



康方生物科技(開曼)有限公司
Akeso, Inc.

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
Stock Code 股份代號 : 9926

2025 INTERIM REPORT

中期報告



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COMPANY PROFILE

Akeso, Inc. is a biopharmaceutical company dedicated to the research, development, manufacturing and commercialization of innovative antibody drugs that are affordable to patients worldwide. Since the Company's inception, the Company has established an end-to-end comprehensive drug development platform (ACE Platform), encompassing fully integrated drug discovery and development functions, including target validation, antibody drug discovery and development, CMC production process development, and GMP compliant production. The Company has also successfully developed a proprietary bi-specific antibody drug development technology (Tetrabody technology) that can overcome three CMC challenges in the development and manufacturing of bi-specific antibodies: 1. low expression levels, 2. process development hurdles, and 3. antibody stability and druggability.

The Company currently has a portfolio of over 50 innovative programs covering the therapeutic areas of oncology, autoimmune and metabolic diseases. Among these programs, 7 products independently developed by the Company are in the commercial stage, including 開坦尼® (cadonilimab, PD-1/CTLA-4), 依達方® (ivonescimab, PD-1/VEGF), ANNIKO® (penpulimab, PD-1), 伊喜寧® (ebronucimab, PCSK9), 愛達羅® (ebdarokimab, IL-12/IL-23), 普佑恒™ (pucotenlimab, PD-1) which was licensed out to Lepu Biopharma Co., Ltd. (stock code: 2157.HK) and 科泰萊® (tagitanlimab, PD-L1) which was licensed out to Sichuan Kelun-Biopharmaceutical Research Institute Co., Ltd. In addition to the commercial stage products, one product is currently under NDA review by the NMPA. Akeso is conducting Phase III registrational clinical trials for 12 products, and Phase I/II clinical trials for 12 products. 15 of the products are potential global first-in-class (FIC) or best-in-class (BIC) bi-specific antibodies/multi-specific antibodies/bi-specific ADCs and other novel therapeutic platforms. The Company's vision is to become a leading global biopharmaceutical company through R&D focused on first-in-class therapeutic innovation, the establishment of world class manufacturing, and continued expansion of commercial network across multiple therapeutic areas.

¹ 開坦尼® (cadonilimab, PD-1/CTLA-4), 依達方® (ivonescimab, PD-1/VEGF), ANNIKO® (penpulimab, PD-1) and 普佑恒™ (pucotenlimab, PD-1) which was licensed out to Lepu Biopharma Co., Ltd. (stock code: 2157.HK)

DEFINITIONS

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

"2021 RSU Scheme"	the restricted share unit scheme adopted by the Company on December 6, 2021 and amended on June 30, 2024
"ASCO"	American Society of Clinical Oncology Annual Meeting
"Audit Committee"	audit committee of the Board
"Board"	board of Directors
"BVI"	British Virgin Islands
"CDE"	the Center for Drug Evaluation of NMPA (中華人民共和國國家藥品監督管理局藥品評審中心)
"China" or "PRC"	the People's Republic of China, which, for the purpose of this report and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"CMC"	chemistry, manufacturing and controls processes, including manufacturing techniques, impurities studies, quality controls and stability studies
"Company"	Akeso, Inc. (康方生物科技(開曼)有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on January 30, 2019
"Corporate Governance Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSCO"	Chinese Society of Clinical Oncology Annual Meeting
"Director(s)"	director(s) of the Company
"EMA"	European Medicines Agency
"ESOP Trust"	a trust established by the Company by entering into a trust deed with Zedra Trust Company (Cayman) Limited as trustee of the trust. Dr. XIA Yu as the enforcer of the trust is able to exercise voting rights attached to the Shares held by the ESOP Trust
"FDA"	Food and Drug Administration of the United States
"GMP"	good manufacturing practice
"Group", "we", "us" or "our"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it

Definitions

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK\$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Independent Third Party"	a person or entity who is not a connected person of the Company under the Listing Rules
"LI LLC"	Kampfire LLC, a limited liability company incorporated in the State of Nevada of the US on June 4, 2019, with 100% of its voting shares held by Dr. LI Baiyong
"LI Trust"	the Sunny Beach Living Trust, a trust created under the laws of California of the US on June 19, 2019, with its trustee being Dr. LI Baiyong and its beneficiaries being certain of Dr. LI Baiyong's family members
"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
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of the PRC (中華人民共和國國家藥品監督管理局)
"NRDL"	National Reimbursement Drug List managed by the National Healthcare Security Administration of the PRC (中華人民共和國國家醫療保障局)
"OS"	overall survival
"PFS"	progression-free survival
"Pre-IPO RSU Scheme"	the restricted share unit scheme adopted by the Company on August 29, 2019 and terminated on June 30, 2024
"Prospectus"	the prospectus of the Company dated April 14, 2020
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share unit(s)

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with a nominal value of US\$0.00001 each in the share capital of the Company
"Share Option Scheme"	the share option scheme adopted by the Company on June 28, 2022 and amended on June 30, 2024
"Shareholder(s)"	holder(s) of the Share(s)
"sNDA"	supplemental new drug application
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SUMMIT"	Summit Therapeutics Inc., a company incorporated under the law of the State of Delaware of the US, and whose shares are listed on Nasdaq (NASDAQ: SMMT)
"Tetrabody"	a portmanteau of the phrase "tetravalent antibody", which refers to our proprietary technology for the design and production of innovative tetravalent bi-specific antibodies (with four antigen-binding sites in each antibody molecule)
"United States" or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US\$"	United States dollars, the lawful currency of the United States
"WANG LLC"	Blazing Rosewood LLC, a limited liability company incorporated in the State of Nevada of the US on June 4, 2019, with 100% of its voting shares held by Dr. WANG Zhongmin Maxwell
"WANG Trust"	the Mahogany Living Trust, a trust created under the laws of California of the US on June 19, 2019, with its trustee being Dr. WANG Zhongmin Maxwell and its beneficiaries being certain of Dr. WANG Zhongmin Maxwell's family members
"XIA LLC"	Golden Oaks LLC, a limited liability company incorporated in the State of Nevada of the US on June 4, 2019, with 100% of its voting shares held by Dr. XIA Yu
"XIA Trust"	the Gemstone Living Trust, a trust created under the laws of California of the US on June 11, 2019, with its trustee being Dr. XIA Yu and its beneficiaries being certain of Dr. XIA Yu's family members
"%"	per cent

* For identification purpose only

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. XIA Yu
(Chairwoman, president and chief executive officer)
Dr. LI Baiyong
Dr. WANG Zhongmin Maxwell
Dr. ZHANG Peng

Non-executive Director

Mr. XIE Ronggang

Independent Non-executive Directors

Dr. ZENG Junwen
Dr. XU Yan
Mr. TAN Bo

AUDIT COMMITTEE

Mr. TAN Bo *(Chairman)*
Dr. ZENG Junwen
Dr. XU Yan

REMUNERATION COMMITTEE

Dr. ZENG Junwen *(Chairman)*
Dr. XIA Yu
Dr. XU Yan

NOMINATION COMMITTEE

Dr. XIA Yu *(Chairwoman)*
Dr. ZENG Junwen
Dr. XU Yan

COMPANY SECRETARY

Ms. LEUNG Wai Yan

AUTHORIZED REPRESENTATIVES

Dr. XIA Yu
Ms. LEUNG Wai Yan

AUDITOR

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

LEGAL ADVISER

As to Hong Kong and United States laws:
Cooley HK

As to Cayman Islands law:
Campbells

PRINCIPAL BANKS

In Hong Kong:
CMB Wing Lung Bank Limited
Hongkong and Shanghai Banking Corporation Limited

In the PRC:
Industrial and Commercial Bank of
China Limited, Zhongshan Branch
China Merchants Bank, Zhongshan Branch
China Merchants Bank, Guangzhou Branch
Shanghai Pudong Development Bank Corporation
Limited, Guangzhou Branch

REGISTERED OFFICE

Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

CORPORATE HEADQUARTERS

No. 6, Shennong Road
Torch Development Zone
Zhongshan City
Guangdong Province 528437
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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33 Hysan Avenue
Causeway Bay
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Campbells Corporate Services Limited
Floor 4, Willow House
Cricket Square
Grand Cayman KY1-9010
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

9926

COMPANY'S WEBSITE

www.akesobio.com

LISTING DATE

April 24, 2020

HIGHLIGHTS

FINANCIAL HIGHLIGHTS

1. Revenue

The Group's revenue increased by 37.75% from RMB1,024.7 million for the six months ended June 30, 2024 to RMB1,411.5 million for the six months ended June 30, 2025. The Group's revenue consists of commercial sales and license income. The Group's total commercial sales, net of distribution cost increased by 49.20% from RMB939.4 million for the six months ended June 30, 2024 to RMB1,401.6 million for the six months ended June 30, 2025. License income for the six months ended June 30, 2025 was RMB9.9 million.

2. Gross Profit

The Group's gross profit increased by 18.82% from RMB943.2 million for the six months ended June 30, 2024 to RMB1,120.7 million for the six months ended June 30, 2025. The increase was mainly attributable to the increase of commercial sales. The gross profit from commercial sales for the six months ended June 30, 2025 was RMB1,110.8 million, compared to RMB857.9 million for the six months ended June 30, 2024.

3. Profit/Loss for the Period

The Group's loss was RMB588.3 million for the six months ended June 30, 2025, as compared to a loss of RMB249.3 million for the six months ended June 30, 2024.

The main reasons for the increase in losses include:

- 1) In accordance with IFRS, the Group accrued equity investment losses on Summit Therapeutics (NASDAQ: SMMT) based on the loss amount and shareholding ratio of Summit Therapeutics (NASDAQ: SMMT) during the Reporting Period. For the six months ended 30 June 2025, the accrued amount for this investment loss was RMB191.7 million. The provision for this investment losses for the six months ended June 30, 2024 was RMB32.6 million, and the provision for this investment loss increased by RMB159.1 million.
- 2) Growth in the Group's R&D expenses during the Reporting Period. The amount of R&D expenses for the six months ended June 30, 2025 was RMB731.2 million, and for the six months ended June 30, 2024 was RMB594.4 million, and R&D expenses increased by RMB136.8 million.
- 3) Due to the grant of RSUs and Share Options under the Group's employee incentive plans during the Reporting Period, the accrued equity incentive expenses increased. Equity incentive expenses for the six months ended June 30, 2025 was RMB27.2 million, and equity incentive expenses for the six months ended June 30, 2024 was RMB5.3 million, an increase of RMB21.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Company recorded revenue of approximately RMB1,411.5 million, of which commercial sales, net of distribution cost were approximately RMB1,401.6 million, representing an increase of 49.20% as compared to RMB939.4 million for the same period last year. The increase was mainly attributable to the sales growth of 開坦尼® (cadonilimab, PD-1/CTLA-4) and 依達方® (ivonescimab, PD-1/VEGF) for their NRDL-reimbursed indications, and sales contributions from their newly-approved first-line indications. The commercial potential of the Company's two recently approved products, 伊喜寧® (ebronucimab, PCSK9) and 愛達羅® (ebdarokimab, IL-12/IL-23), will increasingly contribute to future growth.

Our commercial franchise has now completed a comprehensive upgrade, establishing a professional and systematic team structure. The sales team has expanded to over 1,200 members, specializing in oncology and specialty drugs. The Company is also accelerating efforts to improve hospital access and coverage following inclusion in the NRDL. By actively implementing "academic promotion" and expanding diversified channels such as commercial insurance, we are unlocking new growth drivers and synergistic benefits from our product portfolio.

In addition to commercial sales, the Company also received license income from collaboration partners during the Reporting Period, totaling approximately RMB9.9 million.

Management Discussion and Analysis

ONCOLOGY

開坦尼® (cadonilimab, PD-1/CTLA-4)

Cadonilimab is currently in clinical studies for about 20 indications, including combination treatment regimen. The Company has initiated over 28 clinical trials, about 10 of which are Phase III/registrational trials, in China and globally for major tumor types, including cervical cancer, gastric cancer, lung cancer, and liver cancer. Cadonilimab has been included in over 20 authoritative clinical treatment guidelines.

Cadonilimab currently has 3 approved indications in China. The first approved indication is its use as a monotherapy for the treatment of recurrent or metastatic cervical cancer progressed on or after platinum-based chemotherapy, which has been successfully included in the latest version of *the National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance Drug List* (“NRDL”) published by the National Healthcare Security Administration of the PRC.

First-line cervical cancer approved, meaningfully reshaping the treatment landscape of cervical cancer

The sNDA for cadonilimab in combination with chemotherapy with or without bevacizumab as a first-line treatment of persistent, recurrent or metastatic cervical cancer (regardless of PD-L1 expression level/status) was approved by the NMPA in May 2025. This marks the third approved indication for cadonilimab. This approval addresses the critical unmet needs for immune-based therapies for first-line cervical cancer patients in China, enabling cadonilimab to achieve comprehensive coverage across all lines of therapy for cervical cancer. During the Reporting Period, cadonilimab was included in the *Clinical Guidelines for the Diagnosis and Treatment of Recurrent/Metastatic Cervical Cancer (2025)* as the class I recommendation. The updated data of the Phase III study (COMPASSION-16) was presented at the 2025 ASCO meeting, further validating cadonilimab’s comprehensive clinical benefit as a first-line cervical cancer treatment.

Comprehensive strategic coverage across first-line, IO resistance and perioperative settings, included in several authoritative clinical guidelines as recommendation

The sNDA for cadonilimab in combination with chemotherapy as a first-line treatment of unresectable, locally advanced, recurrent or metastatic gastric or gastroesophageal junction (G/GEJ) adenocarcinoma was approved last year. This is the second approved indication for cadonilimab. Cadonilimab is the only immunotherapy agent for first-line gastric cancer that demonstrates benefits for patient across all levels of PD-L1 expression in their tumors, addressing the efficacy gap existing PD-(L)1 therapies in gastric cancer with PD-L1 low or negative expression. During the Reporting Period, cadonilimab became the only first-line gastric cancer immunotherapy to receive an “Unrestricted PD-L1 Expression Level I-Class Recommendation (Category IA Evidence)” in the CSCO *Clinical Guidelines for the Diagnosis and Treatment of Gastric Cancer (2025)*. The results of the Phase III clinical trial (COMPASSION-15) were published in Nature Medicine.

The Phase III clinical trial (COMPLUS-5) of cadonilimab in combination with pulocimab (AK109, VEGFR-2) and chemotherapy for the treatment of IO-resistant G/GEJ adenocarcinoma is currently enrolling patients. During the Reporting Period, this second-line therapy was included in the CSCO *Clinical Guidelines for the Diagnosis and Treatment of Gastric Cancer (2025)* as a guideline annotation.

Akeso recently initiated the Phase III clinical trial (COMPASSION-33) of cadonilimab in combination with chemotherapy for perioperative treatment of resectable G/GEJ adenocarcinoma. Cadonilimab’s comprehensive coverage across first-line, later-line, and perioperative treatments for advanced gastric cancer brings new and highly effective immunotherapy options to patients.

2 Phase III clinical trials of lung cancer advancing efficiently, Phase II data of IO-resistant sq-NSCLC will be presented

2 Phase III studies in NSCLC where Akeso is actively enrolling patients include the Phase III clinical trial (COMPASSION-28) of cadonilimab in combination with chemotherapy versus PD-1 in combination with chemotherapy as a first-line treatment of locally advanced or metastatic NSCLC, and the Phase III clinical trial (COMPASSION-30) of cadonilimab versus PD-L1 for unresectable locally advanced NSCLC with disease progression after concurrent/sequential chemoradiotherapy.

The Phase II data of cadonilimab in combination with AK109 (VEGFR-2) for the treatment of PD-(L)1-resistant squamous NSCLC will be presented at an upcoming academic conference.

Phase II multi-regional clinical trial (MRCT) registrational study for HCC has been initiated, expanding therapeutic benefit to global patients

The global development strategy for cadonilimab will include replacing the current standard of care in multiple cancer types, combining cadonilimab with other therapeutic agents, and targeting cancer types that can benefit from cadonilimab's differentiation from existing PD-(L)1 treatments. Akeso recently initiated the global registrational Phase II MRCT clinical trial of cadonilimab in combination with lenvatinib for the treatment of second-line hepatocellular carcinoma (HCC) (COMPASSION-36). We will continue to explore the clinical accessibility of cadonilimab for additional indications globally, aiming to fully unlock its clinical value and commercial potential.

The patient enrollment for the Phase III clinical trial (COMPASSION-22) of cadonilimab monotherapy as an adjuvant treatment of postoperative hepatocellular carcinoma has been completed. Akeso is currently enrolling patients in the Phase III clinical trial (COMPASSION-29) of cadonilimab in combination with lenvatinib and transcatheter arterial chemoembolization (TACE) for intermediate to advanced unresectable hepatocellular carcinoma (uHCC).

依達方® (ivonescimab, PD-1/VEGF)

Ivonescimab is currently in clinical studies across 30 indications through combination therapies. The Company has initiated over 30 clinical trials, including 13 Phase III clinical trials and 6 head-to-head studies with PD-(L)1, covering lung cancer, biliary tract cancer, head and neck squamous cell carcinoma, breast cancer, colorectal cancer and pancreatic cancer, among which 4 have achieved positive results. Ivonescimab currently has 2 approved indications in China. The first approved indication is for the treatment of EGFR-mutated, locally advanced or metastatic non-squamous NSCLC progressed after EGFR-TKI treatment. This indication is successfully included in the NRDL. Ivonescimab has been included in 8 authoritative clinical treatment guidelines.

Achieved comprehensive coverage across core lung cancer indications, establishing a complete multi-line therapy portfolio

Ivonescimab has achieved comprehensive coverage across core lung cancer indications and established a complete multi-line therapy portfolio, demonstrating its potential to transform the global treatment paradigm for advanced lung cancer.

The first approved indication of ivonescimab is for the treatment of EGFR-mutated, locally advanced or metastatic non-squamous NSCLC progressed after EGFR-TKI treatment. This indication was approved in May 2024 and successfully included in the NRDL in 2025. In August 2025, the Company announced that the final OS analysis of this clinical trial showed that ivonescimab met the OS clinical endpoint, demonstrating a statistically significant and clinically meaningful OS benefit. Detailed results of this study will be presented at an upcoming medical conference. During the Reporting Period, this treatment received 4 authoritative clinical guidelines as recommendation, including a Class I recommendation in the *CSCO Guidelines for the Diagnosis and Treatment of Non-Small Cell Lung Cancer (2025)*.

In April 2025, the sNDA for ivonescimab as monotherapy for the first-line treatment of PD-L1-positive, locally advanced or metastatic NSCLC received approval from the NMPA. This marks the second approved indication for ivonescimab, providing a novel, efficacious and safe "chemo-free" regimen for first-line NSCLC. This treatment was granted a prominent recommendation in the *CSCO Guidelines for the Diagnosis and Treatment of Non-Small Cell Lung Cancer (2025)*.

Management Discussion and Analysis

In April 2025, the Phase III head-to-head clinical trial (AK112-306/HARMONi-6) of ivonescimab in combination with chemotherapy versus tislelizumab in combination with chemotherapy in first-line advanced sq-NSCLC reached the primary endpoint of PFS, demonstrating statistically significant and clinically meaningful benefits. In July 2025, the NMPA accepted the sNDA for this indication, which is the third indication application for ivonescimab. Ivonescimab combined with chemotherapy overcomes the clinical limitation of bevacizumab contraindication in sq-NSCLC, further elevating immunotherapy efficacy for NSCLC. This breakthrough delivers a novel best-in-class IO-angiogenesis combination therapy for advanced sq-NSCLC patients. Detailed results from the HARMONi-6 study will be presented at an upcoming medical conference later this year.

Akeso is actively enrolling patients in the Phase III clinical trial (AK112-305/HARMONi-8A) of ivonescimab in combination with docetaxel versus docetaxel for the treatment of locally advanced or metastatic NSCLC patients who have progressed after prior PD-(L)1 inhibitor and platinum-based chemotherapy. Globally, there are currently no approved therapies for IO-resistant NSCLC (including squamous and non-squamous). Ivonescimab currently stands as the only immune bi-specific antibody in registrational Phase III trials for this difficult-to-treat patient population, positioning it to become the first therapy addressing this major unmet medical need worldwide.

In addition to the NSCLC studies, Akeso is also enrolling patient in the Phase III clinical trial (AK112-311) of ivonescimab as consolidation therapy in patients with limited-stage small cell lung cancer (SCLC) who have not progressed after standard concurrent chemoradiotherapy. This is the first registrational Phase III clinical trial of ivonescimab in SCLC.

Expanding into “Cold Tumors”, 5 Phase III trials for first-line indications ongoing

During the Reporting Period, ivonescimab further expanded its tumor coverage, pioneering into 5 indications with high incidences globally such as colorectal cancer (CRC) and pancreatic cancer.

- We continued the patient enrollment in the Phase III clinical trial (AK112-312) of ivonescimab in combination with chemotherapy versus bevacizumab in combination with chemotherapy as a first-line treatment of metastatic CRC.
- We continued the patient enrollment in the Phase III clinical trial (AK112-310) of ivonescimab in combination with chemotherapy with or without AK117 (CD47) versus chemotherapy as a first-line treatment of metastatic pancreatic cancer.
- Patient enrollment in the Phase III clinical trial (AK112-309) of ivonescimab in combination with chemotherapy versus durvalumab in combination with chemotherapy as a first-line treatment of advanced biliary tract cancer has been completed.
- We continued the patient enrollment in the Phase III clinical trial (AK117-302) of ivonescimab in combination with ligufalimab (AK117, CD47) versus pembrolizumab as a first-line treatment of recurrent/metastatic head and neck squamous cell carcinoma (HNSCC) with PD-L1 positive expression.
- We continued the patient enrollment in the Phase III clinical trial (AK112-308) of ivonescimab in combination with chemotherapy versus chemotherapy as a first-line treatment of locally advanced unresectable or metastatic triple-negative breast cancer with PD-L1 negative expression.

