



Immunotech Biopharm Ltd
永泰生物製藥有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 6978

2025
ANNUAL REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr TAN Zheng (*Chairman*)
Dr WANG Yu (*resigned as executive Director, CEO, and CTO on 25 June 2025*)

Non-executive Directors

Mr TAO Ran (*resigned on 25 April 2025*)
Ms YU Xiaohui (*appointed on 25 April 2025 and resigned on 16 October 2025*)
Mr WANG Ruihua
Mr YANG Fan
Mr WANG Donghu
Mr YANG Xin (*appointed on 26 June 2025*)
Mr LIU Rui (*appointed on 26 June 2025*)
Mr CAO Ran (*appointed on 16 October 2025*)

Independent non-executive Directors

Professor WANG Yingdian
Mr NG Chi Kit
Ms PENG Sujiu
Mr ZHANG Guoguang (*appointed on 26 June 2025*)

COMPANY SECRETARY

Ms LEUNG Shui Bing

AUTHORISED REPRESENTATIVES

Mr TAN Zheng
Ms LEUNG Shui Bing

AUDIT COMMITTEE

Mr NG Chi Kit (*Chairman*)
Ms YU Xiaohui (*appointed on 25 April 2025 and resigned on 16 October 2025*)
Mr CAO Ran (*appointed on 16 October 2025*)
Professor WANG Yingdian
Mr. TAO Ran (*resigned on 25 April 2025*)

REMUNERATION COMMITTEE

Professor WANG Yingdian (*Chairman*)
Ms PENG Sujiu
Mr NG Chi Kit

NOMINATION COMMITTEE

Mr TAN Zheng (*Chairman*)
Ms PENG Sujiu
Professor WANG Yingdian

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISER

As to Hong Kong law
Eric Chow & Co. in Association with Commerce & Finance Law Offices
3401, Alexandra House
18 Chater Road, Central
Hong Kong

Corporate Information

PRINCIPAL BANKS

China Construction Bank, Beijing Branch, BDA Sub-Branch
Building 55
2 Jingyuan North Street
Beijing Economic-Technological Development Area ("BDA")
Beijing, the PRC

Bank of Communications, Hong Kong Branch
16/F, Lee Garden Five
18 Hysan Avenue
Causeway Bay
Hong Kong

China CITIC Bank, Beijing Branch, Xinxing Sub-Branch
Xinxing Hotel
17 Middle West Third Ring Road
Haidian District
Beijing, the PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

8/F, Block 1
Guosheng Technology Park
No.1 Kangding Street
BDA
Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

REGISTERED OFFICE

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

6978

COMPANY'S WEBSITE

www.eaal.net

DATE OF LISTING

10 July 2020

Corporate Profile

OVERVIEW

The Company is a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy for almost 19 years. Our Core Product Candidate EAL[®] is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application, and has shown efficacy in the treatment of various types of cancer. The Company initiated relevant research of EAL[®] in 2006, and has improved upon the cell culture system and methods, and developed the proprietary, patented technology platform for the production of EAL[®] cells.

The Company has selected the prevention of postsurgical recurrence of liver cancer as the clinical indication for the clinical trial of EAL[®]. We had submitted an application and are preparing to commercialize EAL[®] in the Chinese market.

The Company's product pipeline features major classes of cellular immunotherapy products, including both non-genetically-modified and genetically-modified products, as well as both multi-target and single-target products. In addition to EAL[®], the main products under development include 6B11, CAR-T cell series and TCR-T cell series.

Composed of experienced cancer immunologists, the core technology team is equipped with industry foresight and sensitivity. We have established an R&D organisational structure encompassing early research, pre-clinical studies, clinical studies, and commercialised production and management, allowing for rapid implementation of the product R&D efforts.

The Company has also established technology platforms necessary for the R&D of cellular immunotherapy products and in place an organisational and management platform for clinical trials.

Business and Financial Highlights

BUSINESS HIGHLIGHTS

Clinical trials

Non-genetically modified cell product pipeline EAL®

EAL®

EAL® is a broad-spectrum anti-tumour cellular immunotherapy product with more than a decade of track record of clinical application in the treatment of cancer. It is a preparation of activated and expanded T cells originally taken from a patient's autologous peripheral blood and cultured using the patented methods. The main active component of the product is CD8+ cytotoxic T cells and its cell surface marker is the CD3 molecule.

As at the date of this report, the Group has completed the enrolment of 430 target subjects for the Phase II clinical trial. EAL® was accepted for conditional NDA application in March 2025. Subsequently, EAL® was included in the priority review and approval list in China. As at the date of this report, the conditional NDA application for the Group's core product candidate EAL® is under review by the Centre for Drug Evaluation of the NMPA.

6B11-OCIK Injection

6B11-OCIK Injection is an injection of ovarian cancer autologous cytotoxic T Lymphocyte. 6B11 is the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9. The use of 6B11 can induce specific anti-ovarian cancer humoral and cellular immune antibodies in vitro, which can be cultured and proliferated in vitro (6B11-OCIK Injection) and infused back to the subject to achieve the purpose of specifically killing tumour cells.

As at the date of this report, the Group has completed the enrolment of six targeted patients for the Phase I clinical trial for 6B11-OCIK Injection and has completed the preliminary analysis and the interim results of the ongoing clinical trial. The Group will conduct the Phase II clinical trials at the appropriate time according to operational arrangements.

CAR-T cell product pipeline

CAR-T-19 Injection

The CAR-T-19 series forms the core of CAR-T cell product pipeline. CAR-T-19 Injection is indicated for the treatment of pediatric and young adult patients up to and including the age of 25 with B-ALL. The CAR-T-19 Injection product candidate has shown efficacy in a clinical study, and the IND application for the product candidate with B-cell acute lymphoblastic leukaemia (B-ALL) as the clinical indication was accepted for processing by the CDE in August 2019.

In December 2020, the Group received an approval of the IND for clinical trials of CAR-T-19 Injection from the CDE. Following the IND approval, the Company has commenced the Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing on 25 February 2021. In October 2023, the Company applied to the CDE for end-of-Phase I clinical trial meetings application and started the Phase II clinical trial work.

Business and Financial Highlights

CAR-T-19 Injection was granted breakthrough therapy designation for treatment of patients aged 25 and under with relapsed/refractory B-ALL by the CDE. The designation was granted based on the solid clinical efficacy and safety data of CAR-T-19 Injection. It will expedite the clinical development of CAR-T-19 Injection and accelerate its early access to the patients. CDE's breakthrough therapy designation is designed to expedite the clinical development of innovative drugs presenting significant clinical advantages. Drug candidates with breakthrough therapy designation may be considered for conditional approval and priority review when submitting a new drug application.

