU-40102 and CU-10201	43.2	11.0	10.8	10.8	43.2	–	by the end of 2026
2. For milestone payments of CU-10201	43.2	11.0	35.2	8.0	16.0	27.2	by the end of 2026
For the other candidates in the pipeline							
1. For the continuing R&D activities of CU-40101, CU-40103, CU – 40104 and other potential scalp diseases and care products	28.3	7.2	7.3	5.3	26.3	2.0	by the end of 2028
2. For the continuing R&D activities of CU-10101, CU-10401 and other potential skin diseases and care products	28.3	7.2	16.3	3.3	15.3	13.0	by the end of 2028
3. For the continuing R&D activities of CU-30101	14.1	3.6	–	–	14.1	–	
For technology development and business development for pipeline expansion							
	39.3	10.0	10.1	10.1	39.3	–	
For our working capital and other general corporate purposes							
	19.6	5.0	–	–	19.6	–	
Total	392.7	100.0	195.6	52.6	249.7	143.0	

OTHER INFORMATION

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

As at 30 June 2025, the following Directors and chief executive of the Company had or were deemed to have interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) (i) 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 (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Long Positions in the Underlying Shares

Name of Director	Capacity/Nature of interest	Class of Shares	Number of Shares held	Approximate percentage of shareholding (%)
Zhang Lele	Beneficial owner	Ordinary Shares	27,562,475	8.59
Huang Yuqing	Beneficial owner	Ordinary Shares	4,835,000	1.51

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be 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 he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2025, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/nature of interest	Number of Shares held	Approximate percentage of shareholding (%)
6 Dimensions Capital, L.P. ("6 Dimensions LP") ^(Note 1)	Beneficial owner	61,771,710	19.25
6 Dimensions Capital GP, LLC ^(Note 1)	Interest in controlled corporation	65,022,855	20.27
Suzhou 6 Dimensions Venture Capital Partnership L.P. (蘇州通和毓承投資合夥企業(有限合夥)) ("Suzhou 6 Dimensions") ^(Note 2)	Beneficial owner	60,516,000	18.86
Suzhou Tongyu Investment Management Partnership (Limited Partnership) (蘇州通毓投資管理合夥企業(有限合夥)) ("Tongyu Investment") ^(Note 2)	Interest in controlled corporation	60,516,000	18.86
Suzhou Frontline BioVentures Venture Capital Fund II L.P. (蘇州通和二期創業投資合夥企業(有限合夥)) ("Suzhou Frontline II") ^(Note 2)	Beneficial owner	25,935,425	8.08
Suzhou Fuyan Venture Capital Management Partnership (Limited Partnership) (蘇州富沿創業投資管理合夥企業(有限合夥)) ("Fuyan VC") ^(Note 2)	Interest in controlled corporation	25,935,425	8.08
Suzhou Yunchang Investment Consulting Co., Ltd. (蘇州蘊長投資諮詢有限公司) ("Yunchang Investment") ^(Note 2)	Interest in controlled corporation	86,451,425	26.95
Ms. Zhang Qiping ^(Note 2)	Interest in controlled corporation	86,451,425	26.95
Aurora Cutis Limited ^(Note 3)	Beneficial owner	54,019,020	16.84
Futu Trustee Limited ^(Note 3)	Interest in controlled corporation	54,019,020	16.84
YF Dermatology Limited ^(Note 4)	Beneficial owner	39,607,400	12.35

Name of Shareholder	Capacity/nature of interest	Number of Shares held	Approximate percentage of shareholding (%)
Yunfeng Fund III, L.P. ("Yunfeng LP") ^(Note 4)	Interest in controlled corporation	39,607,400	12.35
Yunfeng Investment III, Ltd. ("Yunfeng GP") ^(Note 4)	Interest in controlled corporation	39,607,400	12.35
Yunfeng Capital Limited ("Yunfeng Capital") ^(Note 4)	Interest in controlled corporation	39,607,400	12.35
HongShan Growth V Holdco Q, Ltd ("HSG Growth") ^(Note 5)	Beneficial owner	25,714,285	8.01
HongShan Capital Growth Fund V, L.P. ("HongShan Growth Fund V") ^(Note 5)	Interest in controlled corporation	25,714,285	8.01
HSG Growth V Management, L.P. ("HSG Management") ^(Note 5)	Interest in controlled corporation	25,714,285	8.01
HSG Holding Limited ^(Note 5)	Interest in controlled corporation	25,714,285	8.01
SNP China Enterprises Limited ^(Note 5)	Interest in controlled corporation	25,714,285	8.01
Mr. Neil Nanpeng Shen ^(Note 5)	Interest in controlled corporation	25,714,285	8.01

Notes:

- 6 Dimensions LP and 6 Dimensions Affiliates Fund, L.P. ("**6 Dimensions Affiliates**") are limited partnerships whose general partner is 6 Dimensions Capital GP, LLC. As such, under the SFO, 6 Dimensions Capital GP, LLC is deemed to be interested in Shares held by 6 Dimensions LP and 6 Dimensions Affiliates.
- Suzhou 6 Dimensions is a limited partnership whose general partner is Tongyu Investment. As such, under the SFO, Tongyu Investment is deemed to be interested in the Shares held by Suzhou 6 Dimensions.

Suzhou Frontline II is a limited partnership whose general partner is Fuyan VC. As such, under the SFO, Fuyan VC is deemed to be interested in the Shares held by Suzhou Frontline II.

Tongyu Investment and Fuyan VC are limited partnerships whose general partner is Yunchang Investment, which is wholly-owned by Ms. Zhang Qiping. As such, under the SFO, each of Yunchang Investment and Ms. Zhang Qiping is deemed to be interested in the Shares held by Suzhou 6 Dimensions and Suzhou Frontline II.
- Upon exercise of the options and settlement of the share awards granted under the Pre-IPO Equity Incentive Plan, a total of 54,019,020 Shares under the options and share awards granted under the Pre-IPO Equity Incentive Plan will be issued to Aurora Cutis Limited, a company incorporated in BVI and wholly owned by Futu Trustee Limited (the "**Trustee**"), the trustee of Aurora Cutis Employee Trust ("**Trust I**"), the trust set up by the Company to facilitate the administration of the Pre-IPO Equity Incentive Plan. Pursuant to the trust deed of Trust I, all options and share awards will be held by Aurora Cutis Limited and administered under Trust I by the Trustee, solely for the benefit of the identified grantees under the Pre-IPO Equity Incentive Plan. By virtue of the SFO, Futu Trustee Limited is deemed to be interested in the options and share awards held by Aurora Cutis Limited. From the Listing Date to 30 June 2025, 376,100 Shares were cancelled in Trust I.

4. YF Dermatology Limited is a private company controlled by Yunfeng LP, whose general partner is Yunfeng GP. Yunfeng GP is solely managed by Yunfeng Capital, whose shares are held by Mr. Yu Feng and Mr. Ma Yun. As such, under the SFO, each of Yunfeng LP, Yunfeng GP, Yunfeng Capital, Mr. Yu Feng and Mr. Ma Yun is deemed to be interested in the Shares held by YF Dermatology Limited.
5. HSG Growth is a wholly-owned subsidiary of HongShan Growth Fund V, whose general partner is HSG Management and the general partner of HSG Management is HSG Holding Limited. HSG Holding Limited is a wholly-owned subsidiary of SNP China Enterprises Limited, whose sole shareholder is Mr. Neil Nanpeng Shen. As such, under the SFO, each of HongShan Growth Fund V, HSG Management, HSG Holding Limited, SNP China Enterprises Limited and Mr. Neil Nanpeng Shen is deemed to be interested in the Shares held by HSG Growth.
6. All of the Shares held by Shareholders are ordinary Shares and represent long positions.