First global Phase III MRCT clinical top-line results readout, consistent global data further validating ivonescimab's superior therapeutic profile

Overseas, our partner SUMMIT announced in May 2025 that the global Phase III MRCT (HARMONi) of ivonescimab in combination with chemotherapy for treatment of EGFR-mutated, locally advanced or metastatic nsq-NSCLC patients who have progressed after the third-generation EGFR-TKI treatment successfully met the PFS primary endpoint, demonstrating a statistically significant and clinically meaningful PFS benefit, and showed a positive trend in the other primary endpoint OS. Consistent results, including both efficacy and safety profile, were observed between multi-regional HARMONi and China-based HARMONi-A studies.

Furthermore, two other global Phase III MRCT trials for lung cancer are actively conducting:

- the patient enrollment in the global Phase III MRCT (HARMONi-3/AK112-3003) of ivonescimab in combination with chemotherapy versus pembrolizumab in combination with chemotherapy as a first-line treatment of NSCLC (including squamous and non-squamous histology).
- the patient enrollment in the global Phase III MRCT (HARMONi-7/AK112-3007) of ivonescimab versus pembrolizumab monotherapy as a first-line treatment of NSCLC with PD-L1 high expression (TPS $\geq$ 50%).

Advancing global collaborative development of ivonescimab through strategic alliances

In May 2025, SUMMIT and Revolution Medicines jointly announced a clinical collaboration to evaluate the safety and efficacy of ivonescimab in combination with Revolution Medicine's 3 clinical stage RAS(ON) inhibitors in multiple solid tumor settings. This collaboration will further expand the global development scope of ivonescimab.

Ligufalimab (AK117, CD47)

Patient enrollment continued in 2 Phase III registrational trial for solid tumors

- We continued the patient enrollment in the Phase III clinical trial (AK117-302) of AK117 in combination with ivonescimab versus pembrolizumab monotherapy as a first-line treatment of recurrent/metastatic HNSCC with PD-L1 positive expression.
- We continued the patient enrollment in the Phase III clinical trial of AK117 (AK112-310) in combination with ivonescimab and chemotherapy versus chemotherapy as a first-line treatment of metastatic pancreatic cancer.

Patient enrollment completed in 2 Phase II clinical trials for hematological tumors

Global:

- We completed the patient enrollment in the global Phase II MRCT of AK117 in combination with azacitidine as a first-line treatment of myelodysplastic syndrome (MDS).

China:

- We completed the patient enrollment in the Phase II clinical trial of AK117 in combination with azacitidine and venetoclax as a first-line treatment of acute myeloid leukemia (AML).
- We continued the patient enrollment in the Phase I/II clinical trial of AK117 in combination with AK129 (PD-1/LAG-3) for the treatment of recurrent or refractory classical Hodgkin lymphoma (cHL) patients who have progressed after PD-(L)1 treatment.

Management Discussion and Analysis

ANNIKO® (penpulimab, PD-1)

The fourth indication approved in China

In March 2025, the sNDA of ANNIKO® in combination with chemotherapy as a first-line treatment of recurrent or metastatic NPC was approved by the NMPA, which is the fourth approved indication of ANNIKO®.

Achieving FDA approval further demonstrates Akeso's ability to develop, register and obtain approval for novel therapeutics globally and meeting the highest standards in the world

In April 2025, ANNIKO® obtained the marketing approval from the FDA for the first-line treatment of recurrent or metastatic NPC, and for metastatic NPC with disease progression on or after platinum-based chemotherapy and at least one other prior line of therapy. This represents the Company's first FDA-approved, independently developed novel biologic drug. This also represents the first innovative biologic entirely self-orchestrated (R&D, clinical development, GMP manufacturing, and regulatory submission) by a Chinese company to secure FDA approval. This regulatory milestone certifies our innovative drug development capabilities and pharmaceutical quality management ecosystem meeting the highest standards in the world.

METABOLIC AND AUTOIMMUNE THERAPEUTIC AREAS

In non-oncology fields, Akeso has built a broad portfolio of metabolic and autoimmune therapies and therapeutic candidates with significant commercial potential. Currently, the Company has two new commercial-stage products, 伊喜寧® (ebronucimab, PCSK9) and 愛達羅® (ebdarokimab, IL-12/IL-23). The Company will develop therapeutic candidates in these therapeutic areas with a focus on patient affordability, market accessibility and clinical differentiation.

愛達羅® (ebdarokimab, IL-12/IL-23)

In April 2025, 愛達羅® obtained marketing approval from the NMPA for the treatment of moderate-to-severe plaque psoriasis.

Gumokimab (AK111, IL-17)

NDA accepted by NMPA

In January 2025, the NDA for gumokimab was accepted by the NMPA for the treatment of moderate-to-severe plaque psoriasis.

In addition to psoriasis, gumokimab is also being evaluated in a Phase III clinical study for ankylosing spondylitis (AS). Akeso has completed the analysis of the primary and all other efficacy endpoints of the Phase III study, and the results showed statistically significant and clinically meaningful improvements in AS patient outcomes.

Manfidokimab (AK120, IL-4Ra)

In August 2025, Manfidokimab achieved positive outcomes in the Phase III trial for moderate-to-severe atopic dermatitis (AD). The study met all primary endpoints, key secondary endpoints, several pre-specified secondary endpoints, and demonstrated statistically significant and clinically relevant improvements in patients.

NEW CLINICAL STAGE PIPELINE

New clinical stage oncology pipeline, advancement in the IO 2.0+ADC therapeutical paradigm

- We continued the patient enrollment in the Phase I trial of AK135 (IL-1RAP) for the treatment of chemotherapy-induced peripheral neuropathy (CIPN). Currently, there are no approved drugs available for CIPN, and the existing clinical treatments offer limited clinical benefit.
- AK137 (CD73/LAG-3) is the Company's 7th bi-specific antibody in the oncology field. We continued the patient enrollment in the Phase I clinical trial for the treatment of advanced malignant tumors. AK137 is expected to offer novel therapeutic potential through strategic combination with internal pipeline to overcome limitations of current standard of cares.
- AK138D1 (HER3 ADC) is the Company's first ADC to enter the clinical stage. We continued the patient enrollment in the Phase I clinical trial in Australia for the treatment of advanced malignant tumors. In addition, a series of clinical trials of AK138D1 in combination with cadonilimab or ivonescimab under the "IO 2.0+ADC" therapy are in preparation.
- AK146D1 (Trop2/Nectin4 ADC) is the Company's first bi-specific ADC to enter the clinical stage. In July 2025, AK146D1 was approved by the FDA, TGA and NMPA to conduct clinical trials.

New clinical stage pipeline of autoimmune and other therapeutic areas

- AK139 (IL-4R α /ST2) is the Company's first bi-specific antibody in the non-oncology field. Its Phase I clinical trial was officially initiated in April 2025. AK139 is positioned for exploration across multiple indications in respiratory and dermatological diseases, including asthma, COPD and atopic dermatitis.

The Company remains committed to advancing the clinical development and therapeutic exploration across its diversified pipeline.

Management Discussion and Analysis

Clinical development overview of products pipeline

As at June 30, 2025 and up to the date of this report, the Company had a pipeline of over 50 innovative programs covering the therapeutic areas of oncology, autoimmune and metabolic diseases. 24 of those programs are at clinical and commercial stages, including 15 potential global first-in-class or best-in-class bi-specific antibodies/polyclonal antibodies/bi-specific ADCs or innovative drugs with other mechanisms.

Immuno-oncology is one of the Company's focused therapeutic areas. Our products and candidates undergoing clinical trials include 開坦尼® (cadonilimab, PD-1/CTLA-4), 依達方® (ivonescimab, PD-1/VEGF) and ANNIKO® (penpulimab, PD-1) which have been approved for marketing, and ligufalimab (AK117, CD47), drebuxelimab (AK119, CD73), pulocimab (AK109, VEGFR-2), AK115 (NGF), AK127 (TIGIT), AK129 (PD-1/LAG-3), AK130 (TIGIT/TGF-β), AK131 (PD-1/CD73), AK132 (CLDN18.2/CD47), as well as AK135 (IL-1RAP), AK137 (CD73/LAG-3), AK138D1 (HER3 ADC) and AK146D1 (Trop2/Nectin4 ADC) which have entered the clinical stage in 2025. These products and candidates cover broad indications, including both solid tumors and hematological tumors. With cadonilimab and ivonescimab as our two backbone I/O agents, we expect to cover a broad number of indications with large market potential through combination therapies with both independently developed candidates as well as products from external sources.

伊喜寧® (ebronucimab, PCSK9), our innovative product targeting metabolic diseases, obtained marketing approval in September 2024. In the field of autoimmune diseases, we have a broad portfolio of both commercialized and pipeline candidates. 愛達羅® (ebdarokimab, IL-12/IL-23) received marketing approval in April 2025. The NDA of gumokimab (AK111, IL-17) is under regulatory review. We are also actively advancing the clinical research and exploration of other autoimmune products, including manfidokimab (AK120, IL-4Ra) and AK139 (IL-4Ra/ST2).

The following chart highlights the clinical development plan of the Company's main product portfolio as at the date of this report:

Oncology	Target	Phase Ia	Phase Ib/II	Pivotal/Phase III	NDA	Approved
開坦尼® (cedonilimab)	PD-1/CTLA-4	adv. solid tumor	PDAC, ESCC, 2L NSCLC; 1L PD-L1(-) NSCLC; IO-r HCC, adjuvant HCC, HCC, preoperative GC, IO-r GC,...			1L GC, 1L CC, 2/3L CC
依達方® (ivonescimab)	PD-1/VEGF	adv. solid tumor	1L PDAC, 1L CRC, 1L TNBC, 1L HNSCC, 1L BTC, SCLC, IO-r NSCLC,...		1L sqNSCLC	1L PD-L1(+) NSCLC, EGFR-TKI progressed sq-HSCLC
安尼可® (penpulimab)	PD-1	adv. solid tumor		SCLC, thyroid cancer, UC,...	1L HCC	1L NPC, 3L NPC, 1L sq-NSCLC, cHL
ligufalimab (AK117)	CD47	adv. malignant tumor	2L cHL, 1L AML, 1L MDS,...	1L HNSCC, 1L PDAC		
pulocimab (AK109)	VEGFR-2	adv. solid tumor	2L HCC, 2L NSCLC,...	IO-r GC, IO-r sq-NSCLC		
普佑恒™ (pucotenlimab)*	PD-1	adv. solid tumor				adv. solid tumor, melanoma
科泰萊® (tagitanlimab)*	PD-L1					1L NPC, 3L NPC
MK-1308	CTLA-4			RCC		
drebuxelimab (AK119)	CD73	adv. solid tumor	CRC, NSCLC			
AK127	TIGIT	adv. solid tumor	HCC			
AK129	PD-1/LAG-3	adv. solid tumor	2L cHL, GC			
AK130	TIGIT/TGF-β	adv. solid tumor	BTC, HCC			
AK131	PD-1/CD73	adv. solid tumor				
AK132	GLDN18.2/CD47	adv. solid tumor				
AK135	IL-1RAP	CIPN				
AK137	CD73/LAG-3	adv. malignant tumor				
AK138D1	HER3 ADC	adv. malignant tumor				
AK146D1	Trop2/Nectin4 ADC	adv. malignant tumor				

Metabolism/ auto-immunity	Target	Phase Ia	Phase Ib/II	Pivotal/Phase III	NDA	Approved
伊喜寧® (ebtronucimab)	PCSK9					primary HC and mixed hyperlipidemia, HeFH
愛達羅® (ebdarokimab)	IL-12/IL-23		ulcerative colitis			psoriasis
gumokimab (AK111)	IL-17			ankylosing spondylitis	psoriasis	
manfidokimab (AK120)	IL-4R α		adolescent atopic dermatitis	atopic dermatitis		
AK115	NGF		pain			
AK139	IL-4R α/IST2	respiratory/dermatological diseases				
AK150	ILT2/ILT4/CSF1R					

Note: highlighted indications are at NDA stage or marketed

* and grey area are license-out assets and current status

Management Discussion and Analysis

Warning under Rule 18A.08(3) of the Listing Rules: There is no assurance that the successful commercialization of 開坦尼® (cadonilimab, PD-1/CTLA-4), 依達方® (ivonescimab, PD-1/VEGF), ANNIKO® (penpulimab, PD-1), 伊喜寧® (ebronucimab, PCSK9) and 愛達羅® (ebdarokimab, IL-12/IL-23) will continue. There is also no assurance that ligufalimab (AK117, CD47), pulocimab (AK109, VEGFR-2), drebuxelimab (AK119, CD73), AK115 (NGF), AK127 (TIGIT), AK129 (PD-1/LAG-3), AK130 (TIGIT/TGF-β), AK131 (PD-1/CD73), AK132 (CLDN18.2/CD47), AK135 (IL-1RAP), AK137 (CD73/LAG-3), AK138D1 (HER3 ADC), AK146D1 (Trop2/Nectin4 ADC), gumokimab (AK111, IL-17), manfidokimab (AK120, IL-4Rα), AK139 (IL-4Rα/ST2) and AK150(ILT2/ILT4/CSF1R) will ultimately be successfully developed, marketed and/or commercialized by the Company. As at the date of this report, no material adverse changes had occurred with respect to the regulatory approvals we had received in relation to our drug candidates.

HUMAN RESOURCES

As at June 30, 2025, we had a total of 3,529 employees. With the strategic goal of building our integrated platform of R&D, manufacturing and commercialization, the Company continues to recruit additional employees and upgrade the employee training and development system. Akeso is committed to creating a diverse, fair, open and inclusive platform for employees. The following table sets forth the Company's employees by function:

Function	Number of employees as at June 30, 2025	Number of employees as at June 30, 2024
R&D Pre-clinical	329	300
R&D clinical	720	661
Manufacturing, quality assurance and quality control	864	665
Sales and marketing	1,221	844
General and administrative	395	345
Total	3,529	2,815

MANUFACTURING FACILITIES

As at the date of this report, the Company has a production capacity of 94,000L, which can ensure large-scale supply capacity for us and our partners. We have a capacity expansion plan designed to support our future clinical development and commercial requirements. Our GMP compliant manufacturing facilities are designed and validated according to the FDA, the EMA, and the NMPA regulations to support the entire drug development and commercialization process. From drug discovery and process development to GMP-compliant commercial production, our manufacturing facilities support the Company's clinical and commercialization development, as well as those of our global partners.

Our key manufacturing facilities are highlighted below:

- ✓ Greater Bay Area Technology Park (Zhongshan): The site has facilities for biopharmaceutical R&D, production and sales, with a total planned production capacity of over 100,000L. The site has one of the most advanced biopharmaceutical manufacturing facilities in the world with a production capacity in operation of 55,000L as at the date of this report including 40,000L of stainless-steel reactors and the advanced filling linkage system, and 15,000L of single-use bioreactors.
- ✓ Knowledge City Biopharmaceutical Base (Guangzhou): The production capacity in operation was 36,000L.
- ✓ National Health Technology Park (Zhongshan): The production capacity in operation was 3,000L.

FUTURE DEVELOPMENT

In recent years, China's biopharmaceutical innovation and development engine has accelerated at an unprecedented pace. With its global leadership in IO 2.0 and consistent R&D execution, Akeso is bringing to the global stage the clinical and public health benefits of therapeutic innovations originating in China. Akeso's focused effort to drive step-change improvements in standard of care across multiple difficult-to-treat diseases will continue to benefit patients worldwide.

Commercial system empowerment and diversified portfolio value realization

The Company's commercial-stage therapeutic offering continues to expand in 2025, featuring a diversified portfolio across major therapeutic areas including oncology, autoimmune diseases, and metabolic diseases. Our established and highly efficient commercial platform is fully deployed and continues to grow with the launch of new products. We remain committed to our "patient-centric" philosophy and the scientific innovation strategy. By leveraging NRDLC coverages and newly approved indications as key growth drivers, we aim to achieve rapid healthcare provider access, accelerating clinical ramp-up and market share penetration.

We will focus on leveraging the distinctive strengths of our backbone bi-specific antibodies to consolidate and expand our market share, while accelerating regulatory approval and market access for subsequent indications. By continuously enriching our product portfolio and driving the parallel development of both our oncology and specialty drug business, we will propel steady sales growth for the Company and build new drivers of growth.

Leading global IO 2.0 through innovation and clinical advancement

- We are committed to enhancing global clinical access to cadonilimab, fully unlocking its therapeutic value and commercial potential. Akeso recently initiated a global MRCT registrational Phase II clinical trial of cadonilimab in combination with lenvatinib for second-line hepatocellular carcinoma, and is planning further global clinical development of cadonilimab to cover other indications.
- Ivonescimab has pioneered the global R&D wave of next-generation PD-1 agents, PD-1/VEGF, and maintains a commanding lead in this therapeutic class with the most advanced global development and the broadest number of indications covered. Consistent results from global MRCT Phase III HARMONi trial and the China-based HARMONi-A studies reconfirm its robust clinical benefit and safety profile for patients from different geographic regions. We are accelerating global clinical development of ivonescimab and its combination therapies.
- We have completed the patient enrollment in the global MRCT Phase II clinical trial of ligufalimab in combination with azacitidine for the first-line treatment of myelodysplastic syndromes, and expect the further data readout.
- Penpulimab's FDA approval certifies Akeso's innovative R&D capabilities and GMP-compliant quality management system, providing full support for the global development of additional assets.

Management Discussion and Analysis

IO 2.0+ADC 2.0 strategic synergies

Our world's first bi-specific ADC, AK146D1 (Trop2/Nectin4 ADC), entered into clinical stage. The global and China Phase I trial of AK146D1 have initiated. The patient enrollment of global Phase I trial of AK138D1 (HER3 ADC) is ongoing. We are actively advancing the iteration of the ADC 2.0 platform, conducting in-depth exploration in areas such as bi-specific antibody ADCs, dual-toxin payloads, and blood stability. The transformation of achievements from this innovative platform has begun to show initial results.

We will continue to execute our global innovation strategy, accelerating worldwide clinical programs while actively pursuing potential partnerships. Our goal is to advance more self-developed novel drugs through global clinical development and regulatory approvals, consistently transforming cutting-edge innovations into global clinical and commercial value.

Global First-in-class, early-stage molecules accelerate, demonstrating initial platform-to-portfolio translation

In oncology, we are actively enrolling patients in the Phase I/II clinical trials of our early stages assets, such as AK129 (PD-1/LAG-3), AK130 (TIGIT/TGF- β), AK131 (PD-1/CD73), AK132 (CLDN18.2/CD47), AK135 (IL-1RAP) and AK137 (CD73/LAG-3), through monotherapy and combination therapies to cover a wider range of indications.

In the autoimmune field, the NDA for gumokimab (AK111, IL-17) for the treatment of moderate-to-severe plaque psoriasis is under regulatory review. We will advance the Phase III clinical trials for gumokimab for the treatment of ankylosing spondylitis and manfidokimab (AK120, IL-4R α) for the treatment of atopic dermatitis, respectively. Meanwhile, we are advancing the Phase I clinical trial of AK139 (IL-4R α /ST2), our first internally developed bi-specific antibody, for autoimmune diseases.

Among the new clinical-stage molecules, we are accelerating the translation of our ADC platform achievements. The global Phase I clinical trials of AK138D1 (HER3 ADC) and AK146D1 (Trop2/Nectin4 ADC) for the treatment of advanced malignant tumors are currently enrolling patients. In addition, IND applications for multiple other ADC candidates are in preparation.

At the preclinical stage, we have focused our R&D efforts on novel therapeutic platforms. Our forward-looking R&D investment has forged a multi-platform pipeline centered on disruptive therapeutic technologies that address critical unmet medical needs. Emerging platforms include our mRNA platform, siRNA therapeutics, and neurodegenerative disease programs — targeting multiple global multibillion-dollar markets. By concentrating on frontier technologies and high-impact diseases, we will progressively build a global intellectual property portfolio, develop cost and speed advantages, expand market extensibility, and establish a new highly competitive global biopharmaceutical company.

FINANCIAL REVIEW

1. Commercial Sales

The Group's total commercial sales, net of distribution cost increased by 49.20% from RMB939.4 million for the six months ended June 30, 2024 to RMB1,401.6 million for the six months ended June 30, 2025. The growth was primarily attributable to the increased sales volume of 開坦尼® (cadonilimab, PD-1/CTLA-4) and 依達方® (ivonescimab, PD-1/VEGF) after they were included in the NRDL in January 2025.

2. License Income

The Group's license income for the six months ended June 30, 2025, was RMB9.9 million, compared to RMB85.3 million for the six months ended June 30, 2024. The decrease was primarily due to the amendment to the licensing agreement reached between the Company and SUMMIT in the first half of 2024 on the bi-specific antibody ivonescimab (AK112, PD-1/VEGF), and the down payment was received and recognized as license income. This type of income decreased during the Reporting Period.

3. Cost of Sales

The cost of sales increased by 256.57% from RMB81.6 million for the six months ended June 30, 2024 to RMB290.9 million for the six months ended June 30, 2025. The increase was mainly attributable to the increased sales volume of 開坦尼® (cadonilimab, PD-1/CTLA-4) and 依達方® (ivonescimab, PD-1/VEGF), as well as the approval and commercialization of 愛達羅® (ebdarokimab, IL-12/IL-23). Cost of sales of the Group mainly represents cost of raw materials, direct labor, depreciation of plant and machinery and other manufacturing overhead.