As at the date of this report, the Group has completed the enrolment of 52 targeted patients for the Phase II clinical trial for CAR-T-19 Injection.

Denocabtagene Ciloleucel Injection

Denocabtagene Ciloleucel Injection, originally known as RC19D2, CAR-T-19-D2 and CAR-T-19-DNR, targets immunosuppressive molecule TGF- β , is an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma. The injection has the goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and tumour recurrence. In March 2023, the Group has obtained implied approval on clinical trial for the Denocabtagene Ciloleucel Injection from the NMPA.

As at the date of this report, the Company has completed the enrolment of 16 targeted patients for the Phase I clinical trial for the Denocabtagene Ciloleucel Injection.

aT19 Injection

The active component of the aT19 Injection product candidate is autologous T cells genetically modified to express CD19. The gene introduced therein is an encoded gene structure that can express human CD19 protein. The reinfusion of the aT19 Injection after injecting the CAR-T-19 Injection has the potential to reactivate CAR-T cells, restart the proliferation of CAR-T cells, and induce more immune memory cells, thereby increasing the chance of killing trace amounts of residual CD19-positive tumour cells and of preventing recurrence. Through multiple stimulations from CD19 antigen, the number of CAR-T cells with immune memory function may also increase, thereby prolonging the immune surveillance duration of CAR-T cells and reducing the probability of recurrence of CD19-positive tumours.

As at the date of this report, the Group has received an approval of the IND for the Phase I clinical trial from the CDE for the aT19 Injection in February 2024. The Group will conduct the Phase I clinical trials at the appropriate time according to operational arrangements.

Based on the technology of the CAR-T-19 Injection, the Denocabtagene Ciloleucel Injection and aT19 Injection product candidates have the ultimate goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment, and tumour recurrence. If verified, the technology underlying these two product candidates may be used in the genetic modification of other CAR-T and TCR-T cell products targeting solid tumours.

Business and Financial Highlights

TCR-T cell product pipeline

The Group has a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target indications including the clear cell renal cell carcinoma, and viral infections such as CMV and EBV.

The pre-IND communication for TCR-T-CMV injection for the treatment of refractory CMV infections post-hematopoietic stem cell transplantation was completed in March 2025.

Pre-clinical research on YT007 injection for the treatment of advanced clear cell renal cell carcinoma has largely been completed.

FINANCIAL HIGHLIGHTS

Other income decreased by approximately RMB13.3 million or approximately 39.3% from approximately RMB33.8 million for the year ended 31 December 2024 to approximately RMB20.5 million for the year ended 31 December 2025.

Other gains and losses, net increased by approximately RMB57.7 million or approximately 488.7% from approximately RMB11.8 million for the year ended 31 December 2024 to approximately RMB69.5 million for year ended 31 December 2025.

Research and development expenses decreased by approximately RMB21.4 million or approximately 13.9% from approximately RMB154.2 million for the year ended 31 December 2024 to approximately RMB132.8 million for the year ended 31 December 2025.

Administrative expenses decreased by approximately RMB3.5 million or approximately 7.9% from approximately RMB44.5 million for the year ended 31 December 2024 to approximately RMB41.0 million for the year ended 31 December 2025.

Loss before tax increased by approximately RMB44.5 million or approximately 23.9% from approximately RMB186.4 million for the year ended 31 December 2024 to approximately RMB230.9 million for the year ended 31 December 2025.

Loss and total comprehensive expense for the year increased by approximately RMB43.6 million or approximately 23.3% from approximately RMB187.3 million for the year ended 31 December 2024 to approximately RMB230.9 million for the year ended 31 December 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

BUSINESS REVIEW

R&D of the product candidates

The following chart summarises the product candidates and their R&D status as at the date of this report:

Product Category	Product Code	Therapeutic Area	Indications	Early Research	Pre-clinical Studies	IND	Clinical Stage		NDA
							Clinical Phase I	Clinical Phase II/III	
Non-genetically Modified Products	EAL®	Solid Tumours	Liver cancer after surgery	▶					
	6B11		Gastric cancer after surgery	▶					
			Platinum resistant ovarian cancer (OC)	▶					
Genetically Modified Products	CAR-T	Hematologic Malignancies	Relapsed/refractory B-cell acute lymphoblastic leukemia (r/r B-ALL) under 25 years of age	▶					
			Denocabtagene Cioleucel Injection	Relapsed or refractory diffuse large B-cell lymphoma	▶				
	TCR-T	Post-transplantation Infections	CMV infection after hematopoietic stem cell transplantation	▶					
			EBV infection after hematopoietic stem cell transplantation/Chronic active EBV infection	▶					
		YT007	Solid Tumours	Clear cell renal cell carcinoma (ccRCC)	▶				
	VAC	Hematologic Malignancies	Sequential CD19 CAR-T for relapsed or refractory B hematologic malignancies	▶					

Cautionary Statement as required by Rule 18A.08(3) of the Rules Governing the Listing: the Company may not be able to ultimately develop and market the Core Product Candidates (including Core Products) successfully.

Non-genetically modified cell product pipeline

EAL®

EAL® is a broad-spectrum anti-tumour cellular immunotherapy product with more than a decade of track record of clinical application in the treatment of cancer. It is a preparation of activated and expanded T cells originally taken from a patient's autologous peripheral blood and cultured using the Group's patented methods. The main active component of the product is CD8+ cytotoxic T cells, and its cell surface marker is the CD3 molecule.

As at the date of this report, the Group has completed the enrolment of 430 targeted patients for the Phase II clinical trial.

EAL® was accepted for conditional NDA application in March 2025 and was subsequently included in the priority review and approval list in China. As at the date of this report, the conditional NDA application for the Group's core product candidate EAL® is under review by the Centre for Drug Evaluation of the NMPA.

Management Discussion and Analysis

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As at the date of this report, the Group has completed the enrolment of six targeted subjects for the Phase I clinical trial for 6B11-OCIK Injection and has completed the preliminary analysis and the interim results of the ongoing clinical trial. The Group will conduct the Phase II clinical trials at the appropriate time according to operational arrangements.

CAR-T cell product pipeline

CAR-T-19 Injection

The CAR-T-19 series forms the core of the CAR-T cell product pipeline. CAR-T-19 Injection is indicated for the treatment of pediatric and young adult patients up to and including the age of 25 with B-ALL. The CAR-T-19 Injection product candidate has shown efficacy in a clinical study, and the IND application for the product candidate with B-cell acute lymphoblastic leukaemia (B-ALL) as the clinical indication was accepted for processing by the CDE in August 2019.