Save as disclosed above, as at 30 June 2025, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the paragraph headed “Directors’ and Chief Executive’s Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

In 2024, the Company has repurchased a total of 1,362,600 Shares (the “**Repurchased Shares**”) on the Stock Exchange (the “**Share Repurchase**”). The aggregate purchase price paid for the Repurchased Shares was approximately HK\$15.1 million. The Repurchased Shares represented approximately 0.44714% of the issued Shares (excluding treasury shares) as at the date of the resolution granting the repurchase mandate. As of 30 June 2025, the 1,362,600 Repurchased Shares were accounted for as treasury shares of being used for incentives for eligible participants, sale or transfer to obtain liquidity and other purposes.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) for the six months ended 30 June 2025.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

As at the date of this report, the Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors, each of them has confirmed that he/she has complied with the Model Code during the six months ended 30 June 2025. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information was noted by the Company.

EQUITY INCENTIVE PLANS

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of Shares (excluding treasury shares) of the Company for the six months ended 30 June 2025 is 0% as no option or award was granted under all schemes of the Company during the six months ended 30 June 2025.

The following is a summary of the principle terms of the Pre-IPO Equity Incentive Plan, which was adopted by the Company and took effect on 23 August 2019.

1. Pre-IPO Equity Incentive Plan

(a) *Purpose*

The purpose of the Pre-IPO Equity 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.

(b) *Eligibility*

An officer (whether or not a director) or employee of the Company or any of its affiliates, any member of the Board or any director of one of the Company's affiliates, or any individual consultant or advisor who renders or has rendered bona fide services (other than services in connection with the offering or sale of securities of the Company or one of its affiliates, as applicable, in a capital raising transaction or as a market maker or promoter of that entity's securities) to the Company or one of its affiliates.

(c) *Maximum number of Shares*

Under the Pre-IPO Equity Incentive Plan, the maximum number of Shares that may be delivered pursuant to options and share awards (the "**Awards**") granted under the Pre-IPO Equity Incentive Plan will not exceed the limit as duly approved by the Shareholders from time to time. The maximum number of Shares the Company is authorized to issue is 70,685,670 Shares upon the completion of Share Subdivision as defined in the Prospectus under the Pre-IPO Equity Incentive Plan.

As at the date of this report, the total number of Shares available for issue under the Pre-IPO Equity Incentive Plan was 52,197,774 Shares, representing 16.3% of the issued Shares (excluding treasury shares).

(d) *Maximum entitlement of each participant*

The terms of the Pre-IPO Equity Incentive Plan have no limit on the maximum entitlement of each participant.

(e) *Administration*

The Pre-IPO Equity Incentive Plan shall be administered, and all Awards under the Pre-IPO Equity Incentive Plan shall be authorized, by the administrator. The “administrator” means the Board or one or more committees appointed by the Board or another committee (within its delegated authority) to administer all or certain aspects of the Pre-IPO Equity Incentive Plan. The administrator may delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Company or any of its affiliates or to third parties.

Aurora Cutis Limited is a company incorporated in BVI and wholly owned by Futu Trustee Limited, the trustee of Trust I, the trust set up by the Company on 25 October 2021. Pursuant to the trust deed of Trust I, options and share awards with 54,019,020 underlying Shares will be held by Aurora Cutis Limited and administered under Trust I by the Trustee, solely for the benefit of the identified grantees (collectively “**Trust Beneficiaries Group I**”) under the Pre-IPO Equity Incentive Plan. From the Listing Date to 30 June 2025, 376,100 Shares were cancelled in Trust I.

Aurora Cutis Employee II Trust (“**Trust II**”) was set up by the Company with Futu Trustee Limited as the Trustee on 1 December 2023. Pursuant to the trust deed of Trust II, upon exercise of the options and settlement of the share awards granted under the Pre-IPO Equity Incentive Plan, 8,572,580 Shares will be issued to and held by the Trustee and administered under Trust II by the Trustee, solely for the benefit of the identified grantees (collectively “**Trust Beneficiaries Group II**”) under the Pre-IPO Equity Incentive Plan.

Trust I and Trust II were set up by the Company to facilitate the administration of the Pre-IPO Equity Incentive Plan.

Pursuant to agreements between the grantees and the Company, 6,786,920 Shares will be held by the grantees directly upon the exercise of options and/or delivery of share awards.

(f) *Awards*

The Pre-IPO Equity Incentive Plan is divided into two separate equity programs: (1) the option and share appreciation rights (the “**SAR**”) grant program under which eligible persons may, at the discretion of the administrator, be granted options and/or SARs, and (2) the share award program under which eligible persons may, at the discretion of the administrator, be awarded restricted or unrestricted Shares or restricted share units. No options and share awards representing under the Pre-IPO Equity Incentive Plan will be further granted.

(g) *Period of the Pre-IPO Equity Incentive Plan*

The Pre-IPO Equity Incentive Plan is effective for a period of 10 years from 23 August 2019 and the remaining life of the Pre-IPO Equity Incentive Plan as at the date of this report is around 4 years.

Options and SAR

(a) Award agreement and general

Each option or SAR shall be evidenced by an award agreement (the “**Award Agreement**”) in the form approved by the administrator. The Award Agreement evidencing an option or SAR shall contain the terms established by the administrator for that Award and any other terms, provisions, or restrictions that the administrator may impose on the option or SAR or any Shares subject to the option or SAR. The administrator may require that the recipient of an option or SAR promptly execute and return to the Company his or her Award Agreement evidencing the Award. In addition, the administrator may require that the spouse of any married recipient of an option or SAR also promptly execute and return to the Company the Award Agreement evidencing the Award granted to the recipient or such other spousal consent form that the administrator may require in connection with the grant of the Award.

(b) Price

The administrator will determine the purchase price per share of the Shares covered by each option (the “**exercise price**” of the option) at the time of the grant of the option, which exercise price will be set forth in the applicable Award Agreement, with the following factors.

- (i) the par value of Share;
- (ii) subject to clause (iii) below, 100% of the fair market value of a Share on the date of grant; or
- (iii) in the case of an option granted to a participant, possessing more than 10% of the total combined voting power of all classes of Shares, 110% of the Fair market value of a Share on the date of grant.

The administrator will determine the base price per share of the Shares covered by each SAR at the time of the grant of the SAR, which base price will be set forth in the applicable Award Agreement and will not be less than 100% of the fair market value of a Share on the date of grant of the SAR.

(c) Vesting, term and exercise

An option or SAR may be exercised only to the extent that it is vested and exercisable. The administrator will determine the vesting and/or exercisability provisions of each option or SAR (which may be based on performance criteria, passage of time or other factors or any combination thereof), which provisions will be set forth in the applicable Award Agreement. Unless the administrator otherwise expressly provides, once exercisable an option or SAR will remain exercisable until the expiration or earlier termination of the option or SAR.

Each option and SAR shall expire not more than 10 years after its date of grant. Any exercisable option or SAR will be deemed to be exercised when (a) the applicable exercise procedures in the related Award Agreement have been satisfied (or, in the absence of any such procedures in the related Award Agreement, the Company has received written notice of such exercise from the participant), and (b) in the case of an option, the Company has received any required payment, and (c) in the case of an option or SAR, the Company has received any written statement.

(d) Termination of employment

Unless otherwise provided in the applicable Award Agreement, if a participant's employment by or service to the Company or any of its affiliates is terminated by such entity for cause, the participant's option or SAR will terminate on the participant's severance date, whether or not the option or SAR is then vested and/or exercisable.

Share Award Program

(a) General

Each share award shall be evidenced by an Award Agreement in the form approved by the administrator. The Award Agreement evidencing a share award shall contain the terms established by the administrator for that share award, as well as any other terms, provisions, or restrictions that the administrator may impose on the share award (including, but not limited to, the number of Shares subject to such share award); in each case subject to the applicable provisions and limitations of this Plan. The administrator may require that the recipient of a share award promptly execute and return to the Company his or her Award Agreement evidencing the share award. In addition, the administrator may require that the spouse of any married recipient of a share award also promptly execute and return to the Company the Award Agreement evidencing the share award granted to the recipient or such other spousal consent form that the administrator may require in connection with the grant of the share award.

(b) Price

The administrator will determine the purchase price per share of the Shares covered by each share awards at the time of grant of the Award. In no case will such purchase price be less than the par value of the Shares.