4. Gross Profit

The Group's gross profit increased by 18.82% from RMB943.2 million for the six months ended June 30, 2024 to RMB1,120.7 million for the six months ended June 30, 2025. It was mainly attributable to the changes in commercial sales. The gross profit from commercial sales increased by 29.48% from RMB857.9 million for the six months ended June 30, 2024 to RMB1,110.8 million for the six months ended June 30, 2025.

Management Discussion and Analysis

5. Other Income and Gains, Net

Other income and gains, net decreased by 25.95% from RMB211.8 million for the six months ended June 30, 2024 to RMB156.8 million for the six months ended June 30, 2025, which was mainly due to the fluctuation in exchange gains and government subsidies.

The Group's other income and gains, net primarily consisted of exchange gains, subsidies received from local government for purpose of compensation for expenses arising from R&D activities and award for capital expenditure incurred on construction of production facilities, bank interest income, and investment income from financial products.

6. Research and Development Expenses

Research and development expenses for the six months ended June 30, 2025 was RMB731.2 million, representing a R&D to commercial sales expense ratio of 52.17%, a decrease of 11.10% compared with the same period last year; for the six months ended June 30, 2024, it was RMB594.4 million, representing a R&D to commercial sales expense ratio of 63.27%. As a result of the increased investment in clinical research on several key pipeline products, the size of the Group's clinical team has increased, and the investment in developing a new generation of R&D technology platforms has also increased.

The Group's core pipeline development and NDA approvals achieved progress on multiple fronts, with multiple first-in-class or globally leading products achieving critical milestones; Ivonescimab (AK112) has been approved by the NMPA as the monotherapy as first-line treatment of PD-L1 positive NSCLC. Ivonescimab has reached PFS primary endpoint in HARMONi trial for sq-NSCLC, and the sNDA of this indication has been accepted by the CDE. We are also conducting 13 Phase III clinical trials, including 3 global MRCT trials for lung cancer and others targeting BTC, TNBC, HNSCC, CRC and pancreatic cancer. Cadonilimab (AK104) has been approved as the first-line treatment of cervical cancer in May. We are also conducting about 10 Phase III/registrational trials covering gastric cancer, liver cancer and lung cancer. 2 Phase III trials of ligufalimab (AK117) in solid tumors have initiated. We also completed the patient enrollment of 2 Phase II trials (including 1 global MRCT) in hematological tumors. The Phase III trial of pulocimab in gastric cancer is ongoing. Penpulimab (AK105) has been approved by the FDA for two NPC indications, representing the first innovative biologic entirely self-orchestrated by a Chinese company to secure FDA approval. Ebdarokimab (AK101) has obtained marketing approval. The NDA of Gumokimab (AK111) has been accepted by the CDE. We are conducting global and China Phase I trials of our bi-specific ADC, AK146D1. The global Phase I trial of AK138D1 and Phase I trial of AK139 (IL-4R α /ST2) are ongoing. By continuously increasing R&D investment, the Company has promoted multiple global first-in-class into key clinical stages.

The Group's research and development expenses primarily consisted of: (i) clinical trial sites fees, central laboratory bioanalysis fees, third-party assessment fees, costs associated with purchasing reference listed drugs and concomitant drugs, third-party contract fees signed by clinical trial site management service providers and other trial related service providers; (ii) employee salaries and related benefit costs in connection with our research and development activities; (iii) third-party contracting costs relating to testing expenses for pre-clinical programs; and (iv) costs associated with purchasing raw materials for research and development of our drug candidates.

7. Selling and Marketing Expenses

Selling and marketing expenses for the six months ended June 30, 2025 were RMB669.9 million, representing a selling and marketing to commercial sales ratio of 47.8%, a decrease of 7.13% compared with the same period last year; for the six months ended June 30, 2024, the selling and marketing expenses were RMB516.0 million, representing a selling and marketing to commercial sales ratio of 54.93%. The increase was primarily driven by expanded marketing activities for 依達方® (ivonescimab, PD-1/VEGF) and 開坦尼® (cadonilimab, PD-1/CTLA-4), as well as the construction of non-oncology drug marketing teams and the development of marketing activities.

8. Administrative Expenses

Administrative expenses for the six months ended June 30, 2025 was RMB134.0 million, representing an administrative expenses to commercial sales ratio of 9.56%, a decrease of 1.05% compared with the same period last year. For the six months ended June 30, 2024, administrative expenses were RMB99.7 million, representing an administrative expenses to commercial sales ratio of 10.61%. The increase in administrative expenses was mainly due to the increase in depreciation expenses and office expenses after the Group's Greater Bay Area Technology Park (Zhongshan) has started operation.

Administrative expenses primarily consisted of employee salaries and benefits, depreciation and amortization expenses, professional fees, taxes and other administrative expenses including travel expenses and other expenses associated with administrative activities.

9. Finance Costs

Finance costs increased by 37.25% from RMB46.2 million for the six months ended June 30, 2024 to RMB63.4 million for the six months ended June 30, 2025. The increase was mainly due to a larger borrowing scale.

10. Profit/Loss for the Period

For the reasons discussed above, the Group recorded a loss of RMB588.3 million for the six months ended June 30, 2025, compared to a loss of RMB249.3 million for the six months ended June 30, 2024.

The main reasons for the increase in losses include:

- 1) In accordance with IFRS, the Group accrued equity investment losses on Summit Therapeutics (NASDAQ: SMMT) based on the loss amount and shareholding ratio of Summit Therapeutics (NASDAQ: SMMT) during the Reporting Period. For the six months ended 30 June 2025, the accrued amount for this investment loss was RMB191.7 million. The provision for this investment losses for the six months ended June 30, 2024 was RMB32.6 million, and the provision for this investment loss increased by RMB159.1 million.
- 2) Growth in the Group's R&D expenses during the Reporting Period. The amount of R&D expenses for the six months ended June 30, 2025 was RMB731.2 million, and for the six months ended June 30, 2024 was RMB594.4 million, and R&D expenses increased by RMB136.8 million.
- 3) Due to the grant of RSUs and Share Options under the Group's employee incentive plans during the Reporting Period, the accrued equity incentive expenses increased. Equity incentive expenses for the six months ended June 30, 2025 was RMB27.2 million, and equity incentive expenses for the six months ended June 30, 2024 was RMB5.3 million, an increase of RMB21.9 million.

Management Discussion and Analysis

11. Liquidity and Source of Funding and Borrowing

In the first half of 2025, we actively expanded financing channels and enhanced operational capabilities to strengthen cash reserves, providing robust capital support for the Company's sustainable and efficient development.

As at June 30, 2025, the Group's current assets were RMB8,938.8 million, comprising RMB7,138.4 million in cash, cash equivalents, time deposits, and financial products, with other current assets amounting to RMB1,800.4 million.

As at June 30, 2025, the Group's current liabilities were RMB2,016.4 million, which included RMB470.0 million in trade payables, RMB1,026.6 million in other payables and accruals, and RMB514.4 million in interest-bearing bank and other borrowings.

As at June 30, 2025, the Group had short-term loan and mid-long-term loan due within next one year of RMB514.4 million and long-term loans of RMB4,013.6 million, among which, interest rate of commercial bank borrowings ranging from 1.1% to 3.75% based on annual interest rate over or below loan prime rate (LPR).

The Group follows a conservative set of funding and treasury policies to manage its capital resources and mitigate potential risks.

12. Pledge of Assets

As at June 30, 2025, the Group had a total of RMB1,413.2 million of buildings and land use right pledged to secure its loans and banking facilities.

13. Key Financial Ratios

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

	As at June 30, 2025	As at December 31, 2024
Quick ratio ⁽¹⁾	4.01	4.73
Gearing ratio ⁽²⁾	Not meaningful ⁽²⁾	Not meaningful ⁽²⁾

Notes:

(1) Quick ratio is calculated by dividing current assets less inventories as at a given date by current liabilities as at such date.

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

14. Significant Investments

As at June 30, 2025, the Group did not hold any significant investments. Except as disclosed in this report, the Group did not have other plans for significant investments or capital assets as at the date of this report.

15. Material Acquisitions and Disposals

The Group did not have any acquisitions or disposals of subsidiaries, associates and joint ventures for the six months ended June 30, 2025.

16. Contingent Liabilities

The Group did not have any material contingent liabilities as at June 30, 2025.

17. Capital Commitments

The capital commitments of the Group as at June 30, 2025 were RMB653.2 million, as compared to RMB734.0 million as at December 31, 2024. This was primarily attributable to the development of world-class manufacturing equipment in order to increase production capacity in Knowledge City Biopharmaceutical Base (Guangzhou), and continues to construct ADC manufacturing facilities in Zhongshan Torch Development Zone, where the project is progressing smoothly. Concurrently, construction continues at the Shanghai R&D Center and the Guangzhou R&D Center.

18. Foreign Exchange Risk Exposure

For the six months ended June 30, 2025, the Group mainly operated in China and the majority of its financial transactions were settled in RMB, the functional currency of the Company's primary subsidiaries.

As at June 30, 2025, a portion of the Group's cash and cash equivalents were dominated in Hong Kong dollars, Australian dollars and US dollars. Except for certain cash and cash equivalents, time deposits, financial products, other receivables, payables, other payables and accrued expenses denominated in foreign currencies, the Group did not have significant foreign exchange risk exposure from its operations during the Reporting Period.

The Group currently does not have a foreign currency hedging policy. However, we manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposure, and may potentially use forward contracts to eliminate the foreign exchange risk exposures if such needs arise.

19. Employees and Remuneration

As at June 30, 2025, the Group had a total of 3,529 employees.

The total remuneration cost incurred by the Group was RMB733.2 million for the six months ended June 30, 2025, compared to RMB539.2 million for the six months ended June 30, 2024. The increase in remuneration cost was primarily attributable to the increase in the number of employees and the grant of RSUs and Share Options under the Group employee incentive plans, which led to an increase in employees' salaries and benefits.

The remuneration of the employees of the Group comprises salaries, bonuses, employees' provident fund and social security contributions, other welfare payments and equity-settled share award and share option expenses. In accordance with applicable PRC laws, the Group has 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. We provide training and development programs to employees, including new hire orientation and continuous on-the-job training in order to maintain and improve the knowledge and skill levels of our employees.

Management Discussion and Analysis

The Company adopted the Pre-IPO RSU Scheme on August 29, 2019. For details, please refer to the section headed “D. Share Incentive Schemes — 1. Restricted Share Unit Scheme” in Appendix IV to the Prospectus. The Pre-IPO RSU Scheme was terminated in accordance with the rules of the Pre-IPO RSU Scheme on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024, and the circular of the Company dated June 6, 2024, respectively. After the termination of the Pre-IPO RSU Scheme, no further awards might be granted thereunder, while the awards already granted before the termination shall remain valid and continue to vest in accordance with the rules of the Pre-IPO RSU Scheme.

The Company also adopted the 2021 RSU Scheme on December 6, 2021. For details, please refer to the announcement of the Company dated December 7, 2021. The 2021 RSU Scheme was amended on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024, and the circular of the Company dated June 6, 2024, respectively.

The Company also adopted the Share Option Scheme on June 28, 2022. For details, please refer to the circular of the Company dated June 1, 2022. The Share Option Scheme was amended on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024, and the circular of the Company dated June 6, 2024, respectively.

The Company also granted RSUs and Share Options on May 24, 2025. For details, please refer to the announcement of the Company dated May 26, 2025 and the circular of the Company dated June 11, 2025.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend to the Shareholders for the Reporting Period (six months ended June 30, 2024: Nil).

CORPORATE GOVERNANCE PRACTICES

The Directors recognize the importance of good corporate governance in management and internal procedures to achieve effective accountability. The Company has adopted the code provisions set out in the Corporate Governance Code as its own code to govern its corporate governance practices.

The Company has adopted and complied with all applicable code provisions contained in Part 2 of the Corporate Governance Code throughout the Reporting Period with the exception of code provision C.2.1.

Under code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organizational structure of the Company, Dr. XIA Yu is the chairwoman and chief executive officer of the Company. With her extensive experience in the industry, the Board believes that vesting the roles of both chairwoman and chief executive officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Dr. XIA Yu performs both the roles of chairwoman and chief executive officer, the division of responsibilities between the chairwoman and chief executive officer is clearly established. In general, the chairwoman is responsible for supervising the functions and performance of the Board, while the chief executive officer is responsible for the management of the business of the Group. The two roles are performed by Dr. XIA Yu distinctly. We also consider that the current structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors. However, it is the long-term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they had complied with the Model Code throughout the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group throughout the Reporting Period.

USE OF NET PROCEEDS

1. Use of Net Proceeds from the March 2024 Placing

On March 28, 2024, an aggregate of 24,800,000 new Shares with an aggregate nominal value of US\$248 were issued at a price of HK\$47.65 per Share to not less than six professional, institutional or other investors who are Independent Third Parties pursuant to the placing agreement (the “**March 2024 Placing Agreement**”) dated March 21, 2024 (the “**March 2024 Placing**”), representing approximately 2.86% of the enlarged issued share capital of the Company immediately upon completion of the March 2024 Placing.

The placing price of HK\$47.65 per Share represented (i) a discount of approximately 6.02% to the closing price of HK\$50.70 per Share as quoted on the Stock Exchange on the last full trading day prior to the date of the March 2024 Placing Agreement, and (ii) a discount of approximately 6.81% to the average closing price of approximately HK\$51.13 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the last full trading day prior to the date of the March 2024 Placing Agreement.

The net placing price (after deducting related costs and expenses borne by the Company) was approximately HK\$47.18 per Share. The net proceeds raised from the March 2024 Placing were approximately HK\$1,170.18 million. The following table sets out the status of use of net proceeds from the March 2024 Placing as at June 30, 2025:

Item	Percentage	Amount of net proceeds allocated (HK\$ million)	Net proceeds unutilized as at January 1, 2025 (HK\$ million)	Net proceeds utilized during the six months ended June 30, 2025 (HK\$ million)	Net proceeds unutilized as at June 30, 2025 (HK\$ million)
R&D in terms of: (a) various pre-clinical programs advancing to IND stage; (b) development of technology platforms (i.e., ADC platform); and (c) expediting the global clinical trial of cadonilimab (PD-1/CTLA-4), ligufalimab (AK117, CD47), etc.	65%	760.6	415.1	415.1	–
Commercialization of cadonilimab and ivonescimab	25%	292.6	–	–	–
Other general corporate purposes where appropriate	10%	117.0	–	–	–
Total	100%	1,170.2	415.1	415.1	–

Further details of the March 2024 Placing are set out in the announcements of the Company dated March 21, 2024 and March 28, 2024, respectively. During the six months ended June 30, 2025, the net proceeds from the March 2024 Placing were used according to the intentions and in the same manner and proportions as previously disclosed by the Company in the announcement dated March 21, 2024. As at June 30, 2025, the net proceeds from the March 2024 Placing had been fully utilized.

2. Use of Net Proceeds from the October 2024 Placing

On October 21, 2024, an aggregate of 31,700,000 new Shares with an aggregate nominal value of US\$317 were issued at a price of HK\$61.28 per Share to not less than six professional, institutional or other investors who are Independent Third Parties pursuant to the placing agreement (the “**October 2024 Placing Agreement**”) dated October 11, 2024 (the “**October 2024 Placing**”), representing approximately 3.53% of the enlarged issued share capital of the Company immediately upon completion of the October 2024 Placing.

The placing price of HK\$61.28 per Share represented (i) a discount of approximately 4.99% to the closing price of HK\$64.50 per Share as quoted on the Stock Exchange on the last full trading day prior to the date of the October 2024 Placing Agreement, and (ii) a discount of approximately 11.30% to the average closing price of approximately HK\$69.09 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the last full trading day prior to the date of the October 2024 Placing Agreement.

The net placing price (after deducting related costs and expenses borne by the Company) was approximately HK\$60.70 per Share. The net proceeds raised from the October 2024 Placing were approximately HK\$1,924.20 million. The following table sets forth the status of use of net proceeds from the October 2024 Placing as at June 30, 2025:

Item	Percentage	Amount of net proceeds allocated (HK\$' million)	Net proceeds unutilized as at January 1, 2025 (HK\$' million)	Net proceeds utilized during the six months ended June 30, 2025 (HK\$' million)	Net proceeds unutilized as at June 30, 2025 (HK\$' million)
Global and China clinical development of core products, and other clinical pipeline products in oncology and immunology	70%	1,346.9	1,319.3	338.0	981.3
Commercialization of existing approved products	20%	384.8	105.7	105.7	–
General corporate use	10%	192.4	172.3	172.3	–
Total	100%	1,924.2	1,597.3	616.0	981.3

Further details of the October 2024 Placing are set out in the announcements of the Company dated October 13, 2024 and October 21, 2024, respectively. During the six months ended June 30, 2025, the net proceeds from the October 2024 Placing were used according to the intentions and in the same manner and proportion as disclosed in the announcement dated October 13, 2024.

The balance of unutilized net proceeds of approximately HK\$981.3 million has been deposited into the Company's bank account. The Company expects that such net proceeds shall be utilized by June 30, 2026. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As at June 30, 2025, the Company did not hold any treasury shares.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Audit Committee, comprising Mr. TAN Bo, Dr. XU Yan and Dr. ZENG Junwen, has jointly reviewed with the management the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited interim condensed consolidated financial information of the Group for the Reporting Period). The Audit Committee considered that the unaudited interim condensed consolidated financial results for the Reporting Period are in compliance with the relevant accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The interim condensed consolidated financial information of the Group for the Reporting Period has not been audited. The Company's independent auditor, Ernst & Young, has performed an independent review of the Group's interim financial information for the Reporting Period 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.

CHANGES IN THE BOARD AND THE DIRECTORS' INFORMATION

There was no other change in the Board and the information of Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the 2024 annual report of the Company.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

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

As at June 30, 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were (a) 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 he/she was taken or deemed to have under such provisions of the SFO); or (b) required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares and underlying Shares

Name of Director/ Chief executive	Capacity/Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of Shares in issue ⁽²⁾
Dr. XIA Yu	Beneficial owner	5,000,000 (L)	0.56%
	Interest in controlled corporation ⁽³⁾	21,000,000 (L)	2.34%
	Trustee and settlor of a discretionary trust ⁽⁴⁾	55,599,042 (L)	6.19%
	Enforcer ⁽⁵⁾	25,683,829 (L)	2.86%
	Interest held through voting powers entrusted by other persons ⁽⁶⁾	125,730,582 (L)	14.01%
Dr. LI Baiyong	Beneficial owner	1,250,000 (L)	0.14%
	Interest in controlled corporation ⁽⁷⁾	10,934,640 (L)	1.22%
	Trustee and settlor of a discretionary trust ⁽⁸⁾	39,738,554 (L)	4.42%
Dr. WANG Zhongmin Maxwell	Beneficial owner	250,000 (L)	0.03%
	Interest in controlled corporation ⁽⁹⁾	31,492,881 (L)	3.51%
	Trustee and settlor of a discretionary trust ⁽¹⁰⁾	11,306,442 (L)	1.26%
Dr. ZHANG Peng	Beneficial owner	250,000 (L)	0.03%
	Settlor of a discretionary trust ⁽¹¹⁾	32,258,065 (L)	3.59%
Dr. ZENG Junwen	Beneficial owner	15,000 (L)	0.00%
Dr. XU Yan	Beneficial owner	15,000 (L)	0.00%
Mr. TAN Bo	Beneficial owner	15,000 (L)	0.00%

Supplementary Information

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Based on a total of 897,593,176 Shares in issue of the Company as at June 30, 2025.
- (3) XIA LLC is a company incorporated in the United States, with all of its voting shares held by Dr. XIA Yu. Dr. XIA Yu is therefore deemed to be interested in the Shares held by XIA LLC under the SFO.
- (4) Dr. XIA Yu is the settlor and trustee of XIA Trust, with certain of her family members as beneficiaries. Dr. XIA Yu is therefore deemed to be interested in the Shares held by XIA Trust under the SFO.
- (5) Aquae Hyperion Limited holds the Shares underlying the awards under the Pre-IPO RSU Scheme for the ESOP Trust. Dr. XIA Yu acts as the settlor and enforcer of the ESOP Trust and is therefore deemed to be interested in the Shares held by Aquae Hyperion Limited under the SFO. Zedra Trust Company (Cayman) Limited is the trustee of the ESOP Trust, which indirectly holds Shares as trust property through Aquae Hyperion Limited, and is therefore deemed to be interested in the Shares held by Aquae Hyperion Limited under the SFO.
- (6) Dr. LI Baiyong, Dr. WANG Zhongmin Maxwell, Dr. ZHANG Peng and their controlled corporations entered into agreement with Dr. XIA Yu to entrust her with their voting rights in the Shares they held.
- (7) LI LLC is a holding company incorporated in the United States, with all of its voting shares held by Dr. LI Baiyong. Dr. LI Baiyong is therefore deemed to be interested in the Shares held by LI LLC under the SFO.
- (8) Dr. LI Baiyong is the settlor and trustee of LI Trust, with certain of his family members as beneficiaries. Dr. LI Baiyong is therefore deemed to be interested in the Shares held by LI Trust under the SFO.
- (9) WANG LLC is a holding company incorporated in the United States, with all of its voting shares held by Dr. WANG Zhongmin Maxwell. Dr. WANG Zhongmin Maxwell is therefore deemed to be interested in the Shares held by WANG LLC under the SFO.
- (10) Dr. WANG Zhongmin Maxwell is the settlor and trustee of WANG Trust, with certain of his family members as beneficiaries. Dr. WANG Zhongmin Maxwell is therefore deemed to be interested in the Shares held by WANG Trust under the SFO.
- (11) Waterband Limited is a holding company incorporated in the British Virgin Islands and is wholly owned by Woodband Limited. Woodband Limited is beneficially owned by Woodband Trust. Dr. ZHANG Peng is the settlor of Woodband Trust, with certain of his family members as beneficiaries. Dr. ZHANG Peng is therefore deemed to be interested in the Shares held by Waterband Limited under the SFO.