In December 2020, the Group received an approval of the IND for clinical trials of CAR-T-19 Injection from the CDE. Following the IND approval, the Group has commenced Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing, the PRC on 25 February 2021. In October 2023, the Group applied to the CDE for the commencement of the Phase II clinical trial work.

CAR-T-19 Injection was granted breakthrough therapy designation for treatment of patients aged 25 and under with relapsed/refractory B-ALL by the CDE. The designation was granted based on the solid clinical efficacy and safety data of CAR-T-19 Injection. It will expedite the clinical development of CAR-T-19 Injection and accelerate its early access to the patients. CDE's breakthrough therapy designation is designed to expedite the clinical development of innovative drugs presenting significant clinical advantages. Drug candidates with breakthrough therapy designation may be considered for conditional approval and priority review when submitting a new drug application.

As at the date of this report, the Group has completed the enrolment of 52 targeted patients for the Phase II clinical trial for CAR-T-19 Injection.

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As at the date of this report, the Group has completed the enrolment of 16 targeted patients for the Phase I clinical trial for the Denocabtagene Ciloleucel Injection.

Management Discussion and Analysis

aT19 Injection

The active component of the aT19 Injection product candidate is autologous or after stem cell transplantation T cells genetically modified to express CD19. The gene introduced therein is an encoded gene structure that can express human CD19 protein. The reinfusion of the aT19 Injection after injecting the CAR-T-19 Injection has the potential to reactivate CAR-T cells, restart the proliferation of CAR-T cells, and induce more immune memory cells, thereby increasing the chance of killing trace amounts of residual CD19-positive tumour cells and of preventing recurrence. Through multiple stimulations from CD19 antigen, the number of CAR-T cells with immune memory function may also increase, thereby prolonging the immune surveillance duration of CAR-T cells and reducing the probability of recurrence of CD19-positive tumours.

As at the date of this report, the Group has received an approval of the IND for the Phase I clinical trial from the CDE for the aT19 Injection in February 2024. The Group will conduct the Phase I clinical trials at the appropriate time according to operational arrangements.

Based on the technology of the CAR-T-19 Injection, the Denocabtagene Ciloleucel Injection and aT19 Injection product candidates have the ultimate goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment, and tumour recurrence. If verified, the technology underlying these two product candidates may be used in the genetic modification of other CAR-T and TCR-T cell products targeting solid tumours.

TCR-T cell product pipeline

TCR-T cell therapy is an immunotherapy based on the reinfusion of tumour antigen-specific T cells. The Group established single-cell sequencing-based technology platform to obtain different HLA-restricted TCR coding sequences for specific antigens. Subsequently, the TCR genes are inserted into the self-constructed lentiviral vector for transduction into T cells, and then the killing effect on tumour cells is confirmed by an in vitro and in vivo model. In this way, the Group intends to finally prepare a gene database for TCRs where different antigenic specificities presented by common HLA could be recognised.

The Group has a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target indications including the clear cell renal cell carcinoma, and viral infections such as CMV and EBV.

TCR-T-CMV injection for the treatment of refractory CMV infections post-hematopoietic stem cell transplantation was completed for pre-IND communication in March 2025.

Pre-clinical research on YT007 injection for the treatment of advanced clear cell renal cell carcinoma has largely been completed.

Cautionary Statement as required by Rule 18A.08(3) of the Rules Governing the Listing: the Company cannot guarantee that the Core Product Candidate and other product candidates will ultimately be successfully developed and marketed.

Management Discussion and Analysis

The Group's facilities

The Group has a total area of approximately 27,604 sq.m. for a R&D and manufacturing centre in Beijing, the PRC, which includes a quality inspection building and clean laboratory. Such facilities are capable of supporting the pre-clinical and clinical R&D of cellular immunotherapy product candidates, as well as the early production needs upon marketing approval for the product candidates. All these facilities have been issued clean facility (area) inspection reports by the Beijing Institute for Drug Control. Leadman manufacturing shop and the Guosheng Laboratory in Beijing have the capacity to handle approximately 40,000 samples per year, and can satisfy the needs from the clinical trials for its product pipeline for two to three years, as well as the early production needs from the commercialisation of EAL®.

In order to expedite the clinical trials and prepare for the future commercialisation roadmap, the Group is planning to establish R&D and production centres in densely-populated areas in China in view of the six-hour transportation radius for EAL®, namely:

- Northern China region:
 - On 17 June 2021, the commencement ceremony for the construction of the R&D and industrialisation base took place, which marked the official launch of the construction project of the Group's R&D and industrialisation base in Beijing, the PRC. The expected investment for the Beijing production centre would amount to approximately RMB1.2 billion, which is expected to be financed by a bank loan. After completion, it is expected to reach an annual production capacity of over 200,000 batches of cells, covering the domestic Northern and Northeast markets in China.
- Eastern China region:
 - In February 2021, Beijing Yongtai entered into a cooperation framework agreement with the Shaoxing Binhai New Area Management Committee* (紹興濱海新區管理委員會) in relation to, among others, establishing the proposed R&D and production centre of EAL® for the Eastern China region, the proposed joint establishment of academician workstations with universities and research institutions in the PRC, the proposed land development regarding the project and the proposed establishment of the Industry Fund, targeted at the investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy. At present, the total investment for the project is expected to be approximately RMB1.0 billion. As at the date of this report, the Group has started the construction of the production centre in Shaoxing.
 - On 11 May 2022, Shanghai Yongtai Immunobiological Products Co Ltd (上海永泰免疫生物製品有限公司) as the lessee, entered into a land use rights grant contract with Shanghai Songjiang Bureau of Planning and Natural Resources* (上海市松江區規劃和自然資源局) as the lessor, in relation to lease a land located in Shanghai Songjiang Industrial Area, with a total site area of approximately 21,848.6 sq.m. (the "Land"). The Land is for industrial use and the term of the land use right for the Land is 20 years from the delivery date of the Land. The Company intends to use the Land for R&D centre of the product candidates in Eastern China region.

Management Discussion and Analysis

Quality assurance

The Group has formulated the quality management documentation in accordance with GMP, covering production process procedures, product quality standards, equipment and facilities operation procedures, inspection procedures, sample retention and sampling management procedures, personnel training, environmental monitoring, verification and confirmation, deviation inspection, and quality risk control management procedures. The Group has standardised the selection, purchase, inspection, release, production process, inspection process, product storage, and transportation of the materials used in the products to ensure full compliance with relevant laws and regulations and GMP requirements. Under the Group's quality management procedures, final products can be released only after the quality inspection, in order to ensure that the products meet the relevant standards and intended use.