(c) Vesting, settlement and term

The restrictions imposed on the Shares subject to a restricted share award and the vesting conditions applicable to each restricted share unit award (which may in each case be based on performance criteria, passage of time or other factors or any combination thereof) will be set forth in the applicable Award Agreement. Unless otherwise set forth in an Award Agreement, a restricted share unit award may, in the discretion of the administrator, be settled in Shares or cash (or a combination thereof).

Any payment of cash or delivery of shares in payment for a share award, if applicable, may be delayed until a future date if specifically authorized by the administrator in writing and by the participant.

As at 1 January 2025, no option was available for grant under the Pre-IPO Equity Incentive Plan. In connection with the listing of the Shares on the Stock Exchange on 12 June 2023, the Board has approved that upon listing, the Company will not grant any additional options under the Pre-IPO Equity Incentive Plan. Accordingly, no option was available for grant under the Pre-IPO Equity Incentive Plan as at the Listing Date and 30 June 2025, respectively.

As at 30 June 2025, pursuant to the Pre-IPO Equity Incentive Plan, the Company had granted:

- (i) to directors, senior management, consultants and employees of the Group outstanding options to subscribe for 21,830,400 Shares, representing approximately 6.8% of the total issued Share capital (excluding treasury shares) of the Company as at 30 June 2025 and as at the date of this report.
- (ii) to the five highest paid individuals of the Group outstanding options to subscribe for 13,216,940 Shares, representing approximately 4.1% of the total issued Share capital (excluding treasury shares) of the Company as at 30 June 2025 and as at the date of this report.
- (iii) to other grantees (excluding directors and the five highest paid individuals) of the Group outstanding options to subscribe for 8,613,460 Shares, representing approximately 2.7% of the total issued Share capital (excluding treasury shares) of the Company as at 30 June 2025 and as at the date of this report.

Below is a list of the grantees of the outstanding options who are (i) Directors, (ii) senior management (other than connected persons), (iii) consultants and (iv) other employees, of the Company under the Pre-IPO Equity Incentive Plan.

				Number of options							
Name and category of participant	Date of grant	Exercise Price	Fair value per share as at grant date	As at 1 January 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Forfeited during the Reporting Period	As at 30 June 2025	Vesting Period	Exercise Period
Directors											
Ms. Zhang Lele	23 August 2019	US\$0.06	US\$0.26918	128,215	–	–	–	–	128,215	5 years ⁽¹⁾	10 years from the vesting commencement date
	26 February 2021	US\$0.396	US\$0.62362	6,988,325	–	–	–	–	6,988,325	5 years ⁽¹⁾	10 years from the vesting commencement date
	19 October 2022	US\$0.06	US\$1.19946	202,195	–	–	–	–	202,195	5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date
	19 October 2022	US\$0.396	US\$0.93300	49,965	–	–	–	–	49,965	5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date
Mr. Huang Yuqing	10 July 2021	US\$0.06	US\$0.95794	592,010	–	–	–	–	592,010	5 years ⁽¹⁾	10 years from the vesting commencement date
	10 July 2021	US\$0.396	US\$0.70828	1,711,195	–	–	–	–	1,711,195	5 years ⁽¹⁾	10 years from the vesting commencement date
	28 February 2022	US\$0.06	US\$1.29184	27,970	–	–	–	–	27,970	5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date
Senior Management (Except for Ms. Zhang Lele and Mr. Huang Yuqing)											
Mr. Zhu Qi	28 February 2020	US\$0.06	US\$0.26918	1,714,285	–	–	–	–	1,714,285	5 years ⁽¹⁾	10 years from the vesting commencement date
	26 February 2021	US\$0.396	US\$0.62362	385,715	–	–	–	–	385,715	5 years ⁽¹⁾	10 years from the vesting commencement date
	28 February 2022	US\$0.06	US\$1.29184	29,320	–	–	–	–	29,320	5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date
Mr. Lei Lei	24 April 2020	US\$0.06	US\$0.26934	450,000	100,000 ⁽³⁾	–	–	–	350,000	5 years ⁽¹⁾	10 years from the vesting commencement date
	26 February 2021	US\$0.396	US\$0.62782	500,000	–	–	–	–	500,000	5 years ⁽¹⁾	10 years from the vesting commencement date
	28 February 2022	US\$0.06	US\$1.29184	20,220	–	–	–	–	20,220	5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date

Name and category of participant	Date of grant	Exercise Price	Fair value per share as at grant date	As at 1 January 2025	Number of options				As at 30 June 2025	Vesting Period	Exercise Period
					Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Forfeited during the Reporting Period			
Ms. Zhang Chunna	28 February 2020	US\$0.06	US\$0.26970	1,028,570	-	-	-	-	1,028,570	5 years ⁽¹⁾	10 years from the vesting commencement date
	26 February 2021	US\$0.396	US\$0.62782	271,430	-	-	-	-	271,430	5 years ⁽¹⁾	10 years from the vesting commencement date
	28 February 2022	US\$0.06	US\$1.29184	22,915	-	-	-	-	22,915	5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date
Ms. Xu Jingxin	15 September 2020	US\$0.06	US\$0.87714	308,570	-	-	-	-	308,570	5 years ⁽¹⁾	10 years from the vesting commencement date
	26 February 2021	US\$0.396	US\$0.64578	191,430	-	-	-	-	191,430	5 years ⁽¹⁾	10 years from the vesting commencement date
	28 February 2022	US\$0.06	US\$1.29184	17,525	-	-	-	-	17,525	5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date
Mr. Wu Jianu	28 February 2020	US\$0.06	US\$0.26918	642,855	50,000 ⁽³⁾	-	-	-	592,855	5 years ⁽¹⁾	10 years from the vesting commencement date
	26 February 2021	US\$0.396	US\$0.62362	307,145	-	-	-	-	307,145	5 years ⁽¹⁾	10 years from the vesting commencement date
	28 February 2022	US\$0.06	US\$1.29184	16,850	-	-	-	-	16,850	5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date
Consultants											
Dr. Steven Brian Landau MD	23 August 2019	nil	US\$0.04040	1,097,145	-	-	-	-	1,097,145	Vested at the date of grant	10 years from the vesting commencement date
Ms. Zhang Jingyuan	15 September 2020	US\$0.06	US\$0.87690	34,285	-	-	-	-	34,285	5 years ⁽¹⁾	10 years from the vesting commencement date
Other employees	From 28 February 2020 to 19 October 2022	US\$0.06 to US\$0.396	US\$0.26888- US\$1.29184	5,378,030	120,000 ⁽³⁾	-	-	15,765	5,242,265	5 years or 5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾	10 years from the vesting commencement date
Total				22,116,165	270,000	-	-	15,765	21,830,400		

Notes:

- (1) The Grantees will vest in twenty percent of the option on the one year anniversary of the vesting commencement date and an additional one sixtieth of the option upon each successive month (or if there is no corresponding day, on the last day of such month) for the next 48 months following such one-year anniversary, subject generally to the Grantees continuing to be an employee of the Company through each such date (the “**Time-Based Vesting**”).

- (2) Subject to the fulfilment of the Time-Based Vesting set forth above, the option only become vested on each Time-Based Vesting Date, subject to the Grantee's continued employment with the Company through the applicable Time-Based Vesting Date and the achievement of the applicable performance target for the applicable fiscal year of the Company ending immediately prior to the applicable Time-Based Vesting Date (the "**Performance-Based Vesting**", each such fiscal year, a "**Fiscal Year**", and each such performance target, a "**Performance Target**"). Each Performance Target shall be decided by the Company annually, initially the Performance Target shall be the Grantee has received at least three points in the Performance Target annual review.
- (3) During the Reporting Period, the weighted average closing price immediately before the date on which the share options were exercised as set out in the table above, was HK\$9.91 per Share.

As at 1 January 2025, no share award was available for grant under the Pre-IPO Equity Incentive Plan. In connection with the listing of the Shares on the Stock Exchange on 12 June 2023, the Board has approved that upon listing, the Company will not grant any additional share awards under the Pre-IPO Equity Incentive Plan. Accordingly, no share award was available for grant under the Pre-IPO Equity Incentive Plan as at the Listing Date and 30 June 2025, respectively.