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

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

So far as is known to the Directors, as at June 30, 2025, no corporations/persons (other than the Directors or the chief executive of the Company) had interests of 5% or more in the issued Shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

As at June 30, 2025, no person (other than the Directors or chief executive of the Company) had registered an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

RSU SCHEMES AND SHARE OPTION SCHEME

1. Pre-IPO RSU Scheme

The Company adopted the Pre-IPO RSU Scheme on August 29, 2019, the principal terms of which were disclosed in the section headed “D. Share Incentive Schemes — 1. Restricted Share Unit Scheme” in Appendix IV to the Prospectus.

The Pre-IPO RSU Scheme was terminated in accordance with the rules of the Pre-IPO RSU Scheme on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024 and the circular of the Company dated June 6, 2024. After the termination of the Pre-IPO RSU Scheme, no further awards might be granted thereunder, while the awards already granted before the termination shall remain valid and continue to vest in accordance with the rules of the Pre-IPO RSU Scheme.

(a) Purpose and principal terms

The purpose of the Pre-IPO RSU Scheme is to recognize and motivate the contributions by the grantees under the Pre-IPO RSU Scheme (the “**Grantee(s)**”), provide incentives for them to remain with the Company, and attract suitable personnel for further development of the Company. The principal terms of the Pre-IPO RSU Scheme are as follows:

- (i) **Award:** An award of RSU under the Pre-IPO RSU Scheme (“**Award(s)**”) gives a Participant a conditional right upon the vesting of the Award to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting, as determined by the ESOP administration department of the Company (the “**ESOP Department**”) in its absolute discretion, less any tax, fees, levies, stamp duty and other applicable charges. An Award may include, if so specified by the ESOP Department in its entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares from the date that the Award is granted to the date that it vests.
- (ii) **Award price:** Each Participant shall pay RMB1.00 as the Award price to accept the Awards granted to such Participant at the time of acceptance. No other purchase price is payable by the Participant for the Shares awarded under the RSUs.
- (iii) **Scheme limit:** The number of Shares that may be delivered under the Pre-IPO RSU Scheme are 45,270,499 Shares that are held by Aquae Hyperion Limited for the Pre-IPO RSU Scheme.
- (iv) **Participants:** Participants of the Pre-IPO RSU Scheme (the “**Participants**”) include the following:
 - a. the employees or officers (including executive, non-executive and independent non-executive directors of the Group);
 - b. any person or entity (including but not limited to consultants engaged by the Company to provide services to the Group) that provides research, development, consultancy and other technical or operational or administrative support to the Group; and
 - c. any other persons including former employees who, in the sole opinion of the ESOP Department, have contributed or will contribute to the Company or any of its subsidiaries.

There is no maximum limit of RSUs which may be granted to the Participants subject to the compliance of the Listing Rules.

Supplementary Information

- (v) **Term:** The Pre-IPO RSU Scheme was terminated in accordance with the rules of the Pre-IPO RSU Scheme on June 30, 2024. After the termination of the Pre-IPO RSU Scheme, no further awards might be granted thereunder, while the awards already granted before the termination shall remain valid and continue to vest in accordance with the rules of the Pre-IPO RSU Scheme.
- (vi) **Administration:** The Pre-IPO RSU Scheme shall be subject to the administration of the ESOP Department set up and authorized by the Board. The ESOP Department has the right to (i) interpret and construe the provisions of the Pre-IPO RSU Scheme, (ii) determine the persons who will be granted Awards, the terms on which Awards are granted and the time when the RSU(s) so awarded may vest, (iii) make such appropriate and equitable adjustments to the terms of the Awards granted as it deems necessary, (iv) appoint independent third-party professionals and contractors to assist in the administration of the Pre-IPO RSU Scheme, delegate such powers and/or functions, and make any other decisions or determination relating to the administration of the Pre-IPO RSU Scheme as the ESOP Department deems appropriate. All decisions made by the ESOP Department is final and binding on all parties.
- (vii) **Trustee:** the ESOP Department may appoint independent trustee to assist in the administration and vesting of the Awards and has appointed Zedra Trust Company (Cayman) Limited, trustee service provider and an Independent Third Party, to administer the granting and vesting of the RSU(s).

(b) Restrictions on Grant

No grant shall be made to, nor shall any grant be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules (where applicable) or by any other applicable rules, regulations or law.

A grant must not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement,

no Award may be granted. Such period will cover any period of delay in the publication of a results announcement.

The ESOP Department may not grant any Awards to any Participants in any of the following circumstances:

- (i) the requisite approvals for that grant from any applicable regulatory authorities have not been obtained;
- (ii) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the Awards or in respect the Pre-IPO RSU Scheme, unless the ESOP Department determines otherwise;
- (iii) the grant would result in a breach by the Company, its subsidiaries or any of the directors of any applicable securities laws, rules or regulations; or
- (iv) where such grant would result in a breach of the limits of the Pre-IPO RSU Scheme.

(c) Grant to director

Where any Award is proposed to be granted to a director of any members of the Group, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

- (i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(d) Grant to connected person

Any grant to any director, chief executive or substantial shareholder of any member of the Group, or any of their respective associates, shall be subject to the prior approval of the independent non-executive directors (excluding the independent non-executive director who is the proposed Grantee of the Awards in question) and shall otherwise be subject to compliance with the requirements of the Listing Rules. Notwithstanding the foregoing, any grant of an Award to a director pursuant to Rule 14A.73(6) of the Listing Rules will be exempted from reporting, announcement and independent Shareholders' approval requirements if the Award forms part of the relevant director's remuneration under his/her service contract.

(e) Grant to PRC resident

If the Grantee is a PRC resident, he or she shall not be entitled to exercise any Award until:

- (i) to the extent applicable, any restriction or condition imposed by the relevant PRC laws, regulations and notices in relation to the subscription of or dealing in shares of overseas listed companies by PRC residents or any law, regulation or notice with similar effects have been abolished or removed or ceased to be applicable to the Participant or the Participant has obtained approval, exemption or waiver from the relevant PRC regulatory authorities for the subscription of and dealing in the Shares; and
- (ii) he or she has given a representation to the Company to the effect that he or she has satisfied all the relevant laws, regulations and notices in exercising the Award.

(f) Rights attached to Awards

The RSU(s) do not carry any right of a Shareholder unless and until such Shares underlying the Award are actually transferred to the Grantee upon the vesting of the RSU(s). Unless otherwise specified by the ESOP Department in its entire discretion in the notice of grant, Grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying an Award.

(g) Awards to be personal to the Grantee

Unless otherwise approved by the Company in writing (to the extent permitted by law), an unvested RSU shall be personal to the Grantee and shall not be assignable or transferable by the Grantee provided that following the Grantee's death, unvested RSU(s) may be transferred by will or by the laws of testacy and distribution. The terms of the Scheme and the notice of grant shall be binding upon the executors, administrators, heirs, successors and assigns of the Grantee.

Supplementary Information

(h) **Vesting**

Subject to the terms of the Pre-IPO RSU Scheme and the specific terms and conditions applicable to each Award, the RSU(s) granted in an Award shall be subject to a vesting period (if any) and/or the satisfaction of performance and/or other conditions (if any) to be determined by the ESOP Department in its absolute discretion. If such conditions are not satisfied, the vesting date of the RSU(s) shall be postponed for one year. If the vesting terms and conditions of the postponed RSU(s) are not satisfied at the postponed vesting date, the RSU(s) shall automatically lapse.

Upon fulfillment or waiver of the vesting period and vesting criteria (if any) applicable to a Grantee, a vesting notice shall be sent to the Grantee by the ESOP Department, or by any other means the ESOP Department so determines in its sole discretion from time to time, confirming (a) the extent to which the vesting period and conditions have been fulfilled or waived, and (b) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the Grantee will receive.

The Grantee is required to execute, after receiving the vesting notice, certain documents set out in the vesting notice that the ESOP Department considers necessary (which may include, without limitation, a certification to the Group that he or she has complied with all the terms and conditions set out in the Pre-IPO RSU Scheme and the Notice of Grant).

For the purposes of vesting of the RSU(s), the ESOP Department may release the RSU(s) to the selected Participants by transferring the number of underlying Shares in respect of the RSU(s) to the selected Participants in such manner as determined by it from time to time. The ESOP Department shall inform the trustee the number of underlying Shares in respect of the RSU(s) being transferred and released to the selected Participant in the manner as determined by the ESOP Department.

If the vesting conditions are not satisfied and no waiver of such condition is granted, the RSU(s) shall be cancelled according to conditions as determined by the ESOP Department in its absolute discretion.

In the event that the Grantee fails to execute the required documents within three months after receiving the vesting notice, the vested RSU(s) will lapse.

Notwithstanding the foregoing, if any relevant parties of the Pre-IPO RSU Scheme would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable laws, regulations or rules within the period specified above, the date on which the relevant Shares shall be transferred (as the case may be) to the Grantee shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules or by any other applicable laws, regulations or rules.

The ESOP Department shall, in the event of, among others, a takeover, general offer by way of scheme of arrangement, voluntary winding up, determine in its absolute discretion whether such RSU(s) shall vest and the period within which such RSU(s) shall vest.

(i) Rights on a takeover

In the event a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the vesting date of any RSU(s), the ESOP Department shall, prior to the offer becoming or being declared unconditional, determine in its absolute discretion whether such RSU shall vest and the period within which such RSU shall vest. If the ESOP Department determines that such RSU(s) shall vest, it shall notify the Grantee that the RSU(s) shall vest and the period within which such RSU(s) shall vest.

(j) Rights on a scheme of arrangement

In the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of shareholders at the requisite meetings prior to the vesting of any RSU(s), the ESOP Department shall, prior to such meetings, determine in its absolute discretion whether such RSU(s) shall vest and the period within which such RSU(s) shall vest. If the ESOP Department determines that such RSU(s) shall vest, it shall notify the Grantee that the RSU(s) shall vest and the period within which such RSU(s) shall vest.

(k) Rights on a voluntary winding-up

In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company prior to the vesting date of any RSU(s), the ESOP Department shall determine in its discretion whether such RSU(s) shall vest, and the period when such RSU(s) shall vest and in the latter case, the unvested RSU(s) must be vested and effected by no later than two Business Days before the day of the proposed shareholders' meeting. If the ESOP Department determines that such RSU(s) shall vest, it shall notify the Grantee that the RSU(s) shall vest and the period within which such RSU(s) shall vest.

(l) Rights on a compromise or arrangement

In the event of a compromise or arrangement, other than a scheme of arrangement contemplated above, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the ESOP Department shall determine in its discretion whether such RSU(s) shall vest, and the period when such RSU(s) shall vest. If the ESOP Department determines that such RSU(s) shall vest, it shall notify the Grantee that the RSU(s) shall vest and the period within which such RSU(s) shall vest.

Supplementary Information

(m) Lapse and cancellation of RSU

An unvested RSU shall be lapsed and cancelled automatically upon the earliest of:

- (i) the date of the termination of the Grantee's employment or service by the Company or any of its subsidiaries for cause;
- (ii) the date of the termination of the Grantee's employment or service with the Company or the subsidiaries is terminated for any reason other than for cause (including by reason of resignation, retirement, death, disability or non-renewal of the employment or service agreement upon its expiration for any reason other than for cause);
- (iii) the date on which the offer (or, as the case may be, revised offer) made in connection with a general or voluntary offer closes;
- (iv) the record date for determining entitlements under the scheme of arrangement referred above closes;
- (v) the date of the commencement of the winding-up of the Company;
- (vi) the date on which the Grantee commits a breach of paragraph (g) above; or
- (vii) the date on which it is no longer possible to satisfy any outstanding conditions to vesting.

Unless the ESOP Department determines otherwise in its absolute discretion, the Grantee or his/her legal personal representative is entitled to exercise vested RSU(s) by serving the application for exercising unvested RSU(s) within one month following the occurrence of the termination of Grantee's employment or service with the Company or the subsidiaries which is terminated for any reason other than for cause (including by reason of resignation, retirement, death, disability or non-renewal of the employment or service agreement upon its expiration for any reason other than for cause).

Subject to the applicable laws, the vested RSU(s) prior to being exercised and the underlying shares or proceeds obtained by the Grantee from exercising the vested RSU(s) less the exercise price of the Grantee's RSU(s) shall be returned by the Grantee to the Company per the ESOP Department's request following the occurrence of one of more of the following events:

- (i) the Grantee's employment is terminated by the Company or any of its subsidiaries for cause;
- (ii) or the Grantee either: (a) becomes an officer, director, employee, consultant, adviser, partner of or stockholder or other proprietor owning more than 5% interest in any competitor; or (b) knowingly performs any act that may confer a competitive benefit or advantage upon any competitor, at any time before or within 12 months after the Grantee's employment is terminated by the Company or any of its subsidiaries for any reason.

(n) Further restrictions on RSU

The Grantee shall not be entitled to sell, transfer or deal with the Shares underlying the RSU(s) granted pursuant to the Pre-IPO RSU Scheme upon the occurrence of one or more of the following events:

- (i) the Grantee's employment is terminated by the Company or any of its subsidiaries for cause; or
- (ii) the Grantee either: (a) becomes an officer, director, employee, consultant, adviser, partner or stockholder or other proprietor owning more than 5% interest in any competitor; or (b) knowingly performs any act that may confer a competitive benefit or advantage upon any competitor,

at any time before or within 12 months after the Grantee's employment is terminated by the Company or any of its subsidiaries for any reason.

If the Grantee sells, transfers or deals with the Shares in breach of the above, the Grantee shall pay the Company the proceeds or consideration obtained (less the exercise price of the Grantee's RSU(s)) as a result of such breach upon demand by the Company.

The ESOP Department may at any time cancel any unvested RSU granted to a Grantee subject to consent by the Grantee. Where the Company cancels unvested RSU(s) and makes a grant of new RSU(s) to the same Grantee, such grant may only be made with available RSU(s) to the extent not yet granted (excluding the cancelled RSU(s)).

Notwithstanding the aforesaid in this paragraph, in each case, the ESOP Department may in its absolute discretion decide that any RSU(s) shall not be cancelled or determine subject to such conditions or limitations as the ESOP Department may decide.

(o) Reorganization of capital structure

In the event of an alteration in the capital structure of the Company, by way of capitalization of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, reduction of the share capital, amongst others, of the Company, whilst any RSU(s) has not vested, such corresponding alterations (if any) shall be made to the number or nominal amount of Shares subject to the RSU(s) so far as unvested as the auditors or an approved independent financial adviser shall certify in writing, either generally or as regard any particular Grantee, to have in their opinion, fairly and reasonably satisfied the requirement that such adjustments give a Participant the same proportion (or rights in respect of the same proportion) of the share capital of the Company as that to which that Grantee was previously entitled, but that no such adjustments be made to the extent that a Share would be issued at less than its nominal value.

However, in the case of any capitalization issue or share sub-division to be implemented by the Company as required for the purpose of the Global Offering, no such certification by the auditors or a financial advisor shall be required.

(p) Amendment of the Pre-IPO RSU Scheme

Save for any material amendments to the Pre-IPO RSU Scheme, the Pre-IPO RSU Scheme may be altered in any respect by a resolution of the ESOP Department. The ESOP Department's determination as to whether any proposed alteration to the terms and conditions of the Pre-IPO RSU Scheme is material shall be conclusive, provided in each case that such decision is made in accordance with the articles of association of the Company and any applicable laws.

Supplementary Information

(q) Termination of the Pre-IPO RSU Scheme

The Board or the ESOP Department may at any time terminate the operation of the Pre-IPO RSU Scheme and in such event no further RSU(s) will be offered but in all other respects the provisions of the Pre-IPO RSU Scheme shall remain in full force and effect in respect of RSU(s) which are granted during the life of the Pre-IPO RSU Scheme and which remain unvested immediately prior to the termination of the operation of the Pre-IPO RSU Scheme.

(r) General

During the Reporting Period, the movements in the RSUs granted under the Pre-IPO RSU Scheme were as follows:

		Number of Shares underlying RSUs							
Name or category of Participant	Date of grant	Outstanding as at January 1, 2025 <i>(Note 1)</i>	Granted during the Reporting Period <i>(Note 2)</i>	Vested during the Reporting Period <i>(Note 3)</i>	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at June 30, 2025	Vesting period	Purchase price per RSU granted
Other employee Participants									
	January 4, 2021	24,000	–	–	–	–	24,000	1 to 5 years	HK\$1
	April 1, 2021	2,000	–	2,000	–	–	–	1 to 5 years	HK\$1
	June 30, 2021	1,000	–	800	–	–	200	1 to 5 years	HK\$1
	July 2, 2021	1,000	–	–	–	–	1,000	1 to 5 years	HK\$1
	August 9, 2021	196,000	–	–	–	–	196,000	1 to 5 years	HK\$1
	January 4, 2022	21,000	–	6,000	–	–	15,000	1 to 4 years	HK\$1
	February 16, 2022	28,000	–	12,000	–	–	16,000	1 to 4 years	HK\$1
Other service providers									
	July 1, 2022	10,000	–	–	–	–	10,000	1 to 3 years	HK\$1
Total		283,000	–	20,800	–	–	262,200		

Notes:

- (1) Include RSUs which were outstanding as at January 1, 2025 based on the date of the relevant RSU vesting documents. The outstanding RSUs granted have no exercise period.
- (2) As no RSU was granted under the Pre-IPO RSU Scheme during the Reporting Period, the disclosure requirements under Rule 17.07(1)(c) of the Listing Rules are not applicable.
- (3) The vesting of the RSUs granted are not subject to any performance target. The purchase price of the 20,800 RSUs vested during the Reporting Period is HK\$1 per Share. The weighted average closing price of the Shares underlying the RSUs immediately before the date on which the RSUs were vested was HK\$61.81 per Share.

The Pre-IPO RSU Scheme was terminated in accordance with the rules of the Pre-IPO RSU Scheme on June 30, 2024. After the termination of the Pre-IPO RSU Scheme, no further awards might be granted thereunder. As at January 1, 2025 and the date of this report, nil Shares underlying the RSUs granted under the Pre-IPO RSU Scheme were available for issue. The Pre-IPO RSU Scheme has no service provider sublimit under Chapter 17 of the Listing Rules.

2. 2021 RSU Scheme

The Company adopted the 2021 RSU Scheme on December 6, 2021. The 2021 RSU Scheme was amended on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024 and the circular of the Company dated June 6, 2024, respectively.

(a) Purpose

The purpose of the 2021 RSU Scheme is to recognize the contributions by certain participants and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group.

(b) Administration

The 2021 RSU Scheme shall be subject to the administration of the Board and the trustee in accordance with the 2021 RSU Scheme Rules and the trust deed. The Board may by resolution delegate any or all of its powers in the administration of the 2021 RSU Scheme to any person(s) as from time to time authorized by the Board for such purpose. The decision of the Board with respect to any matter arising under the 2021 RSU Scheme (including the interpretation of any provision) shall be final and binding.

(c) Duration

Subject to any early termination as may be determined by the Board, the 2021 RSU Scheme shall be valid and effective for a term of (10) years commencing on December 6, 2021, after which period no further awards ("**Award(s)**") will be granted, but the provisions of the 2021 RSU Scheme will in all other respects remain in full force and effect and Awards that are granted from December 6, 2021 until the tenth (10th) anniversary of December 6, 2021 may continue to be exercisable in accordance with their terms of issue.

(d) Selected participants

The selected participants ("**Selected Participant(s)**") include any Employee Participant or any Service Provider selected by the Board for participation in the 2021 RSU Scheme. In determining the eligibility of and the number of Awards to be granted to any Selected Participant who is an Employee Participant, the Board will assess their potential and/or actual contribution to the Group. For the basis of determining the eligibility of Director as Selected Participant, the Board will consider period of employment, responsibilities, time commitment, knowledge in the industry and prevailing market practice. For the basis of determining the eligibility of senior management and other employee as Selected Participant, the Board will consider individual performance, time commitment, responsibilities, work experience, professional qualifications and knowledge in the industry.

In determining the eligibility of and the number of Awards to be granted to any Selected Participant who is a Service Provider, the Board shall take into consideration matters including, but without limitation to:

- (i) the scale of their business dealings with the Group, the length of business relationships between them and the Group, the positive impacts (in terms of, including without limitation, proactively promoting/catalyzing the continuing development and growth of the Group, and bringing innovation, new talents and expertise to the Group), potential and/or actual contribution on the Group's business development, the future plans in relation to further business collaboration and generally the significance to the Group of building long-term business relationships with them;
- (ii) whether such Service Provider has a proven track record of timely delivery of services, the quality of services delivered, the scale of their business dealings with the Group, the ease of replacing such Service Provider(s) with another Service Provider which could offer similar quality and consistency in the provision of services;
- (iii) the potential and/or actual degree of involvement in and/or cooperation with the Group with regard to the number, scale and nature of projects, and the period of engagement/cooperation/business relationship with the Group;
- (iv) whether the Service Provider is regarded as a valuable human resource of the Group based on the person's work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical knowhow, market competitiveness, synergy between him/her and the Group, external business connections, strategic value, and repute and credibility); and/or
- (v) the usual fees chargeable by other Service Provider in the market and the contribution of the advisors and consultants in considering whether to grant Awards to them.

(e) Scheme limit

The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the 2021 RSU Scheme and any other share scheme(s) adopted by the Company must not exceed 10% (excluding treasury shares) of the issued share capital of the Company as at June 30, 2024, being 86,585,717 Shares, unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders. Awards lapsed in accordance with the terms of the 2021 RSU Scheme shall not be counted for the purpose of calculating the scheme limit. No Award may be granted under the 2021 RSU Scheme if this will result in the limit being exceeded.