In particular, the production of EAL[®] has achieved standardisation. The Group has developed comprehensive standards in relation to the production process in order to ensure that the product is of consistent quality.

To ensure the final products meet the quality standards, all quality issues during the production process are documented, escalated to, and reviewed by senior management. The Group also conduct a formal risk assessment and justification in accordance with the standards and procedures under the quality management system and policies.

The head of the quality department reports directly to the CEO. There are two sub-teams within the quality department and they are responsible for quality assurance and quality control respectively. As at 31 December 2025, the Company had 50 staff members in the quality department.

Future and outlook

Expedite the commercialisation of EAL[®]

The Group plans to fully advance the preparation work for the post-marketing commercialisation of EAL[®], including but not limited to fully advancing the work in relation to government affairs, hospital access, marketing, medical, sales, etc.

Advance the pre-clinical studies for pipeline products

The Group will continue to focus its efforts on the CAR-T and TCR-T cell product pipeline, including but not limited to the ongoing Phase I and Phase II clinical trials, to expedite the completion of clinical and non-clinical data that meet the requirements for marketing authorization application.

In the meantime, patients often suffer from viral infections after hematopoietic stem cell transplantation (HSCT)/solid organ transplant (SOT). Cytomegalovirus (CMV) infection is a major cause of morbidity and mortality among those patients and is one of the most common risk factors. By genetically transducing general T cells with TCR genes that specifically recognise CMV-associated antigens, there is a potential for the treatment of CMV infection-related life-threatening diseases.

Management Discussion and Analysis

Enhance the technology platform and strengthen the product pipeline

The Company is committed to continuing its studies of products such as cellular immunotherapy products and in vivo delivery systems appropriate for different tumour types and stages with improved efficacy compared to currently-available products. In the area of tumour antigens for individualisation of solid tumours and autoimmune diseases, the Company identifies antigen-specific targets and TCRs suitable for different individuals, with a view to ultimately constructing a gene database targeting neoantigens that trigger autoimmune diseases and tumors in an effort to conduct research into molecule-specific autoimmune TCR-T and solid tumor TCR-T cell products.

Develop viral vector production and early-stage R&D services business

The Company has established the viral vector production system, which meets the pharmaceutical production quality standards under GMP requirements. The viral vectors that the Company has produced meet the requirements for biological products and can be produced in scale. At present, domestic CAR-T cells companies often order viral vectors from abroad. Due to the high degrees of individualisation and the nature as biological active products, cellular immunotherapy products are subject to R&D carried out through a systematic technology platform covering cell preparation, cell quality control, cell potency studies, cell safety studies, etc. In the absence of such platform, the productisation of the cells would be difficult. The Group has carried out CDMO business during the Reporting Period, based on the systematic technology platform established by the Group for the R&D of cellular immunotherapy products, and it can provide customised services according to the needs of customers.

Expand strategic collaboration on the basis of organic growth

Based on endogenous growth, the Company plans to expand strategic cooperation to seek the sale, technology transfer and strategic cooperation of existing and research products. The Company will also continue to seek new potential directions for the development of cellular immunotherapy products and explore opportunities for mergers and acquisitions and strategic cooperation.

Management Discussion and Analysis

FINANCIAL REVIEW

Year Ended 31 December 2025 Compared to Year Ended 31 December 2024

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Other income	20,507	33,788
Other gains and losses, net	(69,541)	(11,813)
Administrative expenses	(41,036)	(44,540)
Research and development expenses	(132,823)	(154,240)
Finance costs	(6,807)	(7,493)
Other expenses	(1,207)	(2,119)
Loss before tax	(230,907)	(186,417)
Income tax expense	–	(926)
Loss and total comprehensive expense for the year	(230,907)	(187,343)
Loss and total comprehensive expense for the year attributable to:		
Owners of the Company	(230,785)	(186,912)
Non-controlling interests	(122)	(431)
	(230,907)	(187,343)
Loss per share (RMB)		
Basic	(0.42)	(0.35)
Diluted	(0.42)	(0.35)

Other income

Other income of the Group decreased by approximately 39.3% from approximately RMB33.8 million for the year ended 31 December 2024 to approximately RMB20.5 million for the year ended 31 December 2025, which was primarily due to the decreased in government grants during the Reporting Period.

Management Discussion and Analysis

Set out below are the components of other income for the periods indicated:

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Income from provision of cell cryopreservation services (Note a)	900	710
Income from provision of technical services	1,013	2,409
Interest income on bank deposits	346	874
Interest income on rental deposits	186	197
Government grants (Note b)	18,062	29,369
Others	-	229
Total	20,507	33,788

Note a: Cell cryopreservation is the process whereby cells are preserved by cooling to very low temperatures.

Note b: Government grants related to research and development activities, compensations of the capital expenditure from local PRC government.

Other gains and losses, net

Net other losses of the Group increased by approximately 488.7% from approximately RMB11.8 million for the year ended 31 December 2024 to approximately RMB69.5 million for the year ended 31 December 2025, primarily due to fair value loss on other financial liability during the Reporting Period.

Administrative expenses

Administrative expenses of the Group decreased by approximately 7.9% from approximately RMB44.5 million for the year ended 31 December 2024 to approximately RMB41.0 million for the year ended 31 December 2025, which was primarily due to decrease in staff costs.

The Group's administrative expenses primarily include staff costs, professional fees including fees paid to contractors and recruiters, depreciation expenses of the right-of-use assets for the leases, vehicles and office equipment, travel and hospitality fees and others.

Management Discussion and Analysis

Research and development expenses

Research and development expenses of the Group decreased by approximately 13.9% from approximately RMB154.2 million for the year ended 31 December 2024 to approximately RMB132.8 million for the year ended 31 December 2025, which was primarily due to decrease in contracting costs, staff costs and material costs of research and development projects during the Reporting Period.

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Materials for research and development project	7,697	16,135
Staff costs	42,148	50,342
Contracting costs	19,649	27,299
Depreciation and amortisation	45,168	46,829
Service fee	3,272	4,661
Energy fee	10,607	6,522
Others	4,282	2,452
Total	132,823	154,240

Finance costs

Finance costs of the Group decreased by approximately 9.3% from approximately RMB7.5 million for the year ended 31 December 2024 to approximately RMB6.8 million for the year ended 31 December 2025, which was primarily due to reduction in interest expenses on lease liabilities recognised under IFRS 16.