As at 30 June 2025, pursuant to the Pre-IPO Equity Incentive Plan, the Company had granted:

- (i) to directors, senior management and employees of the Group outstanding share awards to subscribe for 29,690,529 Shares, representing approximately 9.3% of the total issued share capital (excluding treasury shares) of the Company as at 30 June 2025 and as at the date of this report.
- (ii) to the five highest paid individuals of the Group outstanding share awards to subscribe for 15,138,299 Shares, representing approximately 4.7% of the total issued share capital (excluding treasury shares) of the Company as at 30 June 2025 and as the date of this report.
- (iii) to other grantees (excluding directors and the five highest paid individuals) of the Group outstanding share awards to subscribe for 14,552,230 Shares, representing approximately 4.6% of the total issued share capital (excluding treasury shares) of the Company as at 30 June 2025 and as the date of this report.

Below is a list of the grantees of the outstanding share awards who are (i) connected persons, (ii) senior management (other than connected persons), and (iii) other employees (who are all current employees but not Directors, members of senior management, consultants or connected persons of the Company) under the Pre-IPO Equity Incentive Plan.

				Number of share awards					
Name and category of participant	Date of grant	Fair value per share as at grant date	As at 1 January 2025	Vested ⁽³⁾ during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Forfeited during the Reporting Period	As at 30 June 2025	Vesting Period
Directors									
Ms. Zhang Lele	19 October 2022	US\$1.25838	4,624,039	–	–	–	–	4,624,039	4 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
	20 November 2022	US\$1.25840	562,500	–	–	–	–	562,500	4.5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
Mr. Huang Yuqing	28 February 2022	US\$1.35096	1,580,100	–	–	–	–	1,580,100	4 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
	20 November 2022	US\$1.25840	838,725	–	–	–	–	838,725	4.5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
Senior Management (Except for Ms. Zhang Lele and Mr. Huang Yuqing)									
Mr. Zhu Qi	28 February 2022	US\$1.35096	1,970,450	100,000 ⁽⁴⁾	–	–	–	1,870,450	4 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
	20 November 2022	US\$1.25840	650,230	–	–	–	–	650,230	4.5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
Mr. Lei Lei	28 February 2022	US\$1.35096	1,857,205	–	–	–	–	1,857,205	4 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
	20 November 2022	US\$1.25840	422,575	–	–	–	–	422,575	4.5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
Ms. Zhang Chunna	28 February 2022	US\$1.35096	1,881,500	100,000 ⁽⁴⁾	–	–	–	1,781,500	4 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
	20 November 2022	US\$1.25840	45,585	–	–	–	–	45,585	4.5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
Ms. Xu Jingxin	28 February 2022	US\$1.35096	1,932,915	–	–	–	–	1,932,915	4 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
	20 November 2022	US\$1.25840	799,560	–	–	–	–	799,560	4.5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
Mr. Wu Jiaru	28 February 2022	US\$1.35096	1,389,340	–	–	–	–	1,389,340	4 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
	20 November 2022	US\$1.25840	393,810	–	–	–	–	393,810	4.5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
Other employees	From 1 December 2021 to 20 November 2022	US\$1.25838- US\$1.35096	11,449,165	408,530 ⁽⁴⁾	–	–	98,640	10,941,995	4 years and Performance-Based Vesting or 4.5 years and Performance-Based Vesting ⁽¹⁾⁽²⁾
Total			30,397,699	608,530	–	–	98,640	29,690,529	

Notes:

- (1) 25% of the restricted shares units (the “**RSUs**”) shall vest on the one year anniversary (or for share awards granted in November 2022, one and a half years anniversary) of the vesting commencement date and an additional 25% of the RSUs upon each successive one year anniversary for the next 3 years following such one-year anniversary, subject generally to the Awardees continuing to be an employee of the Company through each such date.
- (2) Subject to the fulfilment of the Time-Based Vesting set forth above, the share awards only become vested on each Time-Based Vesting Date, subject to the Grantee's continued employment with the Company through the applicable Time-Based Vesting Date and the achievement of the applicable performance target for the applicable fiscal year of the Company ending immediately prior to the applicable Time-Based Vesting Date (the “**Performance-Based Vesting**”, each such fiscal year, a “**Fiscal Year**”, and each such performance target, a “**Performance Target**”). Each Performance Target shall be decided by the Company annually, initially the Performance Target shall be the Grantee has received at least three points in the Performance Target annual review.
- (3) According to the Pre-IPO Equity Incentive Plan, upon vesting of the share awards, the participants are required to pay the stipulated purchase price before the Company issues certificates evidencing the Shares awarded pursuant to the share awards. The consideration paid upon delivery of each Share underlying the share awards is US\$0.00002.
- (4) During the Reporting Period, the weighted average closing prices immediately before the date on which the share awards were vested for Mr. Zhu Qi and Ms. Zhang Chunna were approximately HK\$9.91 per Share. The weighted average closing price immediately before the date on which the share awards were vested for other employees was approximately HK\$4.44 per Share.

2. Post-IPO Equity Incentive Plan

The Post-IPO Equity Incentive Plan was conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by resolution of our then shareholders on 30 May 2023.

(a) *Purpose*

The purpose of the Post-IPO Equity Incentive Plan is to incentivize and reward the Eligible Participants (as defined below) for their contribution to the Group and to align their interests with that of our Company so as to encourage them to work towards enhancing the value of our Company.

(b) *Eligible Participants*

The Board (which expression shall, for the purpose of this paragraph, include the Board or a duly authorized committee thereof) may, at its absolute discretion, offer to grant an option or a share award to subscribe for such number of Shares as the Board may determine to (a) an employee (whether full time or part-time) or a director of our Company or any of its subsidiaries (the “**Eligible Employee(s)**”) and (b) a consultant who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group (“**Service Provider(s)**”, together with the Eligible Employees referred as the “**Eligible Participant(s)**”).

For the avoidance of doubt, Service Providers shall exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and any professional service providers such as auditors or valuers.

The eligibility of any Eligible Employees shall be determined by the Board from time to time on the basis of the Board's opinion as to, among others, the participant's individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the actual or potential contribution to the development and growth of the Group.

The eligibility of any Service Providers shall be determined by the Board from time to time on the basis of the Board's opinion as to, among others, their contribution to the development and growth of the Group, the prevailing market practice and industry standard, the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Service Providers has established with the Group, and the amount of support, assistance, guidance, advice, efforts and contributions the Service Providers has exerted and given towards the success of the Group, and/or whether the person is regarded as a valuable consultant of the Group, taking into account the knowledge, experience, qualification, expertise and reputation of the Service Providers or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him/her and the Group and his/her strategic value).

(c) *Maximum number of Shares*

- (i) Subject to paragraphs (iv) and (v) below, the total number of Shares which may be issued upon exercise of all options and share awards to be granted under the Post-IPO Equity Incentive Plan shall not in aggregate exceed 10% of the relevant class of Shares in issue on the day on which trading of the Shares commences on the Stock Exchange (the "**Plan Mandate Limit**"), being 30,402,446 Shares. Options and share awards lapsed in accordance with the terms of the Post-IPO Equity Incentive Plan will not be counted for the purpose of calculating the Plan Mandate Limit. As at 1 January 2025, 30 June 2025 and the date of this report, the number of options and share awards available for grant under the Post-IPO Equity Incentive Plan was both 30,402,446 Shares, representing 9.5% of the issued Shares (excluding treasury shares).
- (ii) Subject to paragraph (i) above, within the Plan Mandate Limit, the total number of Shares which may be issued upon exercise of all options and share awards to be granted to Service Providers shall not exceed 1% of the relevant class of Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, being 3,040,244 Shares (the "**Service Providers Sublimit**"). As at 1 January 2025, 30 June 2025 and the date of this report, the Service Providers Sublimit available for grant under the Post-IPO Equity Incentive Plan mandate was 3,040,244 Shares representing 0.95% of the issued Shares (excluding treasury shares).
- (iii) Subject to paragraph (iv) below, the Plan Mandate Limit and the Service Providers Sublimit may be refreshed at any time after three years from the date of Shareholders' approval for the last refreshment (or the date on which the Post-IPO Equity Incentive Plan is adopted, as the case may be) by approval of the Shareholders in general meeting provided that (1) any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of our Company and their respective associates) must abstain from voting in favor of the relevant resolution at the general meeting; and (2) our Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules. The requirements under (1) and (2) of this paragraph do not apply if the refreshment is made immediately after an issue of securities by our Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the plan mandate (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the plan mandate immediately before the issue of securities, rounded to the nearest whole Share.
- (iv) The total number of Shares which may be issued upon exercise of all options and share awards to be granted under the Post-IPO Equity Incentive Plan and any other plans of our Company under the plan mandate as refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed plan mandate.