Within the scheme limit, the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the 2021 RSU Scheme and any other share scheme(s) of the Company to the Service Providers must not in aggregate exceed 8,658,571 Shares, representing 1% (excluding treasury shares) of the total number of Shares in issue as at June 30, 2024.

The Company may seek the approval of its Shareholders in general meeting to refresh the scheme limit or the Service Provider sublimit subject to compliance with the requirements of Listing Rules.

(f) Restrictions

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the trustee under the 2021 RSU Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (i) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;
- (ii) to any Selected Participant during the period commencing 30 days immediately before the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no Award may be granted will cover any period of delay in the publication of results announcement;
- (iii) to any Director (a) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results; or
- (iv) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Supplementary Information

(g) Operation

According to the 2021 RSU Scheme, any Award Shares shall either be (i) existing Shares transferred, gifted, assigned, or conveyed to the trust or as may be purchased by the trustee on the Stock Exchange or off the market; or (ii) new Shares to be allotted and issued to the trustee by the Company under the scheme limit; or (iii) treasury shares transferred, gifted, assigned, or conveyed to the trust subject to the Listing Rules.

The Board may from time to time cause to be paid a contributed amount to the trust by way of settlement or otherwise which shall constitute part of the trust fund, for the purchase or subscription (as the case may be) of Shares and other purposes set out in the 2021 RSU Scheme Rules and the trust deed, which shall be funded by internal resources of the Company other than the proceeds from the listing of the Shares on the Stock Exchange. Subject to prior written direction and/or consent of the Board, the trustee may accept Shares transferred, gifted, assigned, or conveyed to the trust from the Company or any party designated by the Company from time to time in such number as such party designated by the Company may at their sole discretion determine, which shall constitute part of the trust fund.

Subject to the 2021 RSU Scheme Rules, in the event that the Award Shares are to be allotted and issued as new Shares for the purpose of the trust, the Board shall cause an amount equal to the total subscription price of such new Shares to be allotted and issued be transferred from the Company's resources to the trustee according to the 2021 RSU Scheme Rules and cause to issue and allot to the trustee such number of new Shares corresponding to the aforesaid total subscription price at such issue price per Share as shall be determined by the Board, which shall be held upon trust for the relevant Selected Participant subject to the terms and conditions set out in the 2021 RSU Scheme Rules and the trust deed. The Company shall issue and allot such new Shares at not less than nominal value to the trustee. The Company shall comply with the relevant Listing Rules and the articles of association of the Company when allotting and issuing any new Shares and application shall be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the new Shares to be issued to the trustee. Subject to the 2021 RSU Scheme Rules, the Board may from time to time instruct the trustee in writing to purchase the Shares on the Stock Exchange and to hold them in trust for the benefit of the Selected Participants under the trust on and subject to the terms and conditions of the 2021 RSU Scheme Rules and the trust deed.

(h) Grant

Subject to the provisions of the 2021 RSU Scheme, the Board may, from time to time, at its absolute discretion select any participant for participation in the 2021 RSU Scheme as a Selected Participant, and grant such number of RSUs to any Selected Participant at such consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine. In the event that a Selected Participant or his/her/its associate(s) is a member of the Board, such person will abstain from voting on any approval by the Board of the Award to such Selected Participant. The amount of grant consideration, if any, shall be determined by the Board in its absolute discretion, based on considerations such as the prevailing closing price of the Shares, the purpose of the Awards and the contribution of the Selected Participant. Except for such grant consideration which shall be paid in such manner and on or before such deadline(s) as prescribed in the relevant grant notice, no other purchase price shall be paid for the Awards, and thus there is no period within which payments or calls must or may be made or loans for such purposes must be repaid.

Where any grant of Award is proposed to be made to any Selected Participant who is a Director (including an independent non-executive Director), chief executive, or substantial Shareholder of the Company or any of their respective associates, such grant must first be approved by the independent non-executive Directors of the Company (excluding any independent non-executive director of the Company who is intended to be the Selected Participant). Where any grant of Award to a director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares), such further grant of awards must be approved by the Shareholders in general meeting in accordance with Chapter 17 of the Listing Rules.

Where any grant of Awards to an independent non-executive Director or a substantial Shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding treasury shares), such further grant of Awards must be approved by the Shareholders in general meeting in the manner set out in Rule 17.04(4) of the Listing Rules.

Where any grant of Awards and any other awards to a participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue (excluding treasury shares), such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting.

Prior to the vesting date, any Award made under the 2021 RSU Scheme Rules shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferrable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to the RSUs referable to him pursuant to such Award, except for when a waiver is obtained from the Stock Exchange for the transfer to a vehicle (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such participant that would continue to meet the purpose of the 2021 RSU Scheme and comply with other requirements of Chapter 17 of the Listing Rules and express written consent is obtained from the Board or its delegates, subject to the compliance with the Listing Rules. The Award Shares will be subject to all the provisions of the articles of association of the Company and will rank *pari passu* with the fully paid Shares then in issue.

(i) Vesting and lapse

The Board is entitled to impose any conditions (including a period of continued service within the Group after the Award), as it deems appropriate in its absolute discretion with respect to the vesting of the RSUs on the Selected Participant. Such conditions may include, among others, performance targets (if any as determined by the Board in its absolute discretion), which may comprise a mixture of key performance indicators components (such as the business performance of the Group, which may relate to the Group's strategic objectives, operational targets and plans for future development, and financial performance of the Group, which may include financial targets of the Group on a targeted or comparative basis, and individual annual performance assessment results). The Board will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board determines that any prescribed performance targets have not been met, the Award(s) shall lapse automatically. Subject to applicable laws and regulations, the Board shall be at liberty to waive any vesting conditions. Shares underlying any RSUs granted under the 2021 RSU Scheme that lapse for any reason without having been vested and Shares underlying the unvested portion of any RSUs in case of partial vesting will, to the extent not prohibited by applicable laws and regulations, be available for subsequent Award grants under the 2021 RSU Scheme.

Supplementary Information

Subject to the terms and condition of the 2021 RSU Scheme and the fulfillment of all vesting conditions to the vesting of the RSUs on such Selected Participant and all requirements applicable to such Selected Participant as specified in the 2021 RSU Scheme and the relevant grant notice (unless waived by the Board), the respective RSUs granted to the Selected Participant pursuant to the provision of the 2021 RSU Scheme Rules shall vest in such Selected Participant in accordance with the vesting schedule as set out in the grant notice, and the trustee shall cause the Award Shares to be transferred to such Selected Participant on the vesting date. For the avoidance of doubt, (i) any long leave of absence, as the Board may determine, shall be deducted from period of service for the purpose of counting vesting period, and (ii) the minimum vesting period must be 12 months commencing from the date upon which the Award is accepted or deemed to be accepted in accordance with the 2021 RSU Scheme, save and except that with respect to a Selected Participant who is an Employee Participant, a shorter vesting period may be permitted in circumstances set out below:

- (i) grants of “make-whole” share awards to new joiners to replace the share awards they forfeited when leaving the previous employers;
- (ii) grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (iii) grants of Awards with performance-based vesting conditions in lieu of time-based vesting criteria;
- (iv) grants that are made in batches during a year for administrative and compliance reasons, such as Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an award would have been granted;
- (v) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and
- (vi) grants of Awards with a total vesting period of more than 12 months, such as where the Awards may vest by several batches with the first batch to vest within 12 months of the date of grant and the last batch to vest 12 months after.

In respect of a Selected Participant who died or retired by agreement with a member of the Group at any time prior to or on the vesting date, all the RSUs of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

Unless otherwise specified by the Board in its entire discretion, the Selected Participants do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Award Shares (including those arising on a liquidation of the Company) before such Shares are transferred to such Selected Participants. If the Board in its discretion so determines that any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in relation to the Award Shares be paid to the Selected Participants even though the RSUs have not yet vested, the Board may at its discretion, subject to the 2021 RSU Scheme and Listing Rules, with or without further conditions, transfer additional Shares (which should be existing Shares as may be purchased by the trustee on the Stock Exchange or off the market) or cash award out of the trust fund representing all or part of the income or distributions (including but not limited to cash income or dividends, cash income or net proceeds of sale of non-cash and non-scrip distribution, bonus Shares and scrip dividends) declared by the Company or derived from such Award Shares during the period from the date of Award to the vesting date to a Selected Participant upon the vesting of any RSUs. In the event that an Award of RSUs becomes lapsed, the Award Shares underlying the RSUs and/or the relevant income or distributions shall remain as part of the trust fund.

(j) Cancellation and clawback

The Board may at any time cancel any unvested Awards previously granted to a Selected Participant. Where the Company cancels Awards and offers Awards to the same Selected Participant, the offer of such new Awards may only be made with available Awards to the extent not yet granted (excluding the cancelled Awards) within the limit as mentioned in paragraph (e) above pursuant to Rule 17.03B or Rule 17.03C of the Listing Rules. The Awards cancelled will be regarded as utilized for the purpose of calculating the limit as mentioned therein. Upon the occurrence of any of the following in relation to a Selected Participant, the Company shall propose that no further Awards shall be granted to him and shall claw back the Awards granted to such Selected Participant and such Awards shall lapse automatically: (a) the results of the economic responsibility audit and other reports proved that the Selected Participant has failed to perform duties effectively or is involved in serious misconduct or malfeasance; (b) the Selected Participant has contravened the relevant laws and regulations of PRC and/or Hong Kong or the provisions of the articles of association of the Company; (c) the Selected Participant has, during his tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company; (d) the Selected Participant has failed to discharge, or failed to discharge properly, his duties and thereby resulting in serious loss in assets to the Company and other serious and adverse consequences; (e) the Selected Participant is dismissed due to the breach of the relevant laws and regulations of PRC and/or Hong Kong or the provisions of the articles of association of the Company; or (f) the Selected Participant joins a competitor or forming a competing business after leaving the Company.

(k) Disqualification of Selected Participant

In the event that prior to or on the vesting date, a Selected Participant is found to be an excluded participant or is deemed to cease to be a Selected Participant, including but not limited to the following circumstances:

- (i) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (ii) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (iii) where such person has been convicted of any criminal offence; or
- (iv) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time,

unless agreed specifically between the Selected Participant and the Company to the extent permitted under the laws or regulations of such place or where in the view of the Board or the trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Selected Participant, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Award Shares shall not vest on the relevant vesting date but shall remain part of the trust fund and such returned RSUs shall be applied by the trustee towards future Awards in accordance with the 2021 RSU Scheme Rules.

Supplementary Information

(l) Voting rights

The RSUs, whether vested or not, do not carry any right to vote at general meetings of the Company. Notwithstanding that the trustee is the legal registered holder of the Shares held upon trust pursuant to the trust deed, the trustee shall not exercise the voting rights attached to such Shares. For the avoidance of doubt, the trustee holding unvested Shares of the 2021 RSU Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. Unless otherwise specified by the Board in its entire discretion, the Selected Participants do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Award Shares (including those arising on a liquidation of the Company) before such Shares are transferred to such Selected Participants.

(m) Reorganization of capital structure

In the event of any alteration in the capital structure of the Company whilst any Award remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding adjustments (if any) shall be made to the number of Shares subject to the 2021 RSU Scheme or any Awards granted (insofar as it is/they are unvested); and/or the grant consideration (if any), which should give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole share, as that to which that Selected Participant was previously entitled, and an independent financial adviser or the auditors shall certify in writing to the Board that the adjustments satisfy the requirements set out under the note to Rule 17.03(13) of the Listing Rules, provided that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value. The issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

The method of adjustment of number of Award Shares so far as unvested is set out as below:

(i) Conversion of capital reserve into new Shares, issue of bonus Shares or Share subdivision

$$Q = Q_0 \times (1 + n)$$

Where: "Q₀" represents the number of Award Shares before the adjustment; "n" represents the ratio per Share of the conversion of capital reserve into new Shares, issue of bonus Shares or Share subdivision; "Q" represents the number of Award Shares after the adjustment.

(ii) Share consolidation and reduction of share capital

$$Q = Q_0 \times n$$

Where: "Q₀" represents the number of Award Shares before the adjustment; "n" represents the ratio of consolidation or ratio of share capital reduction; "Q" represents the number of Award Shares after the adjustment.

(iii) *Rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: "Q₀" represents the number of Award Shares before the adjustment; "P₁" represents the closing price as at the record date; "P₂" represents the subscription price of the rights issue; "n" represents the ratio of allotment; "Q" represents the number of Award Shares after the adjustment.

The method of adjustment of the grant consideration (if any) is set out as below:

(i) *Conversion of capital reserve into new Shares, issue of bonus Shares or Share subdivision*

$$P = P_0 \div (1 + n)$$

Where: "P₀" represents the grant consideration of Awards before the adjustment; "n" represents the ratio per Share of the conversion of capital reserve into new Shares, issue of bonus Shares or Share subdivision; "P" represents the grant consideration of Awards after the adjustment.

(ii) *Share consolidation and reduction of share capital*

$$P = P_0 \div n$$

Where: "P₀" represents the grant consideration of Awards before the adjustment; "n" represents the ratio of consolidation or ratio of share capital reduction; "P" represents the grant consideration of Awards after the adjustment.

(iii) *Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: "P₀" represents the grant consideration of Awards before the adjustment; "P₁" represents the closing price as at the record date; "P₂" represents the subscription price of the rights issue; "n" represents the ratio of allotment; "P" represents the grant consideration of Awards after the adjustment.

(n) Duration

Unless terminated earlier by the Board pursuant to the 2021 RSU Scheme Rules, the 2021 RSU Scheme shall be valid and effective for ten years commencing from December 6, 2021, after which period no further Awards will be granted.

Supplementary Information

(o) Termination

The 2021 RSU Scheme shall terminate on the earlier of (i) the tenth anniversary date from December 6, 2021; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant.

Upon termination, (i) no further grant of RSUs may be made under the 2021 RSU Scheme; (ii) all the RSUs referable to the date of expiry of the trust which are not vested shall be vested in the relevant Selected Participants and all the Award Shares shall continue to be held by the trustee and be transferred to the Selected Participants according to the 2021 RSU Scheme Rules; (iii) all Shares remaining in the trust fund shall be sold (or as otherwise determined by the Board) by the trustee within 28 business days (on which the trading of the Shares has not been suspended); and (iv) net proceeds of sale (if so sold) and such other funds and properties remaining in the trust fund managed by the trustee (after making appropriate deductions) shall be remitted to the Company forthwith (except as otherwise determined by the Board).

(p) Alteration

The 2021 RSU Scheme may be altered in any respect by an ordinary resolution of the Board except that (a) any alterations to the provisions of the 2021 RSU Scheme as to (i) the terms and conditions of the 2021 RSU Scheme which are of a material nature; (ii) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Selected Participants; and (b) any change to the authority to alter the terms of the 2021 RSU Scheme of the Board, the administration committee or any other committee or subcommittee or any person(s) as from time to time authorized by the Board for the purpose of administering the 2021 RSU Scheme or the trustee, must be approved by Shareholders in general meeting.

Any change to the terms of Awards granted to a participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the options or awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the 2021 RSU Scheme.

The amended terms of the 2021 RSU Scheme or the Awards must still comply with the relevant requirements of the Chapter 17 of the Listing Rules.

(q) General

During the Reporting Period, the movements in the RSUs granted under the 2021 RSU Scheme were as follows:

		Number of Shares underlying RSUs							
Name or category of participant	Date of grant	Outstanding as at	Granted during the	Vested during the	Lapsed/ forfeited during the	Cancelled during the	Outstanding as at		Purchase price per
		January 1, 2025 ^(Note 1)	Reporting Period ^(Note 2)	Reporting Period ^(Note 3)	Reporting Period	Reporting Period	June 30, 2025	Vesting period	RSU granted
Director, chief executive or substantial Shareholder of the Company and their associates									
Dr. XIA Yu	May 24, 2025	–	2,000,000	–	–	–	2,000,000	48 months	Nil
Dr. LI Baiyong	May 24, 2025	–	500,000	–	–	–	500,000	48 months	Nil
Dr. WANG Zhongmin									
Maxwell	May 24, 2025	–	100,000	–	–	–	100,000	48 months	Nil
Dr. ZHANG Peng	May 24, 2025	–	100,000	–	–	–	100,000	48 months	Nil
Dr. ZENG Junwen	May 24, 2025	–	5,000	–	–	–	5,000	48 months	Nil
Dr. XU Yan	May 24, 2025	–	5,000	–	–	–	5,000	48 months	Nil
Mr. TAN Bo	May 24, 2025	–	5,000	–	–	–	5,000	48 months	Nil
Other employee participants									
	September 6, 2023	109,000	–	22,000	–	–	87,000	1 to 4 years	HK\$ 1
	May 24, 2025	–	705,000	–	–	–	705,000	48 months or performance-based vesting conditions in lieu of time-based vesting criteria	Nil
Total		109,000	3,420,000	22,000	–	–	3,507,000		

Notes:

- (1) The outstanding RSUs granted have no exercise period.
- (2) The vesting of the RSUs granted to the grantees (other than the independent non-executive Directors) during the Reporting Period are subject to individual performance targets as stipulated in the respective grant lettered entered into by the company and each of the grantees. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include, among others, research and development, CMC, sales and marketing, business development and general administration, financial performance, etc. There are no performance targets attached to the RSUs granted to the independent non-executive Directors. The closing price of the Shares immediately before the date on which the RSUs were granted was HK\$83.15 per Share. The fair value of the RSUs at the date of grant was HK\$83.15.
- (3) The purchase price of the RSUs vested is HK\$1 per Share. The weighted average closing price of the Shares underlying the RSUs immediately before the date on which the RSUs were vested was HK\$81.42 per Share.

The number of RSUs (to be satisfied by issue of new Shares) available for grant under the scheme limit of the 2021 RSU Scheme and any other share scheme(s) adopted by the Company as at January 1, 2025 and June 30, 2025 was 86,585,717 and 76,050,717, respectively. The number of RSUs (to be satisfied by issue of new Shares) available for grant under the Service Provider sublimit of the 2021 RSU Scheme and any other share scheme(s) adopted by the Company as at January 1, 2025 and June 30, 2025 was 8,658,571.

Supplementary Information

3. Share Option Scheme

The Company adopted the Share Option Scheme on June 28, 2022. The Share Option Scheme was amended on June 30, 2024. For details, please refer to the announcement of the Company dated June 5, 2024 and the circular of the Company dated June 6, 2024, respectively.

(a) Purpose

The purpose of the Share Option Scheme is to reward eligible participants ("**Eligible Participant(s)**") for their contribution to the success of the Company, and to provide incentives to them to further contribute to the Company.

(b) Conditions

The adoption of the Share Option Scheme is conditional upon the passing of a resolution by the Shareholders to approve the adoption and amendment of the Share Option Scheme, and to authorize the Board to grant options and to allot, issue and otherwise deal with the Shares which may be issued pursuant to the exercise of any options to be granted under the Share Option Scheme.

Upon the passing of such resolution by the Shareholders, the Company shall apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal any Shares to be issued and allotted pursuant to the exercise of options under the Share Option Scheme.

(c) Duration and administration

Subject to paragraph (p) below, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on June 28, 2022, after which period no further share options ("**Share Option(s)**") may be granted by the provisions of the Share Option Scheme, but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

The Share Option Scheme shall be subject to the administration of the Board who may delegate all or part of such administration to any other authorized agent(s) as deemed appropriate at the sole discretion of the Board. Save as otherwise provided in the Share Option Scheme, for any matters concerning the interpretation or application of the Share Option Scheme, the decision of the Board or persons to whom the Board has delegated relevant powers shall be final and binding on all parties.

(d) Eligibility and grant of Share Options

On and subject to the terms of the Share Option Scheme, the Board has the power but not the obligation to offer to grant to any Eligible Participant as the Board may in its absolute discretion select a Share Option to subscribe for such number of Shares as the Board may determine at the subscription price. Subject to the provisions of the Listing Rules, the Board may in its absolute discretion specify such event, time limit or conditions (if any) as it thinks fit when making such offer to the Eligible Participant, including, without limitation, conditions as to performance criteria to be satisfied by the Eligible Participant and/or the Company and/or the Group which must be satisfied before a Share Option can be exercised, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the Share Option Scheme.

The basis of eligibility of any Eligible Participant shall be determined by the Board from time to time on the basis of the Eligible Participants' contribution to the development and growth of the Group. In order for a person to satisfy the Board that he/she is qualified to be (or where applicable, continues to be qualified to be) an Eligible Participant, such person shall provide all such information as the Board may request for the purpose of assessing his/her eligibility (or continuing eligibility).

In determining the criteria for the Eligible Participant who is an employee, the Board will assess their potential and/or actual contribution to the Group. For the basis of determining the eligibility of Directors as the Eligible Participant, the Board will consider period of employment, responsibilities, time commitment, knowledge in the industry and prevailing market practice. For the basis of determining the eligibility of senior management and other employee as the Eligible Participant, the Board will consider individual performance, time commitment, responsibilities, work experience, professional qualifications and knowledge in the industry.

In determining the criteria for the Eligible Participant who is a Service Provider, the Board will take into account the following factors:

- (i) the scale of their business dealings with the Group, the length of business relationships between them and the Group, the positive impacts (in terms of, including without limitation, proactively promoting/catalyzing the continuing development and growth of the Group, and bringing innovation, new talents and expertise to the Group), potential and/or actual contribution on the Group's business development, the future plans in relation to further business collaboration and generally the significance to the Group of building long-term business relationships with them;
- (ii) whether such Service Provider has a proven track record of timely delivery of services, the quality of services delivered, the scale of their business dealings with the Group, the ease of replacing such Service Provider(s) with another Service Provider which could offer similar quality and consistency in the provision of services;
- (iii) the potential and/or actual degree of involvement in and/or cooperation with the Group with regard to the number, scale and nature of projects, and the period of engagement/cooperation/business relationship with the Group;
- (iv) whether the Service Provider is regarded as a valuable human resource of the Group based on the person's work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical knowhow, market competitiveness, synergy between him/her and the Group, external business connections, strategic value, and reputability); and/or
- (v) the usual fees chargeable by other Service Provider in the market and the contribution of the advisors and consultants in considering whether to grant Share Options to them.