Other expenses

Other expenses of the Group decreased by approximately 43.0% from approximately RMB2.1 million for the year ended 31 December 2024 to approximately RMB1.2 million for the year ended 31 December 2025, which was primarily due to decrease in daily operating expenses.

Loss before tax

For the above reasons, the loss before tax of the Group increased by approximately 23.9% from approximately RMB186.4 million for the year ended 31 December 2024 to approximately RMB230.9 million for the year ended 31 December 2025.

Management Discussion and Analysis

Income tax expense

For the year ended 31 December 2025, the Company was not subject to any income tax in the Cayman Islands. No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Hong Kong subsidiary, which was subject to Hong Kong profit tax during the Reporting Period. The subsidiaries located in the PRC were generally subject to the statutory enterprise income tax at a rate of 25% on the assessable profits according to the PRC Enterprise Income Tax Law. Beijing Yongtai, one of the Company's subsidiaries in the PRC, was accredited as a High and New Technology Enterprise for a three-year period commencing from 2 December 2024. Yongtai Ruike, one of the Company's subsidiaries in the PRC, was also accredited as a High and New Technology Enterprise for a three-year period commencing from 20 December 2023. Accordingly, Beijing Yongtai and Yongtai Ruike enjoyed a lower tax rate of 15% during the Reporting Period.

Liquidity and capital resources

The bank balances and cash increased by approximately RMB7.5 million from approximately RMB47.0 million at 31 December 2024 to approximately RMB54.5 million at 31 December 2025, which was primarily attributable to the Rights Issue (defined below) during the Reporting Period.

INDEBTEDNESS

Lease liabilities

As at 31 December 2025, the lease liabilities were approximately RMB103.4 million.

Contingent liabilities, charge of assets and guarantees

In February 2023, the Company completed issuance of the Convertible Bonds. The Convertible Bonds are secured by the security for the Company's payment obligations and the performance of Company's obligations in respect of the Convertible Bonds. The security includes the assets mortgage and the share mortgages. The assets mortgage includes the mortgage of: (1) a land use right; and (2) other pledged assets including certain equipment and financial assets at fair value through profit or loss, of the Group. The share mortgages include the Shares charged by Tan Zheng Ltd and Tan Yue Yue Ltd under the transaction documents, which amounts to 19,285,714 Shares held by Tan Zheng Ltd and 6,714,286 Shares held by Tan Yue Yue Ltd.

Save as disclosed above, the Company did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, loans, borrowings, liabilities under acceptance or other similar indebtedness, any guarantees or other material contingent liabilities as at 31 December 2025.

Management Discussion and Analysis

CAPITAL STRUCTURE

The Shares were listed on the Main Board of the Stock Exchange on 10 July 2020, and 100,000,000 Shares were issued at the offer price of HK\$11.00 per share by way of the Global Offering.

Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the Global Offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering. On 13 November 2025, the Company allotted and issued a total of 102,916,800 Shares due to completion of the Rights Issue. There was no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares. As at 31 December 2025, the total issued share capital of the Company was US\$617,500.80 divided into 617,500,800 Shares.

The capital structure of the Group was 102.9% debt and -2.9% equity as at 31 December 2025, compared with 102.9% debt and -2.9% equity as at 31 December 2024.

Completion of issue of Convertible Bonds under specific mandate in 2023

On 20 February 2023, the Board announced that the convertible bonds (the “**2023 Convertible Bonds**”) in the aggregated principal amount of RMB300 million have been issued to Tasly (Hong Kong) Pharmaceutical Investment Limited (“**Tasly**”). The 2023 Convertible Bonds were convertible into Shares at an initial conversion price of HK\$4.81 per Share (subject to adjustments). Shares would, upon conversion of the 2023 Convertible Bonds, be issued by the Company pursuant to the specific mandate granted to the Directors at the extraordinary general meeting held on 11 January 2023 which authorised the Company to issue and allot up to 68,493,150 Shares to Tasly. The interest rate was 6% per annum on the outstanding principal amount of the 2023 Convertible Bonds. Upon the completion of the Rights Issue, the adjusted number of Shares issuable on the exercise in full of the outstanding 2023 Convertible Bonds became 74,452,441 at an adjusted exercise price of HK\$4.425 per Share.

Details of the 2023 Convertible Bonds were set out in the announcements published by the Company on 30 October 2022, 31 October 2022 and 20 February 2023 respectively, and the circular of the Company dated 16 December 2022.

Upon completion of the issue of the 2023 Convertible Bonds in February 2023, the Company received the aggregate principal amount of RMB300 million, of which (a) approximately RMB102.3 million was applied for EAL[®] clinical trial; and (b) approximately RMB197.7 million was applied for the construction costs of new R&D and production centres.

Management Discussion and Analysis

The table below sets out the planned applications of the net proceeds from the 2023 Convertible Bonds and actual usage up to 31 December 2025:

Use of proceeds	Allocation of the net proceeds from the Convertible Bonds (RMB million)	Unutilised amount as at 1 January 2025 (RMB million)	Utilised amount up to 31 December 2025 (RMB million)	Utilised amount (from 1 January 2025 to 31 December 2025) (RMB million)	Unutilised amount as at 31 December 2025 (RMB million)	Expected timeline of full utilisation of the remaining proceeds from the Convertible Bonds
EAL® clinical trial	102.3	–	102.3	–	–	Not applicable
Construction costs of new R&D and production centres	197.7	43.4	197.7	43.4	–	Not applicable
Total	300.0	43.4	300.0	43.4	–	

As at 31 December 2025, the Group has utilised the net proceeds from the 2023 Convertible Bonds of RMB300.0 million and no net proceeds were remaining.

COMPLETION OF TRANSFER OF THE 2023 CONVERTIBLE BONDS

On 18 December 2024, the Company was informed by Tasy that it agreed to transfer to the Investor its entire holding of the 2023 Convertible Bonds in the aggregate principal amount of RMB300.0 million. The completion took place on 15 July 2025. The terms of the 2023 Convertible Bonds remained unchanged following the transfer.

Management Discussion and Analysis

ISSUANCE OF THE 2026 CONVERTIBLE BONDS AND NOTE

On 9 February 2026, the Company and the Investor entered into an agreement to issue new convertible bonds with the principal amount of RMB270 million (the “**2026 Convertible Bonds**”) and a note with the principal amount of RMB30 million (the “**Note**”) to the Investor to settle the principal amount of the 2023 Convertible Bonds. On 13 February 2026, the issuance was completed and the consideration for the subscription were applied exclusively as full and final settlement of principal amount of the 2023 Convertible Bonds. Both the 2026 Convertible Bonds and the Note have a maturity of 364 days from the date of issue. The interests on the 2023 Convertible Bonds to the Investor have been repaid on 13 February 2026.