- (v) Without prejudice to paragraph (iv) above, our Company may seek separate Shareholders' approval in a general meeting to grant options and/or share awards beyond the Plan Mandate Limit to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options and/or share awards to be granted, the purpose of granting options and/or share awards to the specified participants with an explanation as to how the terms of the options and/or share awards will serve such purpose and all other information required under the Listing Rules.

(d) *Maximum entitlement of a grantee*

Where any grant of options or share awards to a participant would result in the Shares issued and to be issued upon exercise of all options and/or share awards granted and to be granted to such participant (excluding any options and share awards lapsed in accordance with the terms of the Post-IPO Equity Incentive Plan) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares (excluding treasury shares) in issue, such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options and/or share awards to be granted to such participant must be fixed before Shareholders' approval.

(e) *Subscription price*

The amount payable for each Share to be subscribed for under an option (the "**Subscription Price**") in the event of the option being exercised shall be determined by the Board or a duly authorized committee thereof at its absolute discretion, which shall be not less than the highest of:

- (i) the nominal value of a Share;
- (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
- (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

The amount payable for each Share to be subscribed for under a share award (the "**Purchase Price**") shall be determined by the Board or a duly authorized committee thereof at its absolute discretion, based on considerations such as the prevailing closing price of the Shares, the purpose of the share award and the contribution of the Eligible Participant.

(f) *Vesting period*

An offer of the grant of an option or a share award shall be made to any Eligible Participants by letter in such form as the Board or a duly authorized committee thereof may from time to time determine specifying the number of Shares, the vesting period, the subscription price, the option period, the date by which the grant must be accepted and further requiring the Eligible Participants to hold the option or share award on the terms on which it is to be granted and to be bound by the provisions of the Post-IPO Equity Incentive Plan.

(g) *Exercise period*

An option or a share award are may be exercised in accordance with the terms of the Post-IPO Equity Incentive Plan at any time during a period to be determined and notified by the Board to each grantee, which period may commence on a day falling at least 12 months after the date upon which the offer for the grant of options or share awards are made but shall end in any event not later than 10 years from the date on which an option or a share award are offered to a participant, subject to the provisions for early termination under the Post-IPO Equity Incentive Plan. The minimum period for which an option or a share award must be held before it can be vested or exercised (if applicable) shall be 12 months from the date of grant of such option or share award.

(h) *Duration*

The Post-IPO Equity Incentive Plan shall be valid and effective for a period of 10 years commencing on the date when the Post-IPO Equity Incentive Plan becomes unconditional, after which period no further options or share awards will be granted by the provisions of the Post-IPO Equity Incentive Plan, but the provisions of the Post-IPO Equity Incentive Plan shall remain in full force and effect to the extent necessary to give effect to the exercise of any options or share awards granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Equity Incentive Plan.

No options or share awards had been granted or agreed to be granted under the Post-IPO Equity Incentive Plan from the Listing Date and up to 30 June 2025. Options and share awards to subscribe for 30,402,446 Shares remained available for grant as at both the Listing Date and 30 June 2025.

(i) *Period of the Post-IPO Equity Incentive Plan*

The Post-IPO Equity Incentive Plan is effective for a period of 10 years from 30 May 2023 and the remaining life of the Post-IPO Equity Incentive Plan as of the date of this report is around 8 years.

CORPORATE GOVERNANCE

The Company has adopted the principles and code provisions as set out in the Corporate Governance Code and has complied with all applicable code provisions for the six months ended 30 June 2025.

CHANGE IN INFORMATION OF DIRECTORS

As of the date of this report, the changes in information of Directors are as follows: (1) Dr. Chen Lian Yong, a non-executive Director, resigned as a non-executive director of Xikang Cloud Hospital Holdings Inc. (熙康雲醫院控股有限公司) (former name: Neusoft Xikang Holdings Inc. (東軟熙康控股有限公司)), a company primarily engaged in cloud hospital platform and listed on the Stock Exchange (stock code: 9686) in April 2025; (2) Dr. Xie Qin, a non-executive Director, was appointed as a non-executive director of Ocumension Therapeutics (歐康維視生物), a company primarily engaged in ophthalmic therapies and listed on the Stock Exchange (stock code: 1477) and a member of the Nomination Committee in January 2025 and August 2025, respectively; (3) Mr. Chung Ming Kit, an independent non-executive Director, was appointed as company secretary and executive director of Sa Sa International Holdings Limited (a company listed on the Stock Exchange with stock code: 178) in April 2025 and June 2025, respectively; (4) Mr. Zhang Zhisong was appointed as an independent non-executive Director, a member of the Audit Committee and a member of the Nomination Committee with effect from August 2025. Mr. Zhang confirmed that he has no past or present financial or other interest in the business of the Group or any connection with any core connected person (as such term is defined in the Listing Rules) of the Company; (5) Mr. Tao Tak Yan Dennis has resigned as an independent non-executive Director and a member of Nomination Committee and Audit Committee with effect from August 2025; and (6) Mr. Ye Xiaoxiang, an independent non-executive Director, was appointed as a member of the Nomination Committee in August 2025.

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

APPOINTMENT OF COMPANY SECRETARY

Reference is made to the announcement of the Company dated 28 August 2025. The Company has appointed Mr. Leung Chi Kit ("**Mr. Leung**") as the company secretary. Mr. Leung is a manager of the Listing Services Department of TMF Hong Kong Limited (a global corporate services provider), and he has obtained the professional qualifications as required under Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary.

To address the potential concerns associated with appointing an external company secretary as outlined in the Stock Exchange's Corporate Governance Guide for Boards and Directors, the Board indicates that the following measures have been implemented:

Day-to-day knowledge

An internal senior staff member of the Company has been designated as the primary contact person for Mr. Leung, responsible for providing regular updates and ensuring that he remains fully informed of the Company's business operations, ongoing developments and strategic objectives. Mr. Leung will also attend all board, committee and general meetings of the Company and will have full access to board minutes, resolutions and internal policies, thereby maintaining continuous awareness of the Company's affairs. To further integrate him into the Company's governance framework, Mr. Leung will also be invited to attend management briefings and strategy update sessions when appropriate.

Timely communication

The Company will maintain active communication with Mr. Leung through multiple channels, including email, phone and instant messaging, to ensure prompt responses to governance and compliance queries. In the event of Mr. Leung's temporary unavailability, his professional team will provide backup support to ensure continuity and timely advice. In addition, urgent governance or compliance matters can be escalated directly by Mr. Leung to the members of the Board to ensure immediate attention and resolution.

Workload management and monitoring

Upon reviewing Mr. Leung's client portfolio and considering his workload, the Board is satisfied that he has sufficient capacity to devote time to the Company's affairs. The scope of services is clearly defined in the engagement letter and will be subject to ongoing monitoring by the Board. The management of the Company will also periodically review the effectiveness of the company secretarial function, including Mr. Leung's responsiveness, accuracy and governance support, to ensure that the arrangement remains effective and compliant with all applicable obligations. Mr. Leung will provide periodic reports to the Board on governance and compliance matters, including updates on regulatory developments, to facilitate ongoing oversight. In addition, the Board will conduct an annual assessment of the effectiveness of the company secretarial function and the adequacy of resources allocated, to ensure the continued suitability of the arrangement.

AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are independent non-executive Directors, namely Mr. Chung Ming Kit (chairman), Mr. Zhang Zhisong (appointed on 28 August 2025) and Mr. Ye Xiaoxiang. Mr. Tao Tak Yan Dennis, a former member of the Audit Committee, has resigned with effect from 28 August 2025.

The term of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee had reviewed together with the management and external auditor the accounting principles and policies adopted by the Company and the unaudited interim condensed consolidated financial information for the six months ended 30 June 2025.

LOAN AGREEMENT

During the Reporting Period, the Company had not breached any terms of its loan agreements for loans that are significant to its operations.

ISSUE OF EQUITY SECURITIES

During the six months ended 30 June 2025, the Company did not issue any equity securities (including securities convertible into equity securities) or sale of treasury shares for cash.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

AUDITOR

The Shares were listed on the Stock Exchange on 12 June 2023, and there has been no change in auditor since the Listing Date. The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been reviewed by Ernst & Young, the independent auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants.

On Behalf of the Board
Cutia Therapeutics
Zhang Lele
Chief Executive Officer and Executive Director

Hong Kong, 28 August 2025

INDEPENDENT REVIEW REPORT



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To the board of directors of Cutia Therapeutics
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 37 to 57, which comprises the condensed consolidated statement of financial position of Cutia Therapeutics (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. 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**”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information 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 Hong Kong 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

28 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	66,290	95,575
Cost of sales		(34,225)	(45,240)
Gross profit		32,065	50,335
Other income and gains	4	15,484	23,707
Selling and distribution expenses		(91,659)	(103,486)
Research and development costs		(78,880)	(99,008)
Administrative expenses		(64,248)	(67,600)
Impairment losses on financial assets, net		(7,180)	—
Other expenses	6	(40,019)	(28)
Finance costs	7	(4,950)	(4,846)
LOSS BEFORE TAX	5	(239,387)	(200,926)
Income tax expense	8	—	—
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(239,387)	(200,926)
Attributable to:			
Owners of the parent		(239,387)	(200,926)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	10	(0.75)	(0.66)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	161,810	173,267
Right-of-use assets		46,209	47,662
Other intangible assets		8,410	8,895
Amounts due from related parties	19	36,397	36,431
Prepayments, other receivables and other assets	12	40,888	39,865
Total non-current assets		293,714	306,120
CURRENT ASSETS			
Inventories		63,236	74,692
Trade receivables	13	36,632	99,164
Prepayments, other receivables and other assets	12	39,746	35,747
Amounts due from related parties	19	1,397	1,363
Financial assets at FVTPL	14	461,994	479,955
Time deposits over three months		10,684	10,530
Cash and cash equivalents		208,837	385,670
Total current assets		822,526	1,087,121
CURRENT LIABILITIES			
Trade and other payables	15	51,175	97,572
Lease liabilities		12,564	12,376
Interest-bearing bank borrowings	16	196,267	213,303
Total current liabilities		260,006	323,251
NET CURRENT ASSETS		562,520	763,870
TOTAL ASSETS LESS CURRENT LIABILITIES		856,234	1,069,990

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		45,934	45,260
Deferred income		18,040	–
Interest-bearing bank borrowings	16	35,640	50,000
Total non-current liabilities		99,614	95,260
Net assets		756,620	974,730
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	45	45
Treasury shares	17	(13,857)	(13,857)
Reserves		770,432	988,542
Total equity		756,620	974,730

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Ordinary share capital <i>RMB'000</i>	Treasury shares <i>RMB'000</i>	Share premium <i>RMB'000</i>	Share option reserve <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total equity <i>RMB'000</i>
At 1 January 2025 (audited)	45	(13,857)	4,690,629	362,439	(680,845)	(3,383,681)	974,730
Loss and total comprehensive loss for the period	–	–	–	–	–	(239,387)	(239,387)
Recognition of share-based payment expenses	–	–	–	21,124	–	–	21,124
Shares issued upon exercise of share options and restricted share units (note 17)	–*	–	153	–	–	–	153
At 30 June 2025 (unaudited)	45	(13,857)	4,690,782	383,563	(680,845)	(3,623,068)	756,620

	Ordinary share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Share option reserve <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total equity <i>RMB'000</i>
At 1 January 2024 (audited)	43	4,685,887	293,824	(680,845)	(2,949,870)	1,349,039
Loss and total comprehensive loss for the period	–	–	–	–	(200,926)	(200,926)
Recognition of share-based payment expenses	–	–	39,917	–	–	39,917
Shares issued upon exercise of equity-settled share-based payment (note 17)	–*	303	–	–	–	303
At 30 June 2024 (unaudited)	43	4,686,190	333,741	(680,845)	(3,150,796)	1,188,333

* The amounts are less than RMB1,000.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(239,387)	(200,926)
Adjustments for:			
Interest income	4	(3,186)	(7,351)
Finance costs	7	4,950	4,846
Depreciation of property, plant and equipment	5	15,118	13,931
Depreciation of right-of-use assets	5	5,546	5,939
Loss on disposal of items of property, plant and equipment	5	973	–
Amortisation of other intangible assets	5	1,089	625
Loss on termination of a lease contract	5	474	–
Write-down of inventories to net realisable value	5	37,777	1,747
Provision for impairment losses on financial assets		7,180	–
Fair value gains on financial assets at FVTPL	4	(4,850)	(10,564)
Income from government grants and subsidies related to assets		(1,475)	–
Net foreign exchange losses (gains)	4	772	(1,234)
Share-based payment expenses	5	21,124	39,917
		(153,895)	(153,070)
Decrease in trade receivables		55,352	8,889
Increase in prepayments, other receivables and other assets		(5,832)	(26,767)
Decrease in amounts due from related parties		681	650
Increase in inventories		(26,322)	(21,155)
Decrease in trade and other payables		(41,687)	(54,307)
Decrease in deferred income		–	(400)
Net cash flows used in operating activities		(171,703)	(246,160)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,094	5,801
Purchases of items of property, plant and equipment		(8,538)	(9,753)
Disposal of items of property, plant and equipment		1	6
Purchases of items of other intangible assets		(756)	(1,131)
Repayment received on loans to employees		–	17
Placement of time deposits		–	(42,648)
Withdrawal of time deposits		–	130,089
Placement of financial assets at FVTPL		–	(190,000)
Withdrawal of financial assets at FVTPL		22,811	150,814
Receipt of government grants and subsidies related to assets		19,515	–
Net cash flows from investing activities		35,127	43,195

	Notes	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		–	303
Interest of bank borrowings paid		(4,078)	(4,767)
Proceeds from bank borrowings		152,623	121,400
Repayment of bank borrowings		(183,647)	(99,300)
Payment for rental deposits		(137)	–
Proceeds from rental deposits refund		34	78
Lease payments		(4,325)	(6,440)
Issue costs paid		–	(5,933)
Net cash flows (used in)/from financing activities		(39,530)	5,341
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		385,670	473,120
Effect of foreign exchange rate changes, net		(727)	551
CASH AND CASH EQUIVALENTS AT END OF PERIOD		208,837	276,047

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

1.1 Corporate information

Cutia Therapeutics (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 15 May 2019, and its shares are listed on The Stock Exchange of Hong Kong Limited on 12 June 2023. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in developing innovative and comprehensive solutions that are tailored to meet the diverse and evolving needs of patients and consumers in the broader dermatology treatment and care market.

1.2 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

This interim condensed consolidated financial information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group' annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21 *Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is developing innovative and comprehensive solutions that are tailored to meet the diverse and evolving needs of patients and consumers in the broader dermatology treatment and care market. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

During the reporting period, all of the Group’s revenue was derived from customers located in the People’s Republic of China (“PRC”) and nearly all of the Group’s non-current assets were located in the PRC, and therefore no geographical segment information is presented in accordance with IFRS 8 *Operation Segments*.