No Share Option shall be offered or granted:

- (i) to any Eligible Participant after inside information has become to the Company's knowledge until (and including) the trading day after the Company has announced the information;
- (ii) to any Eligible Participant during the period commencing 30 days immediately before the earlier of:
 - a. the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - b. the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. No Share Option shall be granted during any period of delay in publishing a results announcement.

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- (iii) to any Director of the Company (except where the subscription price is to be determined by the Board at the time of exercise of the Share Option):
 - a. during the period of 60 days immediately preceding the publication of the annual results of the Company or, if shorter, the period from the end of the relevant financial year up to the publication of the results; or
 - b. during the period of 30 days immediately preceding the publication of the quarterly (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication of the results.

An offer of the grant of a Share Option shall be made to any grantee by letter in such form as the Board may from time to time determine specifying the number of Shares, the subscription price, the period a grantee may exercise the Share Options granted, the date by which the grant must be accepted after the offer date as specified in the offer letter (provided such offer shall be open for acceptance after the effective period of the Share Option Scheme) and further requiring the Eligible Participant to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme.

A Share Option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the Share Option duly signed by the grantee together with a payment to the Company and/or any of its subsidiaries of HK\$1 per grant (or the equivalent of HK\$1 in the local currency of any jurisdiction where the Company and/or its subsidiaries operate, as the Board may in its absolute discretion determine) by way of consideration for the grant thereof is received by the Company and/or any of its subsidiaries within the time period specified in the offer of the grant of the Share Option. The Board may in its absolute discretion determine the period within which payments or calls must or may be made or loans for such purposes must be repaid.

Upon the occurrence of any of the following in relation to a grantee, the Company shall propose that no further Share Options shall be granted to him and shall claw back the Share Options granted to such grantee which shall lapse automatically:

- (i) the results of the economic responsibility audit and other reports proved that the grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance;
- (ii) the grantee has contravened the relevant laws and regulations of PRC and/or Hong Kong or the provisions of the articles of association of the Company;
- (iii) the grantee has, during his tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Company;
- (iv) the grantee has failed to discharge, or failed to discharge properly, his duties and thereby resulting in serious loss in assets to the Company and other serious and adverse consequences;
- (v) the grantee is dismissed due to the breach of the relevant laws and regulations of PRC and/or Hong Kong or the provisions of the articles of association of the Company; or
- (vi) the grantee joins a competitor or forming a competing business after leaving the Company.

(e) Subscription price

The subscription price in respect of any Share Option shall be a price determined by the Board at its absolute discretion and notified to any grantee (subject to any adjustments made pursuant to Share Option Scheme) which shall be not less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; and
- (ii) 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 offer date.

(f) Vesting of Share Options

(i) Vesting generally

Subject to the Share Option Scheme, the Listing Rules and any applicable law and regulations, any Share Options will become vested and exercisable and no longer be subject to forfeiture or repurchase right of the Company, according to the terms of the Share Option Scheme and under such conditions as determined by the Board and set forth in the letter containing the offer or grant of the relevant Share Option. The minimum vesting period must be 12 months commencing from the commencement date, save and except that with respect to an Eligible Participant who is an Employee Participant, a shorter vesting period may be permitted in circumstances set out below (the "**Minimum Vesting Period**"):

- a. grants of "make-whole" share awards to new joiners to replace the share awards they forfeited when leaving the previous employers;
- b. grants to a participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- c. grants of Share Options with performance-based vesting conditions in lieu of time-based vesting criteria;
- d. grants that are made in batches during a year for administrative and compliance reasons, such as Share Options that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an award would have been granted;
- e. grants of Share Options with a mixed or accelerated vesting schedule such as where the Share Options may vest evenly over a period of 12 months; and
- f. grants of Share Options with a total vesting period of more than 12 months, such as where the Share Options may vest by several batches with the first batch to vest within 12 months of the grant date and the last batch to vest 12 months after.

(ii) Change of control

If there is an event of change of control of the Company by way of a merger, a privatization of the Company by way of a scheme or by way of an offer, subject to the Minimum Vesting Period, all Share Options will become vested and exercisable immediately and no longer be subject to forfeiture or repurchase right of the Company, according to the terms of the Share Option Scheme and under such conditions as determined by the Board and set forth in the letter containing the offer or grant of the relevant Share Options unless the Board determines otherwise.

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(iii) Change of position

In the event the position of a grantee is changed as a part of the Company or its subsidiaries' normal course of business, the Share Options granted to him or her, whether vested or not, will remain valid in accordance with the terms and conditions herein and set forth in the letter containing the offer or grant of the relevant Share Options.

(iv) Resignation and retirement

In the event a grantee ceases to be an Eligible Participant by reason of the termination of his/her employment, office or service other than a summary termination, or retirement of the grantee, unless otherwise provided in the grant letter or otherwise determined by the Board, (i) the unvested portion of the Share Options shall be immediately forfeited; and (ii) the vested and unexercised portion of the Share Options will remain exercisable in accordance with the terms and conditions herein and set forth in the letter containing the offer or grant of the relevant Share Options.

(v) Dismissal

In the event a grantee ceases to be an Eligible Participant by reason of the summary termination of his/her employment, office or service, (i) all Share Options, whether vested or not, shall be immediately forfeited; and (ii) as the Board may determine and to the extent it is practicable and permissible under the Listing Rules and any other applicable laws and regulations, all issued Shares (if any) shall be repurchased by the Company at the price equal to the amount actually paid by the grantee and all other cash and benefits received by the grantee under the granting of Share Options shall be repaid/returned to the Company or its subsidiaries as determined by the Board.

(vi) Death or loss of ability to work

In the event a grantee dies or loses the ability to work due to an injury as a result of the performance of his or her duty for the Company or its subsidiaries, subject to the Minimum Vesting Period, all Share Options will become vested and exercisable immediately and no longer be subject to forfeiture or repurchase right of the Company, according to the terms of the Share Option Scheme and under such conditions as determined by the Board and set forth in the letter containing the offer or grant of the relevant Share Option. In the event a grantee dies or loses the ability to work for any reason other than the performance of his or her duty for the Company, (i) the unvested portion of the Share Option shall be immediately forfeited; and (ii) the vested and unexercised portion of the Share Option shall be handled by the grantee (or his or her estate or by a person who acquires the right to exercise the Share Option by will or laws of succession).

(g) Non-transferability

A Share Option shall be personal to the grantee and shall not be assignable or transferrable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favor of any third party over or in relation to any Share Option, except for when a waiver is obtained from the Stock Exchange for the transfer to a vehicle (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such participant that would continue to meet the purpose of the Share Option Scheme and comply with other requirements of Chapter 17 of the Listing Rules and express written consent is obtained from the Board or its delegates, subject to the compliance with the Listing Rules. Any breach of the foregoing by the grantee shall entitle the Company to cancel any outstanding entitlement of such grantee. This does not prejudice the operation of any general provision of law regarding the appointment and capacity of a nominee, attorney, trustee or other personal representative subject to the Listing Rules.

(h) Exercise of Share Options

A grantee (or his legal personal representative(s)) may exercise his entitlement in whole or in part in the manner as determined by the Board by giving notice in writing to the Company stating that the Share Option is thereby exercised and specifying the number of Shares to be subscribed. Unless otherwise determined by the Board and stated in the notice to a grantee, a grantee is not required to hold the Share Option for any minimum period nor achieve any performance targets before the exercise of a Share Option granted to him. The performance targets (if any as determined by the Board in its absolute discretion) may comprise a mixture of key performance indicators components (such as the business performance of the Group, which may relate to the Group's strategic objectives, operational targets and plans for future development, and financial performance of the Group, which may include financial targets of the Group on a targeted or comparative basis, and individual annual performance assessment results) which may vary among the grantees. The Board will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board determines that any prescribed performance targets have not been met, the Share Option(s) shall lapse automatically.

Subject as provided in the Share Option Scheme and any conditions specified by the Board (including the attainment of any performance targets stated therein (if any)), the grantee (or his legal personal representative(s)) may exercise his entitlement at any time or times during the period a grantee may exercise the Share Options granted (being not more than 10 years from the date of grant of the Share Option), provided that:

- (i) in the event of the grantee ceasing to be an Eligible Participant for any reason other than his death, loss of ability to work, or the summary termination of his employment, office or service, before exercising the Share Options in full, the Share Options (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Board otherwise determine in which event the grantee may exercise the Share Option (to the extent not already exercised) in whole or in part in accordance with the provisions of the Share Option Scheme within such period as the Board may determine following the date of such termination or, if any of the events referred to in sub-paragraphs (iii), (iv) or (v) occur during such period, exercise the Share Option pursuant to sub-paragraphs (iii), (iv) or (v) respectively;
- (ii) in the event of the grantee ceasing to be an Eligible Participant by reason of death or loss of ability to work, and none of the events which would be a ground for summary termination of his employment, office or service has occurred, the grantee or legal personal representative(s) of the grantee (as the case may be) shall be entitled within a period of 12 months from the date of such cessation (or such other period as the Board may determine) to exercise the entitlement in full as at the date of such cessation (to the extent vested but not already exercised) (provided that such exercise is during the relevant period a grantee may exercise the Share Options granted);
- (iii) if a general or partial offer (whether by way of take-over offer, share repurchase offer or otherwise in like manner other than by way of a scheme of arrangement) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) the Company shall use its best endeavors to procure that such offer is extended to all the grantees (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the Share Options granted to them, Shareholders). If such offer becomes or is declared unconditional, the grantee (or his legal personal representative(s)) shall be entitled to exercise his outstanding entitlement in full at any time within a reasonable period of time as the Board may determine after the date on which such general offer becomes or is declared unconditional;

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- (iv) in the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court being made for the winding-up of the Company, notice thereof shall be given by the Company to grantees with Share Options outstanding in full or in part at such date. If a grantee immediately prior to such event had any outstanding entitlement, the grantee (or his legal personal representative(s)) may by notice in writing to the Company within 21 days after the date of such resolution elect to be treated as if the entitlement had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice;
- (v) if a compromise or arrangement of any nature between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies (a "**scheme**"), the Company shall give notice thereof to all grantees on the same date as it dispatches to each member or creditor of the Company a notice summoning the meeting to consider such scheme, and thereupon each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Share Options in whole or in part within the time or period stipulated by the Board for this purpose.

The Shares to be allotted (or transferred in the case of treasury shares) upon the exercise of a Share Option will be subject to all the provisions of the articles of association of the Company and will rank *pari passu* with the fully paid Shares in issue on the date of allotment (or transfer in the case of treasury shares) and accordingly will entitle the holders to participate in all dividends and other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor falls before the date of allotment.

The Share Options, whether vested or not, do not carry any right to vote at general meetings of the Company or any dividend or other rights (including those advising on the liquidation of the Company). A Share issued upon the exercise of a Share Option shall not carry voting rights until the registration of the grantee as the holder thereof. If under the terms of a resolution passed or an announcement made by the Company a dividend is to be or is proposed to be paid to holders of Shares on the register on a date prior to the date when a Share Option is effectively exercised under the terms of the Share Option Scheme, the Shares to be issued upon such exercise will not rank for such dividend. For the avoidance of doubt, a trustee holding unvested Shares of the Share Option Scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

The Board may at any time cancel Share Options previously granted to, but not yet exercised, by a grantee. Where the Company cancels Share Options and offers Share Options to the same grantee, the offer of such new Share Options may only be made with available Share Options to the extent not yet granted (excluding the cancelled Share Options) within the limit approved by the Shareholders pursuant to Rule 17.03B or Rule 17.03C of the Listing Rules. The Share Options cancelled will be regarded as utilized for the purpose of calculating the limit as mentioned in paragraphs (j)(i) and (j)(ii) below.

(i) **Lapse of Share Option**

Subject to the Share Option Scheme, any Share Option or entitlement shall lapse automatically and not be exercisable on the earliest of:

- (i) the expiry of the period a grantee may exercise the Share Options granted;
- (ii) the expiry of any of the periods referred to in sub-paragraphs (i) to (v) under paragraph (h) above;
- (iii) subject to sub-paragraph (iv) under paragraph (h) above, the date of the commencement of the winding-up of the Company;
- (iv) the date on which the grantee ceases to be an Eligible Participant of the Company by reason of the summary termination of his employment, office or service on any one or more of the grounds that he has been guilty of misconduct, or providing services to or working at any competitor of the Company, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board in its absolute discretion) on any other ground on which the relevant company in the Group would be entitled to terminate his employment, office or service summarily at common law or pursuant to any applicable laws or under the grantee's service contract with relevant company in the Group;
- (v) in respect of a grantee other than an employee, the date on which the Board shall at their absolute discretion determine that (1) (aa) the grantee or his/her/its associate has committed any breach of any contract entered into between the grantee or his/her/its associate on the one part and any member of the Group on the other part; or (bb) the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally or (cc) the grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (2) the Share Option shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above;
- (vi) where the grantee is an Eligible Participant of a subsidiary, the date on which such subsidiary ceases to be a member of the Group;
- (vii) the date on which the grantee commits a breach of paragraph (g) above; or
- (viii) the occurrence or non-occurrence of any event, expiry of any period, or non-satisfaction of any condition, as specified in the letter containing the offer or grant of the relevant Share Option.

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(j) Maximum number of Shares available for subscription

- (i) The total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Option Scheme and any other share scheme(s) adopted by the Company must not in aggregate exceed 10% (excluding treasury shares) of the issued share capital of the Company as at June 30, 2024, being 86,585,717 Shares, unless otherwise permitted by the Listing Rules or the Company obtains the approval of its Shareholders in accordance with sub-paragraph (iii) below. Share Options lapsed in accordance with the terms of the Share Option Scheme or any other scheme shall not be counted for the purpose of calculating the scheme limit. No Share Option may be granted under the Share Option Scheme if this will result in the limit being exceeded.
- (ii) Subject to sub-paragraph (i) above, within the scheme limit, the total number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted under the Share Option Scheme and any other share scheme(s) of the Company to the Service Providers must not in aggregate exceed 8,658,571 Shares, representing 1% (excluding treasury shares) of the total number of Shares in issue as at June 30, 2024.
- (iii) The Company may seek the approval of its Shareholders in general meeting to refresh the scheme limit or the Service Provider sublimit in sub-paragraphs (i) and (ii), subject to compliance with the requirements of the Listing Rules. The requirements under sub-paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its 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 scheme limit or the Service Provider sublimit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the scheme limit or the Service Provider sublimit immediately before the issue of securities, rounded to the nearest whole Share.
- (iv) Except with the approval of Shareholders in a general meeting with the prospective grantee and his/her close associates (or associates if the grantee is a connected person) abstaining from voting, no Share Option may be granted to each participant such that the total number of Shares issued and to be issued upon exercise of all Share Options and any other awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) and to be granted to such person in any 12-month period up to and including the date of the latest grant in aggregate exceeds 1% (excluding treasury shares) of the Shares in issue from time to time. The Company shall send a circular to its Shareholders containing the information required under the Listing Rules. The number and terms of the Share Options to be granted to such prospective grantee shall be fixed before the Shareholders' approval of the grant of such Share Options and the date of Board meeting for proposing such further grant should be taken as the offer date for the purpose of calculating the subscription price.

(k) Grant of Share Options to connected persons

The approval of independent non-executive Directors of the Company (excluding any independent non-executive Director of the Company who is intended to be a grantee of the Share Option) as required under the Listing Rules will be required for each grant of Share Options to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates. The Company will comply with the requirements under the Listing Rules for any grant of Share Options to any connected person.

If a grant of Share Option(s) to a substantial Shareholder or an independent non-executive Director of the Company or their respective associates will result in the total number of Shares issued and to be issued upon exercise of all the Share Options and vesting of all awards already granted and to be granted pursuant to the Share Option Scheme and any other share schemes adopted by the Company (excluding any Share Options lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (excluding treasury shares) of the Shares in issue from time to time, such further grant of Share Option(s) or awards must be approved by the Shareholders by way of poll in general meeting. In this case, the Board shall procure that all the requirements of the Listing Rules relating to sending a circular to Shareholders are complied with. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favor at such a general meeting.

(l) Adjustment

In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable, whether by way of capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding adjustments (if any) shall be made to:

- (i) the number of Shares subject to the Share Option Scheme or any Share Option granted (insofar as it is/they are unexercised); and/or
- (ii) the subscription price,

which should give a grantee the same proportion of the equity capital, rounded to the nearest whole share, as that to which that grantee was previously entitled, and an independent financial adviser or the auditors shall certify in writing to the Board that the adjustments satisfy the requirements set out under the note to Rule 17.03(13) of the Listing Rules, provided that:

- (i) any adjustment shall be made on the basis that the proportion of the issued share capital of the Company to which a grantee is entitled after such adjustment shall remain the same, or as nearly as possible the same as that to which he was entitled to subscribe had he exercised all the Share Options held by him immediately before such adjustment, but so that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to alter any terms of the relevant Share Option to the advantage of the grantee without the approval of the Shareholders;
- (ii) notwithstanding (i) above, any adjustments as a result of an issue of securities with a price dilutive element, such as a rights issue, open offer or capitalization issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures and any such adjustment shall comply with the supplementary guidance on Rule 17.03(13) of the Listing Rules;
- (iii) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (iv) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

Supplementary Information

Subject to other provisions in this paragraph (I), if there is any conversion of capital reserve into new Shares, issue of bonus Shares, Share subdivision, Share consolidation and reduction of share capital or rights issue prior to the exercise of the Share Options, an adjustment to the number of Share Options shall be made accordingly. The methods of adjustment are set out as below:

(i) *Conversion of capital reserve into new Shares, issue of bonus Shares or Share subdivision*

$$Q = Q_0 \times (1 + n)$$

Where: "Q₀" represents the number of Share Options before the adjustment; "n" represents the ratio per Share of the conversion of capital reserve into new Shares, issue of bonus Shares or Share subdivision; "Q" represents the number of Share Options after the adjustment.

(ii) *Share consolidation and reduction of share capital*

$$Q = Q_0 \times n$$

Where: "Q₀" represents the number of Share Options before the adjustment; "n" represents the ratio of consolidation or ratio of share capital reduction; "Q" represents the number of Share Options after the adjustment.

(iii) *rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: "Q₀" represents the number of Share Options before the adjustment; "P₁" represents the closing price as at the record date; "P₂" represents the subscription price of the rights issue; "n" represents the ratio of allotment; "Q" represents the number of Share Options after the adjustment.

Subject to other provisions in this paragraph (I), if there is any conversion of capital reserve into new Shares, issue of bonus Shares, Share subdivision, Share consolidation and reduction of share capital or rights issue prior to the exercise of the Share Options, an adjustment to the subscription price shall be made accordingly. The method of adjustment is set out as below:

(i) *Conversion of capital reserve into new Shares, issue of bonus Shares or Share subdivision*

$$P = P_0 \div (1 + n)$$

Where: "P₀" represents the subscription price before the adjustment; "n" represents the ratio per Share of the conversion of capital reserve into new Shares, issue of bonus Shares or Share subdivision; "P" represents the Subscription Price after the adjustment.

(ii) *Share consolidation and reduction of share capital*

$$P = P_0 \div n$$

Where: "P₀" represents the subscription price before the adjustment; "n" represents the ratio of consolidation or ratio of share capital reduction; "P" represents the subscription price after the adjustment.

(iii) *Rights issue*

$$P = P_0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: "P₀" represents the subscription price before the adjustment; "P1" represents the closing price as at the record date; "P2" represents the subscription price of the rights issue; "n" represents the ratio of allotment; "P" represents the subscription price after the adjustment.

(m) **Share capital**

The exercise of any Share Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorized share capital of the Company. Subject thereto, the Board shall make available sufficient authorized but unissued share capital of the Company to meet subsisting requirements on the exercise of Share Options.

(n) **Disputes**

The decision of the Board (or persons to whom the Board has delegated relevant powers) shall be final and binding on all parties regarding the interpretation or application of the Share Option Scheme. The Board may, in its sole discretion, refer any dispute arising in connection with the Share Option Scheme (whether as to the number of Shares the subject of a Share Option, the amount of the subscription price or otherwise).

(o) **Alteration**

The Share Option Scheme may be altered in any respect by an ordinary resolution of the Board except that the provisions of the Share Option Scheme as to the specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees except with the prior sanction of a resolution of the Company in general meeting.

Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature, and any change to the terms of any Share Options granted must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Share Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The terms of the Share Option Scheme or the Share Options so altered must comply with Chapter 17 of the Listing Rules.

(p) **Termination**

The Company by an ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Share Options will be offered but the provisions of the Share Option Scheme shall remain in full force in all other respects. All Share Options granted but unexercised prior to such termination shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Share Option Scheme.