Completion of Rights Issue

During the Reporting Period, the Company conducted a rights issue under which the Company issued a total of 102,916,800 new Shares at the Subscription Price of HK\$2.5 per rights share (a discount of approximately 47.70% to the closing price of HK\$4.78 per Share as quoted on the Stock Exchange on 18 September 2025, being the date on which the Subscription Price was fixed) on the basis of one (1) rights share for every five (5) existing Shares in issue on the record date to the Qualifying Shareholders and raised net proceeds of approximately HK\$252.4 million (the “**Rights Issue**”), with a net subscription price per Share of HK\$2.45. The Rights Issue took place on 13 November 2025. Please refer to the announcements published by the Company on 19 September 2025 and 12 November 2025 and the prospectus issued by the Company on 13 October 2025 for further details of the Rights Issue.

Actual use of proceeds from Rights issue

Use of proceeds	Allocation of the net proceeds from the Rights Issue (HKD million)	Utilised amount up to 31 December 2025 (HKD million)	Unutilised amount as at 31 December 2025 (HKD million)	Expected timeline of full utilisation of the remaining proceeds from the Rights Issue
Early commercialization and clinical trials of EAL®	136.0	62.2	73.8	by the end of 2026
Research and development expenditure in connection with other pipeline products and early stage research projects	60.5	26.0	34.5	by the end of 2026
The Group’s general working capital for operations and development of the Group, such as staff costs	55.9	8.5	47.4	by the end of 2026
Total	252.4	96.7	155.7	

Management Discussion and Analysis

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

As at 31 December 2025, financial assets at FVTPL amounted to approximately RMB100.1 million, representing approximately 16.6% of the total assets of the Group.

On 8 December 2025, the Group (through its indirect wholly-owned subsidiary, Weixiao Biotech) subscribed for two structured deposit products from Bank of China Limited, with investment values of RMB20.0 million and RMB100.0 million, respectively, which will mature on 31 December 2025 and 10 February 2026, respectively. As at 31 December 2025, the Group continued to hold one structured deposit product with a total amount of RMB100.0 million. For further details, please refer to the announcement of the Company dated 8 December 2025.

None of the investment that was designated as financial assets at FVTPL in the Group's investment portfolio had a carrying amount that accounts for 5% or more of the Group's total assets as at 31 December 2025.

Save as disclosed and as at the date of this report, there were no significant investments held by the Group or future plans regarding significant investment or capital assets.

Strategy for future investments

The Group will continue to pursue long-term business and profitability growth in line with its corporate mission and goals. The Group will continue to adopt prudent capital management and liquidity risk management to preserve adequate buffer to meet the performance of its investments and the market trends to adjust its investment strategies challenges ahead.

Save as disclosed above and as at the date of this report, there were no significant investments held by the Group or future plans regarding significant investment or capital assets.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2025, the Company had a total of 183 employees in the PRC. The total amount of employee remuneration of the Group (including directors' remuneration) for the year was approximately RMB56.9 million (2024: approximately RMB70.1 million).

The following table sets forth the number of the employees for each function as at 31 December 2025:

Function	Number of Employees
General management and administration	19
R&D	10
Senior management	6
Production, purification, equipment, safety and supply chain	82
Quality	50
Clinical support and business development	16
Total	183

Management Discussion and Analysis

The Group has designed an evaluation system to assess the performance of the employees periodically. Such system forms the basis of the determinations of whether an employee should receive a salary raise, bonus, or promotion. The Company believed the salaries and the bonuses the employees receive are competitive with market rates.

The Group places strong emphasis on providing training to the employees in order to enhance their technical and product knowledge. The Group designs and offer different training programmes for the employees in various positions.

The Group makes contributions to the social insurance and housing provident fund for all the employees in the PRC.

FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit the exposure to foreign currency risk by closely monitoring and minimising its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

SELECTED FINANCIAL RATIO

The following table sets out certain selected financial ratios as at the balance sheet dates indicated:

	Year ended 31 December	
	2025	2024
Current ratio ⁽¹⁾	0.35	0.20
Quick ratio ⁽²⁾	0.34	0.19
Gearing ratio ⁽³⁾	–	–

Notes:

- (1) Current ratio equals current assets divided by current liabilities as at the end of the year.
- (2) Quick ratio equals (a) current assets less materials for R&D project divided by (b) current liabilities as at the end of the year.
- (3) Gearing ratio equals total borrowings divided by total equity as at the end of the year. As at 31 December 2025, the Group had no interest-bearing borrowings, such that the gearing ratio is not applicable for the year ended 31 December 2025.

The current ratio increased from 0.20 as at 31 December 2024 to 0.35 as at 31 December 2025 and the quick ratio increased from 0.19 as at 31 December 2024 to 0.34 as at 31 December 2025, the increase in both ratios were primarily due to the increase in current assets was attributable to the rights issue financing of the Group during the Reporting Period.

FINAL DIVIDEND

No dividend was paid, declared or proposed for the Reporting Period.

Directors and Senior Management

DIRECTORS

Executive Director

Mr Tan Zheng (譚錚) ("Mr Tan"), aged 48, was first appointed as a Director in April 2018, and was re-designated as an executive Director and the Chairman in August 2019. He is mainly responsible for overall strategic planning and business direction of our Group. Mr Tan is currently pursuing an executive master in business administration from United Business Institutes China. Through working with various pharmaceutical companies, Mr Tan has accumulated over 20 years of experience in leading commercialisation efforts or marketing and sales within the PRC Pharmaceutical industry. From June 1998 to June 2004, he worked at Shanxi Buchang Pharmaceutical Co., Ltd. (陝西步長製藥有限公司), a PRC company listed on the Shanghai Stock Exchange (stock code: 603858.SH), principally engaged in the development and manufacturing of medical drugs, where his last position was an office supervisor at their Tianjin office. From June 2004 to January 2013, Mr Tan served as an office supervisor at the Beijing office of Shanxi Kanghui Pharmaceutical Co., Ltd (陝西康惠控股有限公司), principally engaged in the research, development and production of pharmaceuticals products. Between January 2013 and August 2015, Mr Tan worked at Wuhan Heer Medical Technology Development Co., Ltd.* (武漢呵爾醫療科技發展有限公司), a PRC company engaged in, among other things, the development and manufacture of cancer screening and analysis systems, first as an office supervisor at the Beijing office and subsequently as a deputy general manager, where he was responsible for sales, supervision and management of daily matters. Mr Tan has been a director of JY Research Holdings Limited, the offshore intermediate holding company of our PRC subsidiaries; Hamiyang, the holding company of JY Research Holdings Limited; and the chairman of Ankang Ruihe Biomedical Technology (Beijing) Co Ltd, an indirect wholly- owned subsidiary of our Company, since their respective incorporation. He became the director of Beijing Yongtai, one of our major PRC subsidiaries, in September 2015. Mr. Tan has also been appointed as the chief strategy officer of BrainAurora Medical Technology Limited since December 2020 and appointed as a director of BrainAurora Medical Technology Limited in April 2023, a company listed on Main Board of the Stock Exchange (stock code: 6681) and re-designated as its chairman of the board and executive director in July 2023.