Information about major customers

Revenue derived from sales to customers, which amounted to more than 10% of the Group’s revenue during the six months ended 30 June 2025 and 2024, is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	N/A*	21,307
Customer B	N/A*	12,711

* The corresponding revenue did not amount to more than 10% of the total revenue of the Group for the six months ended 30 June 2025.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of products – at a point in time	66,290	95,575

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income		
Government grants	7,173	3,739
Bank interest income	2,292	6,326
Imputed interest income on rental and other deposits	79	247
Deemed interest income from loans to employees	134	128
Deemed interest income from the loans to related parties (note 19)	681	650
Others	275	819
Total other income	10,634	11,909
Gains		
Foreign exchange gains, net	–	1,234
Fair value gains on financial assets at FVTPL	4,850	10,564
Total gains	4,850	11,798
Total other income and gains	15,484	23,707

5. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold	34,225	43,493
Write-down of inventories to net realisable value	37,777	1,747
Cost of inventories recognised as expense (included in research and development costs)	1,850	1,554
Research and development costs	78,880	99,008
Depreciation of property, plant and equipment	15,118	13,931
Depreciation of right-of-use assets	5,546	5,939
Amortisation of other intangible assets	1,089	625
Loss on disposal of items of property, plant and equipment	973	—
Loss on termination of a lease contract	474	—
Impairment losses on financial assets, net	7,180	—
Government grants	(7,173)	(3,739)
Fair value gains on financial assets at FVTPL	(4,850)	(10,564)
Foreign exchange differences, net	772	(1,234)
Staff costs (including directors' emoluments):		
– Independent non-executive directors' fee	525	526
– Salaries, bonuses, allowances and benefits in kind	62,938	67,208
– Pension scheme contributions	5,988	6,044
– Share-based payment expenses	21,124	39,917
	90,575	113,695
Auditors' remuneration	1,200	1,200
Lease payments not included in the measurement of lease liabilities	349	450

6. OTHER EXPENSES

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Write-down of inventories to net realisable value	37,777	—
Loss on disposal of items of property, plant and equipment	973	—
Foreign exchange losses, net	772	—
Loss on termination of a lease contract	474	—
Others	23	28
Total	40,019	28

7. FINANCE COSTS

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest on bank borrowings	3,706	3,588
Interest on lease liabilities	1,244	1,258
Total	4,950	4,846

8. INCOME TAX

The Company was incorporated in the Cayman Islands and is exempted from income tax.

No Hong Kong profits tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong profits tax during the periods presented in the interim condensed consolidated financial information.

No PRC Enterprise Income tax was provided for as there was no estimated assessable profit of the Group's PRC subsidiaries during the periods presented in the interim condensed consolidated financial information.

Deferred taxation had not been fully recognised on the unused tax losses and deductible temporary differences since it is not probable that the taxable profits will be available against which the tax losses and deductible temporary differences can be utilised in the foreseeable future.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (during the six months ended 30 June 2024: nil).

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

The calculation of the basic loss per share amounts for the six months ended 30 June 2025 and 2024 is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares outstanding.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the impact of share options and restricted share units had an anti-dilutive effect on the basic loss per share amounts presented.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

The calculations of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent for the purpose of calculating basic and diluted loss per share (RMB'000)	(239,387)	(200,926)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted loss per share calculation	318,779,613	304,730,777
Loss per share (basic and diluted) (RMB per share)	(0.75)	(0.66)

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with costs of RMB4,635,000 (unaudited) (for the six months ended 30 June 2024: RMB12,665,000 (unaudited)).

Property, plant and equipment with a net book value of RMB974,000 (unaudited) were disposed of by the Group during the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB6,000 (unaudited)).

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current:		
Loans to employees	5,588	5,454
Deemed prepaid remuneration to employees	1,628	1,768
Rental and other deposits	7,976	8,398
Value-added tax recoverable	19,281	16,915
Prepayments for purchase of items of other intangible assets	582	430
Prepayments for purchase of items of property, plant and equipment	5,833	6,900
Total	40,888	39,865
Current:		
Rental deposits	3,228	2,726
Deemed prepaid remuneration to employees	273	267
Prepayments	34,827	28,534
Other receivables	212	1,902
Value-added tax recoverable	1,206	2,318
Total	39,746	35,747

13. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	8,709	54,610
1 month to 6 months	10,627	43,971
6 months to 12 months	17,225	500
Over 12 months	71	83
Total	36,632	99,164

14. FINANCIAL ASSETS AT FVTPL

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial products	461,994	479,955

The financial assets measured at FVTPL represented financial products with no predetermined return which are principal protected investments. The financial products are with expected yield rates, depending on the market prices of underlying financial instruments, including bonds, debentures and other financial assets. Hence their contractual cash flows do not qualify for solely payments of principal and interest. The expected yield rates ranged from 1.5% to 4.5% per annum as at 30 June 2025 (31 December 2024: 1.5% to 4.5% per annum).

15. TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	1,184	12,821
Accrued expenses for research and development services	17,504	20,849
Payables for purchase of items of property, plant and equipment	2,205	7,175
Other payables	16,299	31,503
Salary and bonus payables	5,242	12,107
Other taxes payable	2,191	6,567
Accrued listing expenses	6,550	6,550
Total	51,175	97,572

15. TRADE AND OTHER PAYABLES (CONTINUED)

An ageing analysis of the trade payables as at the end of each of the reporting periods, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	1,184	12,821

16. INTEREST-BEARING BANK BORROWINGS

	30 June 2025			31 December 2024		
	Effective interest rate (%)	Maturity	Amount RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	Amount RMB'000 (Audited)
Current						
Bank loans – unsecured	1.80-2.90	2025-2026	122,383	1.80-3.21	2025	167,603
Bank loans – unsecured	–	–	–	One-year LPR-105 bps	2025	5,700
Current portion of long term bank loans – secured (note)	3.45	2026	40,000	3.45	2025	40,000
Current portion of long term bank loans – unsecured	One-year Loan prime rate ("LPR")-35 Basepoints ("bps")	2025-2026	1,004	–	–	–
Current portion of long term bank loans – unsecured	One-year LPR-30 bps	2025-2026	2,980	–	–	–
Current portion of long term bank loans – unsecured	One-year LPR-20 bps	2025-2026	29,900	–	–	–
Total – current			196,267			213,303
Non-current						
Other secured bank loans (note)	–	–	–	3.45	2026	20,000
Bank loans – unsecured	One-year LPR-35bps	2027	8,910	One-year LPR-20 bps	2026	30,000
Bank loans – unsecured	One-year LPR-30 bps	2027	26,730	–	–	–
Total – non-current			35,640			50,000
Total			231,907			263,303

16. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	196,267	213,303
In the second year	35,640	50,000
Total	231,907	263,303

The carrying amounts of borrowings are denominated in the following currency:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
RMB	231,907	263,303

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Fixed interest rate	162,383	227,603
Variable interest rate	69,524	35,700
Total	231,907	263,303

Note: The Company has guaranteed certain of the Group's bank loans up to RMB120,000,000 as at the end of the reporting period.

17. SHARE CAPITAL/TREASURY SHARES

Shares

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
320,829,111 ordinary shares of USD0.00002 each		
(31 December 2024: 319,950,581 ordinary shares of USD0.00002 each)	45	45

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2025 (audited)	319,950,581	45
Shares issued upon exercise of equity-settled share-based payment (unaudited)**	878,530	*
At 30 June 2025 (unaudited)	320,829,111	45

* The amounts are less than RMB1,000.

** During the six months ended 30 June 2025, 270,000 share options and 608,530 restricted share units were exercised at the exercise price ranged from US\$0.00002 to US\$0.396 per share, respectively, resulting in the issue of 878,530 shares for a total cash consideration, before expenses, of RMB153,000 (2024: 714,160 shares, US\$0.06 per share).