Supplementary Information

(q) General

During the Reporting Period, the movements in the Share Options granted under the Share Option Scheme were as follows:

Category of grantee	Date of grant	Number of Share Options							Outstanding as at June 30, 2025	Exercise period	Exercise price	Vesting period	Performance target
		Outstanding as at January 1, 2025	Granted during the Reporting Period ^(Note 1)	Vested during the Reporting Period ^(Note 2)	Exercised during the Reporting Period ^(Note 2)	Cancelled during the Reporting Period	Lapsed/ forfeited during the Reporting Period	Expired during the Reporting Period					
Director, chief executive or substantial Shareholder of the Company and their associates													
Dr. XIA Yu	May 24, 2025	–	3,000,000	–	–	–	–	–	3,000,000	10 years from the date of grant	HK\$84.60 per Share	Note 3	Note 4
Dr. LI Baiyong	May 24, 2025	–	750,000	–	–	–	–	–	750,000	10 years from the date of grant	HK\$84.60 per Share	Note 3	Note 4
Dr. WANG Zhongmin Maxwell	May 24, 2025	–	150,000	–	–	–	–	–	150,000	10 years from the date of grant	HK\$84.60 per Share	Note 3	Note 4
Dr. ZHANG Peng	May 24, 2025	–	150,000	–	–	–	–	–	150,000	10 years from the date of grant	HK\$84.60 per Share	Note 3	Note 4
Dr. ZENG Junwen	May 24, 2025	–	10,000	–	–	–	–	–	10,000	10 years from the date of grant	HK\$84.60 per Share	Note 3	Note 4
Dr. XU Yan	May 24, 2025	–	10,000	–	–	–	–	–	10,000	10 years from the date of grant	HK\$84.60 per Share	Note 3	Note 4
Mr. TAN Bo	May 24, 2025	–	10,000	–	–	–	–	–	10,000	10 years from the date of grant	HK\$84.60 per Share	Note 3	Note 4
Other employee participants													
Six employees in aggregate	September 6, 2023	376,000	–	33,000	18,000	–	–	–	358,000	10 years from the date of grant	HK\$35.08 per Share	Note 3	Note 4
107 employees in aggregate	May 24, 2025	–	3,035,000	–	–	–	–	–	3,035,000	10 years from the date of grant	HK\$84.60 per Share	Note 5	Note 4
Total		376,000	7,115,000	33,000	18,000	–	–	–	7,473,000				

Notes:

- (1) The closing price of the Shares immediately before the date on which the Share Options were granted was HK\$83.15 per Share. The fair value of the Share Options at the date of grant was HK\$51.01–HK\$56.08 based on the binomial option pricing model.
- (2) The weighted average closing price of the Shares immediately before the dates on which the Share Options were vested was HK\$61.93 per Share. The weighted average closing price of the Shares immediately before the dates on which the Share Options were exercised was HK\$87.30 per Share.
- (3) The Share Options granted have either a mixed vesting schedule with a total vesting period (i.e. the period between the date of grant and the last vesting date) of 48 months or performance-based vesting conditions in lieu of time-based vesting criteria.
- (4) The vesting of the Share Options granted to the grantees (other than the independent non-executive Directors) will be subject to individual performance targets as stipulated in the respective grant letters entered into by the Company and each of the grantees. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include, among others, research and development, CMC, sales and marketing, business development and general and administration, financial performance, etc. There are no performance targets attached to the Share Options granted to the independent non-executive Directors.
- (5) The Share Options granted have a mixed vesting schedule with a total vesting period (i.e. the period between the date of grant and the last vesting date) ranging from approximately 24 months to 48 months, with certain Share Options vested within 12 months starting from September 2023.

The number of Share Options available for grant under the scheme limit of the Share Option Scheme and any other share scheme(s) adopted by the Company as at January 1, 2025 and June 30, 2025 was 86,585,717 and 76,050,717, respectively. The number of Share Options available for grant under the Service Provider sublimit of the Share Option Scheme and any other share scheme(s) adopted by the Company as at January 1, 2025 and June 30, 2025 was 8,658,571.

4. Disclosure under Rule 17.07(3) of the Listing Rules

Pursuant to Rule 17.07(3) of the Listing Rules, the number of Shares that may be issued in respect of Share Options and RSUs granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares (excluding treasury shares) for the Reporting Period is 0.02%.

EVENTS AFTER THE REPORTING PERIOD

On September 4, 2025, an aggregate of 23,550,000 new Shares with an aggregate nominal value of US\$235.5 were issued at a price of HK\$149.54 per share to not less than six professional, institutional or other investors who are Independent Third Parties pursuant to the placing agreement (the **"2025 Placing Agreement"**) dated August 28, 2025 (the **"2025 Placing"**), representing approximately 2.56% of the enlarged issued share capital of the Company immediately upon completion of the 2025 Placing.

The placing price of HK\$149.54 per Share represented (i) a discount of approximately 4.75% to the closing price of HK\$157.00 per Share as quoted on the Stock Exchange on the last full trading day prior to the date of the 2025 Placing Agreement, and (ii) a discount of approximately 11.30% to the average closing price of approximately HK\$168.08 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the last full trading day prior to the date of the 2025 Placing Agreement.

The net placing price (after deducting related costs and expenses borne by the Company) was approximately HK\$148.32 per Share. The net proceeds raised from the 2025 Placing were approximately HK\$3,493.01 million. As disclosed in the announcements of the Company dated August 28, 2025 and September 4, 2025, the Company intends to apply the net proceeds as follows:

- (i) approximately 80% for global and China R&D of innovative pipeline, research on technology platforms and building of infrastructure and facilities. This includes but is not limited to (i) clinical trials for ivonescimab in major cancer types, clinical trials for cadonilimab in major cancer types, other global multi-regional clinical trials, and non-oncology clinical studies; and (ii) pre-clinical research on next-generation therapeutic technology platforms and building of infrastructure and facilities;
- (ii) approximately 10% for the commercialization of existing approved products: the Company will continue to invest in the commercialization of its existing products (i.e. 開坦尼® (PD-1/CTLA-4) and 依達方® (PD-1/VEGF) to further strengthen their market positions and expand hospital and patient coverage; and
- (iii) approximately 10% for general corporate purposes: the Group intends to use such proceeds for the purposes including but not limited to payments for suppliers, employee salaries and benefits and other general management and administrative expenses incurred in the course of daily operation.

Further details of the 2025 Placing are set out in the announcements of the Company dated August 28, 2025 and September 4, 2025, respectively. As at the date of publication of this report, none of the net proceeds from the 2025 Placing has been used and there is no change in the intended use of net proceeds. The Company expects such net proceeds shall be utilized by the end of 2027. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company, and remains subject to change based on current and future development of market conditions and actual business needs.

Save as disclosed above, as at the date of publication of this report, the Group had no significant events after the Reporting Period.

On behalf of the Board

Dr. XIA Yu
Chairwoman

Hong Kong, August 26, 2025

INDEPENDENT REVIEW REPORT



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To the board of directors of Akeso, Inc. 康方生物科技(開曼)有限公司
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information of Akeso, Inc. 康方生物科技(開曼)有限公司 (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 67 to 98, which comprises the condensed consolidated statement of financial position as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, the 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 (the “**Listing Rules**”) 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

26 August 2025

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

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Commercial sales		1,401,622	970,676
License income		9,917	85,318
Total income from commercial sales and licenses		1,411,539	1,055,994
Less: distribution cost		–	(31,250)
REVENUE	3	1,411,539	1,024,744
Cost of sales		(290,863)	(81,572)
Gross profit		1,120,676	943,172
Other income and gains, net	4	156,837	211,811
Research and development expenses		(731,236)	(594,393)
Selling and marketing expenses		(669,939)	(515,981)
Administrative expenses		(133,966)	(99,653)
Share of loss of a long-term equity investment — Summit Therapeutics Inc.		(191,697)	(32,617)
Other expenses, net		(75,208)	(115,523)
Finance costs	6	(63,360)	(46,164)
LOSS BEFORE TAX	5	(587,893)	(249,348)
Income tax expense	7	(385)	–
LOSS FOR THE PERIOD		(588,278)	(249,348)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		34,825	(39,784)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:			
Translation from functional currency to presentation currency		(36,146)	39,083
Equity investment designated at fair value through other comprehensive income: Change in fair value		11,460	–
		(24,686)	39,083
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		10,139	(701)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(578,139)	(250,049)

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss attributable to:			
Owners of the parent		(570,081)	(238,590)
Non-controlling interests		(18,197)	(10,758)
		(588,278)	(249,348)
Total comprehensive loss attributable to:			
Owners of the parent		(559,942)	(239,291)
Non-controlling interests		(18,197)	(10,758)
		(578,139)	(250,049)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic			
— For loss for the period		RMB(0.64) yuan	RMB(0.28) yuan
Diluted			
— For loss for the period		RMB(0.64) yuan	RMB(0.28) yuan

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	10	3,458,075	3,230,686
Right-of-use assets	11(a)	320,415	319,514
Intangible assets		11,121	11,802
Financial assets at fair value through profit or loss	16	20,139	16,314
Equity investment designated at fair value through other comprehensive income	12	20,703	–
Long-term equity investment — Summit Therapeutics Inc.	13	356,631	398,495
Other non-current assets		161,854	86,569
Total non-current assets		4,348,938	4,063,380
CURRENT ASSETS			
Inventories		847,455	706,533
Trade receivables	14	809,095	524,911
Prepayments, other receivables and other assets	15	143,889	116,291
Financial assets at fair value through profit or loss	16	545,393	425,785
Cash and bank balances	17	6,592,983	6,918,065
Total current assets		8,938,815	8,691,585
CURRENT LIABILITIES			
Trade payables	18	469,964	425,193
Other payables and accruals	19	1,026,564	715,143
Interest-bearing bank and other borrowings	20	514,447	535,460
Lease liabilities	11(b)	4,279	9,665
Tax payable		1,164	1,169
Total current liabilities		2,016,418	1,686,630
NET CURRENT ASSETS		6,922,397	7,004,955
TOTAL ASSETS LESS CURRENT LIABILITIES		11,271,335	11,068,335

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 LIABILITIES			
Interest-bearing bank and other borrowings	20	4,013,567	3,406,128
Contract liabilities		599,945	617,632
Lease liabilities	11(b)	9,615	674
Deferred income	21	291,446	290,253
Deferred tax liabilities		162	174
Total non-current liabilities		4,914,735	4,314,861
Net assets		6,356,600	6,753,474
EQUITY			
Equity attributable to owners of the parent			
Share capital	22	63	63
Shares held for restricted share unit schemes		(48,604)	(48,604)
Reserves	23	6,483,817	6,862,494
		6,435,276	6,813,953
Non-controlling interests		(78,676)	(60,479)
Total equity		6,356,600	6,753,474

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2025

	Attributable to owners of the parent											
	Share capital RMB'000 Note 22	Shares held for restricted share unit schemes RMB'000 Note 22	Share premium* RMB'000 Note 22	Capital reserve* RMB'000 Note 23	Share award reserve* RMB'000 Note 24	Share option reserve* RMB'000 Note 24	Fair value reserve of financial asset at fair value through	Exchange fluctuation reserve* RMB'000 Note 23	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
							other					
							comprehensive income*					
							RMB'000 Note 12					
At 1 January 2025 (audited)	63	(48,604)	7,409,576	1,912,187	96,462	4,735	-	(156,187)	(2,404,279)	6,813,953	(60,479)	6,753,474
Loss for the period	-	-	-	-	-	-	-	-	(570,081)	(570,081)	(18,197)	(588,278)
Other comprehensive (loss)/income for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	34,825	-	34,825	-	34,825
Translation from functional currency to presentation currency	-	-	-	-	-	-	-	(36,146)	-	(36,146)	-	(36,146)
Change in fair value of an equity investment at fair value through other comprehensive income	-	-	-	-	-	-	11,460	-	-	11,460	-	11,460
Total comprehensive loss for the period	-	-	-	-	-	-	11,460	(1,321)	(570,081)	(559,942)	(18,197)	(578,139)
Equity-settled share award arrangements	-	-	-	-	11,463	-	-	-	-	11,463	-	11,463
Equity-settled share option arrangements	-	-	-	-	-	17,347	-	-	-	17,347	-	17,347
Exercise of share options	-	-	955	-	-	(374)	-	-	-	581	-	581
Share of other capital reserve of a long-term equity investment	-	-	-	151,874	-	-	-	-	-	151,874	-	151,874
At 30 June 2025 (unaudited)	63	(48,604)	7,410,531	2,064,061	107,925	21,708	11,460	(157,508)	(2,974,360)	6,435,276	(78,676)	6,356,600

Interim Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2025

	Attributable to owners of the parent										
	Share capital RMB'000 Note 22	Shares held for restricted share unit schemes RMB'000 Note 22	Share premium* RMB'000 Note 22	Capital reserve* RMB'000 Note 23	Share award reserve* RMB'000 Note 24	Share option reserve* RMB'000 Note 24	Exchange fluctuation reserve* RMB'000 Note 23	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024 (audited)	59	(63,567)	4,585,374	2,112,912	109,370	2,032	(162,777)	(1,891,064)	4,692,339	(173,562)	4,518,777
Loss for the period	-	-	-	-	-	-	-	(238,590)	(238,590)	(10,758)	(249,348)
Other comprehensive (loss)/income for the period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(39,784)	-	(39,784)	-	(39,784)
Translation from functional currency to presentation currency	-	-	-	-	-	-	39,083	-	39,083	-	39,083
Total comprehensive loss for the period	-	-	-	-	-	-	(701)	(238,590)	(239,291)	(10,758)	(250,049)
Acquisition of non-controlling interests	-	-	-	(367,048)	-	-	-	-	(367,048)	99,661	(267,387)
Issue of shares	2	-	1,071,377	-	-	-	-	-	1,071,379	-	1,071,379
Share issue expenses	-	-	(10,463)	-	-	-	-	-	(10,463)	-	(10,463)
Equity-settled share award arrangements	-	-	-	-	9,539	-	-	-	9,539	-	9,539
Exercise of restricted share units	-	14,934	-	-	(16,263)	-	-	1,329	-	-	-
Share of other capital reserve of a long-term equity investment	-	-	-	69,708	-	-	-	-	69,708	-	69,708
At 30 June 2024 (unaudited)	61	(48,633)	5,646,288	1,815,572	102,646	2,032	(163,478)	(2,128,325)	5,226,163	(84,659)	5,141,504

* These reserve accounts comprise the consolidated reserves of RMB6,483,817,000 in the interim condensed consolidated statement of financial position as at 30 June 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(587,893)	(249,348)
Adjustments for:			
Bank interest income	4	(126,011)	(92,092)
Investment income from financial products	4	(4,343)	(10,151)
Loss on disposal of items of property, plant and equipment	5	—	26
Gain upon lease payment modification	5	(100)	—
Depreciation of property, plant and equipment	5	112,768	77,918
Depreciation of right-of-use assets	5	9,078	9,644
Amortisation of intangible assets	5	1,210	1,270
Write-down of inventories to net realisable value	5	15,718	5,577
Net changes in fair value of financial assets	4	(7,432)	(7,869)
Government grant released	4	(18,786)	(34,563)
Share of loss of a long-term equity investment			
— Summit Therapeutics Inc.	13	191,697	32,617
Foreign exchange differences, net	5	18,970	(27,130)
Equity-settled share award expenses	24	11,463	9,539
Equity-settled share option expenses	24	17,347	—
Finance costs	6	63,360	46,164
Impairment of trade receivables, net	5	741	1,073
		(302,213)	(237,325)
Increase in inventories		(156,640)	(114,075)
Increase in trade receivables		(284,925)	(168,887)
(Increase)/decrease in prepayments, other receivables and other assets		(35,098)	2,811
Increase in trade payables		44,771	44,143
Increase in other payables and accruals		367,213	63,154
Decrease in contract liabilities		(17,687)	(625)
Increase in deferred income in respect of government grants related to income		12,381	26,246
		(372,198)	(384,558)
Cash generated used in operations		(372,198)	(384,558)
Bank interest received		145,066	38,055
Income tax paid		(373)	—
		(227,505)	(346,503)
Net cash flows used in operating activities		(227,505)	(346,503)

Interim Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash flows used in operating activities	(227,505)	(346,503)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(447,164)	(244,791)
Purchases of intangible assets	(529)	(3,596)
Proceeds from disposal of items of property, plant and equipment	–	13
Receipt of government grants related to assets	7,598	12,600
Purchases of financial assets at fair value through profit or loss	(545,129)	(402,978)
Proceeds from disposal of financial assets at fair value through profit or loss	427,227	778,710
Interest income from financial assets at fair value through profit or loss	5,008	10,151
Investment in a financial asset at fair value through other comprehensive income (Placement)/withdrawal in time deposits with original maturity of more than three months	(9,273)	–
Increase in restricted deposits	(1,142,335)	77,119
	(36,324)	(8,709)
Net cash flows (used in)/from investing activities	(1,740,921)	218,519
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank and other borrowings	924,386	679,417
Repayment of bank and other borrowings	(352,246)	(356,794)
Proceeds from issue of shares	–	1,071,379
Share issue expenses	–	(10,463)
Acquisition of non-controlling interests	–	(33,387)
Increase in restricted deposits for acquisition of non-controlling interests	–	(234,000)
Proceeds from exercise of share option	581	–
Principal portion of lease payments	(6,527)	(7,902)
Interest paid	(60,633)	(53,864)
Net cash flows from financing activities	505,561	1,054,386
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,462,865)	926,402
Cash and cash equivalents at beginning of period	2,915,742	1,542,313
Effect of foreign exchange rate changes, net	(21,824)	18,634
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,431,053	2,487,349

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 January 2019. The address of the registered office of the Company is Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries were involved in research and development, production and sale of biopharmaceutical products.

The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 April 2020.

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The unaudited 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. The unaudited interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 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's 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.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

3. REVENUE AND OPERATING SEGMENT INFORMATION

Revenue

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods or services		
Commercial sales	1,401,622	970,676
License income	9,917	85,318
Total income from commercial sales and licenses	1,411,539	1,055,994
Less: Distribution cost	–	(31,250)
Revenue	1,411,539	1,024,744
Timing of revenue recognition		
Transferred at a point in time	1,333,576	1,024,744
Transferred over time	77,963	–
Revenue	1,411,539	1,024,744

Distribution cost is relevant to the product sales, and it represents the distribution fee paid or payable by the Group to customers.

30 June 2025

3. REVENUE AND OPERATING SEGMENT INFORMATION (Continued)**Revenue** (Continued)**Revenue from contracts with customers** (Continued)(a) *Disaggregated revenue information* (Continued)

Details of contract liabilities as at 30 June 2025 and 31 December 2024 are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
<i>Short-term advances received from customers (included in other payables and accruals)</i>		
Sales of products	95,236	37,298
<i>Long-term advances received from customers</i>		
Sales of products	599,945	617,632
Total	695,181	654,930

Contract liabilities include long-term advances received to supply clinical and commercial licensed compounds and/or licensed products.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Product sales	32,875	4,427

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

3. REVENUE AND OPERATING SEGMENT INFORMATION (Continued)

Revenue (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations

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

Revenue from license income

The performance obligation is satisfied at a point in time when the customer obtains the rights to the underlying technology. For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Company recognises revenue at a point in time when the related sales occur.

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 1 year from delivery. Some contracts provide customers with sales rebates which give rise to variable consideration subject to constraint.

Revenue from provision of services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of the services, except for new customers, where payment in advance is normally required.

Other segment information

The Group is engaged in research, development, production and sale of biopharmaceutical products, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no analysis by operating segment is presented.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Mainland China	1,282,236	938,131
United States of America (the "USA")	126,851	85,117
Other regions	2,452	1,496
Total	1,411,539	1,024,744

The revenue information above is based on the location of the customers.

30 June 2025

3. REVENUE AND OPERATING SEGMENT INFORMATION (Continued)**Geographical information** (Continued)**(b) Non-current assets**

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Mainland China	3,951,446	3,648,541
USA	356,637	398,507
Other regions	13	18
Total	4,308,096	4,047,066

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

4. OTHER INCOME AND GAINS, NET**Other income and gains, net**

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Bank interest income	126,011	92,092
Investment income from financial products	4,343	10,151
Net changes in fair value of financial assets	7,432	7,869
Government grant released*	18,786	34,563
Foreign exchange differences, net	–	27,130
Others	265	40,006
Total	156,837	211,811

* The government grants mainly represent subsidies received from the local governments for the purpose of compensation for expenses arising from research activities and clinical trials, award for new drug development and capital expenditure incurred on certain projects.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

5. LOSS BEFORE TAX

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

		Six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories sold		290,863	81,572
Depreciation of property, plant and equipment	10	112,768	77,918
Depreciation of right-of-use assets	11(a)	9,078	9,644
Amortisation of intangible assets*		1,210	1,270
Lease payments not included in the measurement of lease liabilities	11(c)	3,908	697
Impairment of trade receivables, net**		741	1,073
Write-down of inventories to net realisable value**		15,718	5,577
Gain upon lease payment modification***	11(c)	(100)	–
Loss on disposal of items of property, plant and equipment**		–	26
Foreign exchange differences, net****		18,970	(27,130)

* Included in "Administrative expenses" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

** Included in "Other expenses, net" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

*** Included in "Other income and gains, net" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

**** Included in "Other expenses, net" (six months ended 30 June 2024: "Other income and gains, net" in the interim condensed consolidated statement of profit or loss and other comprehensive income.

6. FINANCE COSTS

		Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance cost on lease liabilities (note 11(c))		203	324
Interest on bank and other borrowings		74,919	65,747
Total interest expense on financial liabilities not at fair value through profit of loss		75,122	66,071
Less: Interest capitalised		(11,762)	(19,907)
Total		63,360	46,164

30 June 2025

7. INCOME TAX

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

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands or the BVI.

The subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax at the rate of 16.5% (six months ended 30 June 2024: 16.5%) on any estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group has no assessable profits derived from or earned in Hong Kong during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the assessable profits in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008, except for certain subsidiaries which were qualified as High and New Technology Enterprises and were subject to a preferential income tax rate of 15% for the six months ended 30 June 2025 and 2024.

The subsidiary incorporated in the USA was subject to United States federal and California income taxes at rates of 21% and 8.84%, respectively, for the six months ended 30 June 2025 and 2024. During the period, California income tax was provided at the rate of 8.84% on the estimated assessable profits arising in the USA.

The subsidiary incorporated in the Australia is subject to Australian income tax. Australian corporate income tax has been provided at the rate of 30% on the estimated assessable profits arising in Australia.