Non-Executive Directors

Mr Wang Ruihua (王瑞華), aged 62, graduated from Hebei University of Science and Technology with a bachelor's degree in inorganic chemical engineering in 1983 and obtained a master's degree in accounting from the Chinese University of Hong Kong in 2007. Mr Wang has over 40 years of experience in finance and business. He has held a number of senior management positions in Tasly Pharmaceutical Group Co., Ltd* (天士力醫藥集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600535.SH) from October 2001 to August 2023. From 1996 to 2001, he was the chief of finance of Tianjin Riban Float Glass Co., Ltd.* (天津日板浮法玻璃有限公司). Prior to that, he has successively held various positions in Ministry of Chemical Industry Changsha Design and Research Institute* (化工部長沙化學礦山設計院), Qinhuangdao Glass Industry Research and Design Institute* (秦皇島玻璃工業研究設計院), and the SCIVIC Engineering Corporation* (機械工業部第四設計院). Mr Wang is a Chinese certified public accountant, a senior accountant and a certified asset appraiser in the PRC.

Directors and Senior Management

Mr Yang Fan (楊帆), aged 45, graduated from Carleton University with a bachelor's degree in economic in 2004 and obtained a master's degree in business administration from Cheung Kong Graduate School of Business in 2012. He further obtained an executive master's degree of business administration from Guanghua School of Management of Peking University in 2020. Mr Yang has over 20 years of experience in corporate finance. Since 2016, he has held a number of senior management position in Tasly Financial Leasing Co., Ltd* (天士力融資租賃有限公司) and currently serves as its director and president. From 2014 to 2016, he served as the executive director of the aviation investment division of China Minsheng Investment Co., Ltd.* (中國民生投資股份有限公司) and the director of CM Luxembourg Investment S.A. Prior to that, Mr Yang has held various senior and managerial positions in a number of financial leasing corporation and financial institutions.

Mr Wang Donghu (王東虎), aged 71, graduated from Renmin University of China with a master's degree of business administration in 2003. Mr Wang Donghu has over 22 years of experience in pharmaceutical and biotechnology industries in the PRC. Since 2003, he has held a number of senior management positions in NKY Medical, a PRC based company listed on the Shenzhen Stock Exchange (stock code: 300109.SZ) and currently serves as a director of NKY Medical.

Mr Yang Xin (楊昕), aged 44, obtained his bachelor's degree in mechanical design, manufacturing and automation from Beihang University (北京航空航天大學) in July 2003 and subsequently obtained his master's degree in accounting from the Business School of the University of International Business and Economics (對外經濟貿易大學) in July 2006. Mr Yang served as assistant manager at KPMG Huazhen LLP (畢馬威華振會計師事務所) from August 2006 to August 2010, subsequently served as senior manager of the finance department at China Resources (Holdings) Company Limited (華潤(集團)有限公司), deputy general manager of the financial management department at China Resources Pharmaceutical Group Limited (華潤醫藥控股有限公司), and general manager of the investment and development department at China Resources Pharmaceutical Group Limited. Mr Yang has served as chief investment officer at Tasly Pharmaceutical Group Co. Ltd. since May 2025.

Mr Liu Rui (劉銳) ("Mr Liu"), aged 52, obtained his bachelor's degree in clinical medicine from Inner Mongolia Medical University (內蒙古醫科大學) in July 2000 and master's degree in pharmacology from Tianjin Medical University (天津醫科大學) in July 2009. Mr Liu has over 20 years of experience in pharmaceutical research and development management. He was a physician at Tianjin Hongqiao Hospital (天津市紅橋醫院) from August 2000 to January 2003. He then worked at the Clinical Medicine Center of the Tasly Group Research Institute (天士力集團研究院臨床醫學中心) since 2003 and currently being the chief specialist of the institute. Mr Liu currently is the clinical director of the National Key Laboratory for Innovative Key Technologies of Traditional Chinese Medicine of the Ministry of Science and Technology Research Experience* (國家科技部創新中藥關鍵技術國家重點實驗室) as well as a member of the Chinese Pharmaceutical Association Clinical Evaluation Committee for Traditional Chinese Medicine* (中國藥學會中藥臨床評價委員會) and the editorial board of the 12th Committee of the Chinese Journal of Clinical Pharmacology of the Chinese Pharmaceutical Association (中國藥學會《中國臨床藥理學雜誌》第十二屆編委會委員). He is recognised as a professional talent in the talent pool of Tianjin "131" Innovative Talent Training Project* (天津市"131"創新型人才培養工程人才庫專業人才).

Mr Cao Ran (曹冉) ("Mr Cao"), aged 43, obtained a Bachelor of Engineering degree in Pharmaceutical Engineering from Beijing Union University in the PRC in 2005. Mr Cao has extensive experience in operation and pharmaceutical production management. Since 2005, he has served successively at China Resources Double-Crane Pharmaceutical Co., Ltd., a listed company on the Shanghai Stock Exchange with a stock code of 600062, and China Resources Pharmaceutical Holdings Co., Ltd., engaging in production management, operational management, post-investment management. He currently holds the position of Deputy General Manager of the Operations Management Department of China Resources Pharmaceutical Holdings Co., Ltd.