Treasury shares

	Number of shares repurchased	Treasury shares RMB'000
At 31 December 2024 (audited) and 30 June 2025 (unaudited)	1,362,600	13,857

18. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Acquisition of property, plant and equipment, and other intangible assets	4,818	4,990

19. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the reporting periods

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Deemed interest income from loans to key management (note)		
Ms. Zhang Lele	433	415
Mr. Wu Jiaru*	37	35
Mr. Zhu Qi*	71	68
Ms. Zhang Chunna*	55	52
Dr. Lei Lei*	43	41
Ms. Xu Jingxin*	42	39
Subtotal	681	650

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Amounts due from related parties:		
Loans to related parties		
– non-trade in nature and non-current (note):		
Ms. Zhang Lele	18,138	17,705
Mr. Wu Jiaru*	1,539	1,502
Mr. Zhu Qi*	2,984	2,913
Ms. Zhang Chunna*	2,304	2,249
Dr. Lei Lei*	1,799	1,756
Ms. Xu Jingxin*	1,737	1,695
Subtotal	28,501	27,820
Deemed prepaid remuneration to related parties		
– trade in nature (note)		
Ms. Zhang Lele	5,836	6,269
Mr. Wu Jiaru*	511	548
Mr. Zhu Qi*	913	984
Ms. Zhang Chunna*	753	808
Dr. Lei Lei*	640	683
Ms. Xu Jingxin*	640	682
Subtotal	9,293	9,974
Total	37,794	37,794
Analysed into:		
Current portion	1,397	1,363
Non-current portion	36,397	36,431

* Those persons are key management personnel of the Company. Mr. Zhu Qi is the chief medical officer. Dr. Lei Lei is the president of research and development department. Ms. Zhang Chunna is the president of regulatory affairs department. Ms. Xu Jingxin is the president of manufacturing and quality control department. Mr. Wu Jiaru is the president of supporting platform.

The maturity dates of the loans borrowed by Ms. Zhang Lele in 2021 and 2022 are 1 September 2029 and 20 November 2032, respectively. The maturity dates of the loans borrowed by other key management personnel fall between 5 August 2029 and 28 February 2032.

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties: (continued)

The maximum amounts of the non-trade related receivables due from the director during the reporting periods:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Amount due from a related party		
Ms. Zhang Lele	18,138	17,705

Note: The Group provided an eight-year unsecured and non-interest-bearing loans of RMB11,127,000 and a ten-year unsecured and non-interest-bearing loans of RMB12,847,000 to Ms. Zhang Lele in December 2021 and December 2022, respectively. Meanwhile, the Group also provided unsecured and non-interest-bearing loans of RMB3,576,000 and RMB10,244,000 to other key management personnel of the Group in December 2021 and March 2022, respectively, with terms ranging from 7.5 years to 10 years. On initial recognition, the receivable was measured at fair value, which in this case was equal to the cash consideration given discounted to the present value using an effective interest rate of 4.90%. The difference between the loan amount and its fair value on initial recognition date was treated as deemed prepaid remuneration to Ms. Zhang Lele and other key management personnel and was amortised through the expected loan terms.

The Group has assessed the expected loss rate for amounts due from related parties by considering the financial position and credit history of these related parties and assessed that the expected credit loss is minimal.

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, bonuses, allowances and benefits in kind	9,104	9,031
Pension scheme contributions	218	204
Directors' fee	525	526
Share-based payment expenses	13,800	26,895
Total	23,647	36,656

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits over three months, trade receivables, financial assets included in prepayments, other receivables and other assets (in the current portion), financial liabilities included in trade and other payables and interest-bearing bank borrowings (in the current portion) approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets, amounts due from related parties and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group invests in financial products issued by portfolio companies in the Cayman Islands and banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025

	Fair value measurement using			Total <i>RMB'000</i> (Unaudited)
	Quoted prices in active markets (Level 1) <i>RMB'000</i> (Unaudited)	Significant observable inputs (Level 2) <i>RMB'000</i> (Unaudited)	Significant unobservable inputs (Level 3) <i>RMB'000</i> (Unaudited)	
Financial products	–	461,994	–	461,994

As at 31 December 2024

	Fair value measurement using			Total <i>RMB'000</i> (Audited)
	Quoted prices in active markets (Level 1) <i>RMB'000</i> (Audited)	Significant observable inputs (Level 2) <i>RMB'000</i> (Audited)	Significant unobservable inputs (Level 3) <i>RMB'000</i> (Audited)	
Financial products	–	479,955	–	479,955

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the board of directors on 28 August 2025.

DEFINITIONS

“Alpha Generation”	Alpha Generation Fund SPC (on behalf of Alpha Plus Fund SP); Alpha Generation Fund SPC is an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands on 25 April 2022
“androgenetic alopecia”	a common form of hair loss in both men and women
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of our Company
“CDE”	Center for Drug Evaluation of the NMPA (中國國家藥品監督管理局藥品審評中心), a division of the NMPA to review applications for clinical trials and drug marketing authorization
“China”, “Chinese Mainland”, or “PRC”	the People’s Republic of China, but for the purpose of this report and for geographical reference only and except where the context requires, excluding Taiwan, the Macao Special Administrative Region and Hong Kong
“clinical trial(s)”	a research study for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
“Company”	Cutia Therapeutics (科笛集團), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 15 May 2019, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2487)
“Core Product”	has the meaning ascribed to it under Chapter 18A of the Listing Rules; for the purpose of this report, our Core Product refers to CU-20401
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“Cutia Wuxi”	Cutia Therapeutics (Wuxi) Co., Ltd. (科笛生物醫藥(無錫)有限公司), a limited liability company established in the PRC on 4 December 2020 and a wholly-owned subsidiary of the Company
“dermatology”	the branch of medicine that deals with the diagnosis and treatment of skin related disorders
“DHT”	dihydrotestosterone, a male sex hormone which is the active form of testosterone, formed from testosterone in bodily tissue
“Director(s)”	the director(s) of the Company
“FDA”	Food and Drug Administration of the United States
“GMP”	good manufacturing practice, the practices required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of products
“Group”, “our Group”, “our”, “we”, or “us”	our Company and our subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Department of Health”	the Department of Health of the Government of Hong Kong

“IFRS”	International Financial Reporting Standards
“IND”	investigational new drug, an application in the drug review process required by an regulatory authority to decide whether a new drug is permitted to initiate clinical trials; also known as clinical trial application, or CTA, in China
“indication”	a valid reason to use a specific test, drug, device, procedure or surgery
“Innovation Prosperity”	Innovation Prosperity Fund SPC (on behalf of Novelty Inspiration Fund SP); Innovation Prosperity Fund SPC is an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands on 13 May 2022
“Key Product(s)”	for the purpose of this report, our Key Products refer to CU-40102 and CU-10201
“Listing Date”	12 June 2023
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“mechanism of action”	the specific biochemical interaction through which a drug substance produces its pharmacological effect
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“NMPA”	the National Medical Products Administration of China (中國國家藥品監督管理局)
“Nomination Committee”	the nomination committee of the Board
“Oriental Kylin”	Oriental Kylin Fund SPC (on behalf of Phoenix Fund SP); Oriental Kylin Fund SPC is an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands on 17 May 2022
“Phase I clinical trial”	a study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its efficacy
“Phase II clinical trial”	a study in which a drug is administered to a limited patient population to preliminarily evaluate the efficacy of the product for specific targeted diseases, to identify possible adverse effects and safety risks, and to determine optimal dosage
“Phase III clinical trial”	a study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
“Post-IPO Equity Incentive Plan”	the equity incentive plan adopted by the Company on 30 May 2023
“Pre-IPO Equity Incentive Plan”	the equity incentive plan adopted by the Company that took effect on 23 August 2019

“Prospectus”	the prospectus issued by the Company dated 31 May 2023
“R&D”	research and development
“Reporting Period”	the six months ended 30 June 2025
“RMB”	the lawful currency of the PRC
“Shares”	ordinary share(s) with nominal value of US\$0.00002 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription(s)”	Subscription(s) of the wealth management product(s) by the Company
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Summit View”	Summit View Fund SPC (on behalf of Distant View Fund SP); Summit View Fund SPC is an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands on 18 May 2023
“US” or “United States” or “the U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“US\$” or “U.S. dollars” or “USD”	the lawful currency of the U.S.