The income tax expense of the Group is analysed as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current		
Charge for the period	397	–
Deferred	(12)	–
Total tax charge for the period	385	–

8. DIVIDEND

No dividend has been paid or declared by the Company during the six months ended 30 June 2025 and subsequent to the end of the reporting period (six months ended 30 June 2024: Nil).

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

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

The calculation of basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 895,180,342 (six months ended 30 June 2024: 844,772,614) outstanding during the period.

For the six months ended 30 June 2025 and 2024, as the Group incurred losses, no adjustment has been made to the basic loss per share amount in respect of a dilution as the impact of the restricted share units and share options had an anti-dilutive effect on the basic loss per share amount.

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

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	(570,081)	(238,590)

	Number of shares Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted loss per share calculation	895,180,342	844,772,614

30 June 2025

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period/year:		
Cost	3,683,565	3,109,905
Accumulated depreciation	(452,879)	(285,923)
Net carrying amount	3,230,686	2,823,982
At beginning of period/year, net of accumulated depreciation	3,230,686	2,823,982
Additions	328,395	549,369
Interest capitalised	11,762	29,723
Disposals	–	(26)
Depreciation provided during the period/year	(112,768)	(172,361)
Exchange realignment	–	(1)
At end of period/year, net of accumulated depreciation	3,458,075	3,230,686
At end of period/year:		
Cost	4,025,699	3,683,565
Accumulated depreciation	(567,624)	(452,879)
Net carrying amount	3,458,075	3,230,686

At 30 June 2025, the Group's property, plant and equipment with net carrying amounts of approximately RMB1,107,431,000 (31 December 2024: RMB1,146,118,000) were pledged to secure bank loans (note 20).

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

11. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and buildings, machinery and land use rights with lease terms of 2 to 50 years used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

	Plant and buildings RMB'000	Machinery RMB'000	Land use rights RMB'000	Total RMB'000
At 1 January 2024 (audited)	22,542	3	315,497	338,042
Additions	1,183	–	155	1,338
Depreciation charged	(12,575)	(3)	(6,606)	(19,184)
Remeasurement resulting from lease payment modification	(682)	–	–	(682)
At 31 December 2024 and 1 January 2025 (audited)	10,468	–	309,046	319,514
Additions	10,624	–	–	10,624
Depreciation charged	(5,774)	–	(3,304)	(9,078)
Remeasurement resulting from lease payment modification	(645)	–	–	(645)
At 30 June 2025 (unaudited)	14,673	–	305,742	320,415

At 30 June 2025, the Group's land used rights with a net carrying amount of RMB305,742,000 (31 December 2024: RMB309,046,000) were pledged to secure bank borrowings (note 20).

(b) Lease liabilities

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Carrying amount at 1 January	10,339	23,119
New leases	10,624	1,183
Accretion of interest recognised during the period/year	203	546
Payments	(6,527)	(13,778)
Remeasurement resulting from lease payment modification	(745)	(731)
Carrying amount at 30 June/31 December	13,894	10,339

30 June 2025

11. LEASES (Continued)**The Group as a lessee** (Continued)**(b) Lease liabilities** (Continued)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed into:		
Lease liabilities:		
Current portion	4,279	9,665
Non-current portion	9,615	674
Total	13,894	10,339

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

	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest on lease liabilities (note 6)	203	324
Depreciation charge of right-of-use assets (note 5)	9,078	9,644
Expenses relating to short-term leases (note 5)	3,908	697
Gain upon lease payment modification (note 5)	(100)	–
Total	13,089	10,665

12. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Equity investment designated at fair value through other comprehensive income		
Listed equity investment, at fair value		
TransThera Sciences (Nanjing), Inc.	20,703	–

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be strategic in nature. During the period, a fair value gain of RMB11,460,000 was recognised in fair value reserve of financial asset at fair value through other comprehensive income.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

13. LONG-TERM EQUITY INVESTMENT — SUMMIT THERAPEUTICS INC.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Long-term equity investment — Summit Therapeutics Inc.	356,631	398,495

As at 30 June 2025, the Company held 31,523,530 shares of Summit Therapeutics Inc. (Nasdaq symbol: SMMT, “**Summit**”), representing 4.24% of the total issued shares of Summit (31 December 2024: 4.27%). The shareholding in Summit was diluted due to Summit’s stock purchase plans and exercise of stock options and warrants during the period. Dr. Xia was appointed as a director of Summit. The Group’s investment in Summit is accounted for under the equity method of accounting because the Group has significant influence over Summit by way of representation on Summit’s board of directors.

The Group’s shareholding in Summit comprises equity shares held by the Company.

The following table illustrates the financial information of the Group’s long-term equity investment:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Share of loss of a long-term equity investment — Summit Therapeutics Inc.	(191,697)	(32,617)
Share of other changes in the equity of a long-term equity investment — Summit Therapeutics Inc.	151,874	69,708

14. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	813,717	528,792
Impairment	(4,622)	(3,881)
Total	809,095	524,911

Included in the Group’s trade receivables is an amount due from a non-controlling shareholder of a subsidiary of the Group of RMB371,000 (31 December 2024: RMB70,831,000).

30 June 2025

14. TRADE RECEIVABLES (Continued)

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 3 months	671,853	517,650
3 to 6 months	122,672	6,813
6 to 9 months	14,570	200
9 to 12 months	–	145
Over 1 year	–	103
Total	809,095	524,911

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Value-added tax recoverable	96,815	65,143
Prepayments	38,089	38,753
Deposits	3,976	4,985
Other receivables	5,009	7,410
Total	143,889	116,291

The balances are interest-free and are not secured with collateral.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

16. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current		
Investments in financial products, at fair value	545,393	425,785
Non-current		
Unlisted investments, at fair value (note (a))	20,139	16,314
Total	565,532	442,099

(a) Unlisted investments, at fair value

The unlisted investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

17. CASH AND BANK BALANCES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and bank balances	6,592,983	6,918,065
Less: Restricted cash*	(64,488)	(28,161)
Time deposits with original maturity of more than three months	(5,097,442)	(3,974,162)
Cash and cash equivalents	1,431,053	2,915,742
Denominated in:		
RMB	546,683	469,985
United States dollars ("USD")	856,467	2,430,556
Hong Kong dollars ("HKD")	3,467	3,254
Australian dollars	24,436	11,947
Cash and cash equivalents	1,431,053	2,915,742

* The restricted cash represents guarantee deposits for construction projects and deposits for letter of credit or credit cards.

The RMB is not freely convertible into other currencies, however, under Mainland's China Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

30 June 2025

18. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	176,085	181,010
3 to 6 months	12,457	27,937
6 months to 1 year	57,923	48,138
Over 1 year	223,499	168,108
Total	469,964	425,193

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 95 days except for the balances due to a non-controlling shareholder of a subsidiary of the Group of RMB229,452,000 (31 December 2024: RMB227,479,000), which are repayable on demand.

19. OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Payroll payables	439,984	283,156
Other tax payables	24,445	66,509
Contract liabilities	95,236	37,298
Other payables	466,899	328,180
Total	1,026,564	715,143

Other payables are unsecured, non-interest-bearing and normally repayable on demand, except for the balance due to a non-controlling shareholder of the Group of RMB237,000 on 30 June 2025 (31 December 2024: RMB237,000), which is repayable within 60 days. The carrying amounts of financial liabilities included in other payables and accruals as at the end of each reporting period approximated to their fair values due to their short-term maturities.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — unsecured	1.10~2.50	2025~2026	256,113	1.20~2.50	2025	303,868
Current portion of long term bank loans — secured	2.56~3.75	2025~2026	108,780	2.66~4.35	2025	127,636
Current portion of long term bank loans — unsecured	2.35~3.40	2025~2026	149,554	2.44~3.40	2025	103,956
Total — current			514,447			535,460
Non-current						
Bank loans — secured	2.56~3.75	2027~2038	2,366,067	2.66~4.35	2027~2038	2,273,780
Bank loans — unsecured	2.35~3.40	2027~2028	1,126,379	2.44~3.40	2026~2027	625,731
Convertible loans — secured	6.5	2027	521,121	6.5	2027	506,617
Total — non-current			4,013,567			3,406,128
Total			4,528,014			3,941,588

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	514,447	535,460
In the second year	518,694	275,591
In the third to fifth years, inclusive	1,748,023	1,320,420
Beyond five years	1,225,729	1,303,500
Subtotal	4,006,893	3,434,971
Other borrowings repayable:		
In the third to fifth years, inclusive	521,121	506,617
Total	4,528,014	3,941,588

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20. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes:

- (a) The Group's banking facilities amounted to RMB7,761,800,000 (31 December 2024: RMB7,289,000,000) in aggregate, among which RMB4,364,000,000 (31 December 2024: RMB4,049,000,000) are secured by the property, plant and equipment and land use rights of the Group with net carrying values of approximately RMB1,107,431,000 and RMB305,742,000, respectively (31 December 2024: RMB1,146,118,000 and RMB309,046,000, respectively) at the end of the reporting period. Such banking facilities of approximately RMB4,229,171,000 (31 December 2024: RMB3,316,788,000) have been utilised as at the end of the reporting period.
- (b) Among the Group's banking facilities mentioned in note (a), RMB1,714,000,000 (31 December 2024: RMB1,714,000,000) are also secured by the equity interest of certain subsidiaries held by the Group. Such banking facilities of approximately RMB1,679,686,000 (31 December 2024: RMB1,334,979,000) have been utilised as at the end of the reporting period.
- (c) A subsidiary of the Group has entered into convertible loan agreements with its non-controlling shareholder and borrowed convertible loans from its non-controlling shareholder since 2019. The subsidiary borrowed convertible loans of aggregate amounts of RMB75,000,000 in 2019, RMB75,000,000 in 2020 and RMB450,000,000 in 2023, respectively. According to the loan agreements, the convertible loans bear interest at 6.5% per annum and are secured by the equity interest in the subsidiary held by the Group. The convertible loans of RMB150,000,000 has been repaid during 2023. The convertible loans outstanding as at 30 June 2025 was RMB450,000,000, which will be due on 31 December 2027. Under the loan agreements, an option (the "**Convertible Right**") to convert the unpaid principal and the related interest into ordinary shares of the subsidiary will be granted to its non-controlling shareholder under certain conditions.

The fair value of the Convertible Right was assessed to be minimal as at 30 June 2025 and 31 December 2024.

- (d) All borrowings were denominated in RMB as at 30 June 2025 and 31 December 2024.

21. DEFERRED INCOME

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Government grant	291,446	290,253

The movements in deferred income for the reporting periods are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
At beginning of period/year	290,253	240,031
Grants received during the period/year	19,979	134,277
Amount released	(18,786)	(84,055)
At end of period/year	291,446	290,253

The grants are related to the subsidies received from the government for the purpose of compensation for expenses arising from research activities and clinical trials, award for the new drugs development and capital expenditure incurred on certain projects.

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22. SHARE CAPITAL

Shares

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Issued and fully paid: 897,593,176 (31 December 2024: 897,575,176) ordinary shares of USD0.00001 each	US\$8,976	US\$8,976
Equivalent to	RMB63,000	RMB63,000

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

	Number of ordinary shares	Share capital amount RMB'000	Shares held for restricted share unit schemes RMB'000	Share premium RMB'000	Total RMB'000
At 1 January 2024	841,057,176	59	(63,567)	4,585,374	4,521,866
Issue of shares (<i>note a</i>)	56,500,000	4	–	2,850,556	2,850,560
Share issue expenses (<i>note a</i>)	–	–	–	(27,293)	(27,293)
Exercise of share options (<i>note b</i>)	18,000	–	–	939	939
Exercise of RSUs	–	–	14,963	–	14,963
At 31 December 2024 and 1 January 2025	897,575,176	63	(48,604)	7,409,576	7,361,035
Exercise of share options (<i>note c</i>)	18,000	–	–	955	955
At 30 June 2025	897,593,176	63	(48,604)	7,410,531	7,361,990

Notes:

(a) On 28 March 2024, 24,800,000 new shares were placed at a price of HK\$47.65 per share to not less than six independent third parties for an aggregate cash consideration, before expenses, of HK\$1,181,720,000 (equivalent to RMB1,071,379,000). The related transaction costs amounting to HK\$11,540,000 (equivalent to RMB10,463,000) were netted off against the cash proceeds. The net proceeds were intended to be used for the business development of the Group. Details have been set out in the announcements of the Company dated 21 March and 28 March 2024.

On 21 October 2024, 31,700,000 new shares were placed at a price of HK\$61.28 per share to not less than six independent third parties for an aggregate cash consideration, before expenses, of HK\$1,942,576,000 (equivalent to RMB1,779,181,000). The related transaction costs amounting to HK\$18,376,000 (equivalent to RMB16,830,000) were netted off against the cash proceeds. The net proceeds were intended to be used for the business development of the Group. Details have been set out in the announcements of the Company dated 13 October and 21 October 2024, respectively.

(b) During the year ended 31 December 2024, the subscription rights attaching to 18,000 share options were exercised at the subscription price of HK\$35.08 per share, resulting in the issue of 18,000 shares for a total cash consideration of HK\$631,000 (approximately RMB573,000). An amount of RMB366,000 was transferred from the share option reserve to share premium upon the exercise of the share options.

(c) During the six months ended 30 June 2025, the subscription rights attaching to 18,000 share options were exercised at the subscription price of HK\$35.08 per share (note 24), resulting in the issue of 18,000 shares for a total cash consideration of HK\$631,000 (approximately RMB581,000). An amount of RMB374,000 was transferred from the share option reserve to share premium upon the exercise of the share options.

23. RESERVES

The amounts of the Group's reserves and the movements therein for the periods are presented in the interim condensed consolidated statement of changes in equity of the Group.

Capital reserve

The Group's capital reserve mainly includes the share premium of the ordinary shares issued in connection with the IPO and share issue expenses, the share premium of the ordinary shares transferred from preferred shares, equity-settled share award and equity-settled share option, share of other capital reserve of an associate and the accumulated effects of the other equity transactions (i.e. the changes in non-controlling interests without losing control of a subsidiary).

Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of entities of which the functional currency is not RMB.

24. SHARE-BASED PAYMENTS

Restricted Share Unit Scheme

The Company adopted a restricted share unit scheme on 29 August 2019 (the "**RSU Scheme**"). The purpose of the RSU Scheme is to recognise and motivate the contributions of the grantees under the RSU Scheme, provide incentives for them to remain with the Group, and attract suitable personnel for the further development. Eligible participants of the RSU Scheme include employees or officers (including executive, non-executive and independent non-executive directors of the Group) as well as other core technical personnel, key personnel or other natural persons or entities that were or will be important to the development of the Group. The Company terminated the RSU Scheme on 30 June 2024. After the termination of the RSU Scheme, no further awards may be granted thereunder, while the awards already granted before the termination shall remain valid and continue to vest in accordance with the rules of the RSU Scheme.

During the six months ended 30 June 2025, no RSUs of the Company were granted to employees.

The vesting periods of these RSUs ranged from 1 month to 5 years. There is no other performance target required except the eligible participant remains as employees of the Group during the vesting period. 20,800 RSUs have been vested under the RSU Scheme during the six months ended 30 June 2025 (year ended 31 December 2024: 164,300). As at 30 June 2025, the total number of RSUs which remain outstanding under the RSU Scheme was 22,660,191 (31 December 2024: 22,660,191). 39,800 RSUs have been exercised during the six months ended 30 June 2025 (year ended 31 December 2024: 1,639,638). No RSUs have been forfeited under the RSU Scheme during the six months ended 30 June 2025 (year ended 31 December 2024: 223,500).

During the six months ended 30 June 2025, the Group amortised the difference between the fair value of the share awards and the consideration that employees have to pay to the Company over the vesting period and recognised share award expenses of approximately RMB236,000 (six months ended 30 June 2024: RMB1,393,000).

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24. SHARE-BASED PAYMENTS (Continued)

2021 Restricted Share Unit Scheme

The Company adopted a new restricted share unit scheme on 6 December 2021 (the **"2021 RSU Scheme"**). The purpose of the 2021 RSU Scheme is to recognise the contributions of the grantees under the 2021 RSU Scheme, and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. Eligible participants of the 2021 RSU Scheme include employees, advisors or consultants of any member of the Group.

3,420,000 restricted share units have been granted under the 2021 RSU Scheme during the six months ended 30 June 2025 (year ended 31 December 2024: nil). The fair value of the share awards is measured at the grant date at the market value of the shares. The market values of the RSUs granted were determined by reference to the closing prices of listed shares as at the grant dates.

The vesting periods of these RSUs ranged from 1 month to 5 years. There is no other performance target required except the eligible participant remains as employees of the Group during the vesting period. 22,000 RSUs have been vested under the 2021 RSU Scheme during the six months ended 30 June 2025 (year ended 31 December 2024: 511,000). As at 30 June 2025, the total number of RSUs which remained outstanding under the 2021 RSU Scheme was 2,291,000 (31 December 2024: 2,291,000). No RSUs have been exercised during the six months ended 30 June 2025 (year ended 31 December 2024: 510,000).

During the six months ended 30 June 2025, the Group amortised the difference between the fair value of the share awards and the consideration that employees have to pay to the Company over the vesting period and recognised share award expenses of approximately RMB11,227,000 (six months ended 30 June 2024: RMB6,144,000).

Share Option Scheme

The Company adopted a share option scheme on 28 June 2022 (the **"Share Option Scheme"**). The purpose of the Share Option Scheme is to reward certain eligible participants for their contribution to the success of the Company, and to provide incentives to them to further contribute to the Company.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

The following share options were outstanding under the Scheme during the six months ended 30 June 2025:

	Weighted average exercise Price HK\$ per share	Number of options '000
At 1 January	35.08	376
Granted during the period	84.60	7,115
At 30 June	84.60	7,491

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24. SHARE-BASED PAYMENTS (Continued)**Share Option Scheme** (Continued)

The Share Options granted to the Grantees have a mixed vesting schedule with a total vesting period ranges from approximately 24 months to 48 months, with certain Share Options to be vested within 12 months of the Grant Date.

The weighted average remaining contractual life of the share options outstanding as at 30 June 2025 was 8 years.

7,115,000 share option have been granted during the six months ended 30 June 2025. The Group recognised a share option expense of RMB17,347,000 during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB2,002,000).

The directors of the Company used the binomial option pricing model to determine the fair value of the share options as at the respective grant dates, which is to be expensed over the relevant vesting period. The following table lists the inputs to the model used:

	For the six months ended 30 June	
	2025	2024
Dividend yield (%)	–	–
Expected volatility (%)	70.1	71.39
Historical volatility (%)	70.1	71.39
Risk-free interest rate (%)	3.08	3.80
Expected life of options (year)	10	10
Weighted average share price (HK\$ per share)	51.01–56.08	34.65

At the date of approval of these financial statements, the Company had 79,020,718 share options outstanding under the Scheme, which represented approximately 8.80% of the Company's shares in issue as at that date.

25. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank and other borrowings and overdrafts and contract execution are included in notes 10, 11(a), 17 and 20 respectively, to the interim condensed consolidated financial information.

26. 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)
Contracted, but not provided for: Plant and machinery	653,167	734,040

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27. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with a non-controlling shareholder and its subsidiaries during the six months ended 30 June 2025: (i) selling and marketing expenses of RMB3,178,000 (six months ended 30 June 2024: RMB13,693,000); and (ii) costs of RMB23,199,000 related to purchase of clinical services and medical materials (six months ended 30 June 2024: RMB37,662,000). During the six months ended 30 June 2024, the Group also had revenue of net product sales with the non-controlling shareholder and its subsidiaries amounting to RMB74,431,000.

The above transactions are determined by reference to the market price and mutually agreed between the parties. The related party transactions with a non-controlling shareholder and its subsidiaries above also constitute continued connected transactions as defined in Chapter 14A of the Listing Rules.

The Group had the following transactions with Summit during the six months ended 30 June 2025: (i) sales of products and materials amounted to RMB48,888,000 (six months ended 30 June 2024: RMB6,062,000); and (ii) service fee income amounted to RMB77,963,000 (six months ended 30 June 2024: RMB39,978,000). During the six months ended 30 June 2024, the Group also had license income with Summit amounting to RMB79,055,000.

- (b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short-term employee benefits	28,806	29,777
Pension scheme contributions	28	25
Equity-settled share award expenses	16,885	5,339
Total compensation paid to key management personnel	45,719	35,141

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28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair value	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets				
Equity investment designated at fair value through other comprehensive income	20,703	–	20,703	–
Financial assets at fair value through profit or loss:				
Investments in financial products	545,393	425,785	545,393	425,785
Unlisted investment	20,139	16,314	20,139	16,314
Total	586,235	442,099	586,235	442,099

Management has assessed that the fair values of cash and bank balances, trade payables, financial assets included in prepayments, other receivables and other assets, current interest-bearing bank and other borrowings, current lease liabilities and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the reporting periods, 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 annual financial reporting.

The fair values of the non-current portion of interest-bearing bank and other borrowings and the non-current portion of lease liabilities 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 changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2025 and 31 December 2024 were assessed to be insignificant.

The fair values of the financial products issued by the banks have been estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of listed equity investments are based on quoted market prices. The fair value of the unlisted investment designated at fair value through profit or loss has been estimated using a market based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted investment to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

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28. 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 RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Equity investment designated at fair value through other comprehensive income	20,703	–	–	20,703
Financial assets at fair value through profit or loss:				
Investments in financial products	–	545,393	–	545,393
Unlisted investment	–	–	20,139	20,139
Total	20,703	545,393	20,139	586,235

As at 31 December 2024

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Financial assets at fair value through profit or loss:				
Investments in financial products	–	425,785	–	425,785
Unlisted investment	–	–	16,314	16,314
Total	–	425,785	16,314	442,099

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 and 31 December 2024.

29. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 26 August 2025.