Directors and Senior Management

Independent Non-Executive Directors

Professor Wang Yingdian (王英典) (“Professor Wang”), aged 64, was appointed as an independent non-executive Director in June 2020 and taking effect from 29 June 2020. He is mainly responsible for providing independent opinion and judgment to our Board. Professor Wang obtained a bachelor’s degree in biology and a master’s degree in physiology of plants in Northeast Normal University (東北師範大學) in the PRC in July 1983 and July 1988, respectively. In March 1997, he received a Ph.D. in crop production from Iwate University in Japan. Professor Wang has over 30 years of experience in academia with a research focus on development biology and biotechnology. Professor Wang has been a distinguished professor of College of Life Sciences at Beijing Normal University (北京師範大學) since September 2002 and was an independent non-executive director of Beijing Beilu Pharmaceuticals Company (北京北陸藥業股份有限公司) (stock code: 300016.SZ), a China-based company listed on Shenzhen Stock Exchange, principally engaged in the research, development, production and distribution of pharmaceutical product since June 2019. Since November 2020, he has served as an independent non-executive director of Beijing Northland Biotechnology Co., Ltd.* (北京諾思蘭德生物技術股份有限公司) (stock code: 430047.BJ), a Chinese company listed on the Beijing Stock Exchange, which is mainly engaged in the research, development, and production of innovative drugs and sales.

Mr Ng Chi Kit (吳智傑) (“Mr Ng”), aged 53, was appointed as an independent non-executive Director in June 2020 and taking effect from 29 June 2020. He is mainly responsible for providing independent opinion and judgment to our Board. Mr Ng obtained a bachelor of arts in accountancy in Hong Kong Polytechnic University in November 1997. He has been a member of the Hong Kong Institute of Certified Public Accountants since January 2003 and a fellow member of the Association Chartered Certified Accountants since June 2006. Mr Ng has over 22 years of experience in accounting and audit. He worked at the assurance and advisory business services department in Ernst & Young where he initially served as a staff accountant, and was promoted to senior accountant in October 2001. He was later promoted to senior manager in October 2006. Mr Ng has been serving as an independent non-executive director and a member of the audit committee of Chaowei Power Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 951) and principally engaged in the manufacture and sale of lead-acid motive batteries, lithium-ion batteries and other related products, since February 2017 and has been re-designated as an executive Director with effect from 14 October 2025. He worked as the chief financial officer and company secretary of Suchuang Gas Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1430), from December 2010 to July 2022. He had been an independent non-executive director of Great Wall Motor Company Limited, a company listed on Main Board of the Stock Exchange (stock code: 2333), from May 2017 to June 2023.

Directors and Senior Management

Ms Peng Sujiu (彭素玖) (“Ms Peng”), aged 47, was appointed as an independent non-executive Director in June 2020 and taking effect from 29 June 2020. She is mainly responsible for providing independent opinion and judgement to our Board. Ms Peng obtained a bachelor’s degree in accounting from University of South China (南華大學) in the PRC in June 2002. She obtained a medium level accountant certificate from the Shanghai Human Resources and Social Security Bureau in the PRC in August 2010. She then became a registered member of the Chinese Institute of Certified Public Accountants in February 2019. Ms Peng has over 5 years of experience in finance and accounting industry. From July 2002 to December 2005, she was a cashier at the Shanghai headquarters of Shanghai Shanxing Economic & Trading Co., Ltd (上海山興經貿有限公司), a company that sells steel coils, cold rolled plates, hot rolled plates and other related products. From April 2012 to December 2013, she was a financial manager at Shanghai Pinrui Medical Equipment Co., Ltd* (上海品瑞醫療器械設備有限公司), a PRC company principally engaged in manufacturing and developing high-tech dental equipment, where she was responsible for financial management of the company. From January 2014 to April 2016, she served as a financial manager for Shanghai JL&C Furniture Co., Ltd* (上海捷隆傢俱有限責任公司), a company engaged in household furniture manufacturing, where she was responsible for budget control and approval. Since July 2016, she has been working as a financial director of Shanghai Jianchu Medical Instrument Co., Ltd.* (上海建儲醫療器械有限公司), a company engaged in the sale of medical reagents and medical instruments, where she was responsible for overseeing the accounting and financial reporting functions of the company.

Mr Zhang Guoguang (張國光) (“Mr Zhang”), aged 45, obtained his bachelor’s degree in law from Peking University (北京大學) in June 2002. Mr Zhang has over 20 years of experience in legal practice, specializing in capital markets, corporate finance, mergers and acquisitions, and private equity investments. He previously served as a partner at Commerce & Finance Law Offices in Beijing (北京市通商律師事務所) from July 2002 to June 2021. Currently, Mr Zhang serves as a senior partner at Hylands Law Firm in Beijing (北京浩天律師事務所).

SENIOR MANAGEMENT

Mr Zhang Jian (張鍵) (“Mr Zhang”), aged 55, is the senior vice president of our Group, and he is responsible for managing the administrative affairs, medical services, government affairs and sales network. Mr Zhang has more than 20 years of experience in the pharmaceutical industry. From 1995 to 1998, he was a Sales Manager at the Tianjian Office of Shaanxi Buchang Pharmaceutical Co., Ltd. (陝西步長製藥有限公司), a PRC pharmaceutical company that develops and produces medical drugs. From 1998 to 2005, he worked at Jinfang Pharmaceutical Company (西安高科陝西金方藥業公司), a PRC pharmaceutical company that engages in research, development and sales of drugs, his last position was a regional marketing general manager of the Northern China region. From 2005 to January 2016, he worked as a general manager at Xi’an Xingye Pharmaceutical Co., Ltd* (西安興業醫藥有限公司), a company primarily engaged in wholesale of drugs. From August 2013 to January 2016, Mr Zhang was a general manager for Xi’an Shangwo Medical Technology Co. Ltd* (西安尚沃醫療科技有限公司) a company engaged in, among other things, sales and technology research of medical device, while he was working at Xi’an Xingye Pharmaceutical Co., Ltd* (西安興業醫藥有限公司), a PRC pharmaceutical company that engages in the sale of Chinese medicines, antibiotics and biochemicals. From February 2016 to February 2018, he worked as a general manager at Wuhan Heer Medical Technology Development Co., Ltd.* (武漢呵爾醫療科技發展有限公司), a PRC company engaged in the development and manufacture of cancer screening and analysis systems.

COMPANY SECRETARY

Ms Leung Shui Bing (梁瑞冰), was appointed as the company secretary of our Company on 26 July 2024. She is a manager of the Listing Services Department of TMF Hong Kong Limited (a global corporate services provider). She has over 20 years of experience in the company secretarial field. Ms Leung obtained a bachelor’s degree in Business and Management Studies (Accounting and Finance) from University of Bradford in the United Kingdom, and a master’s degree in Corporate Governance from The Open University of Hong Kong (currently known as Hong Kong Metropolitan University). She was admitted as an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Report of Directors

The Directors are pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

DIRECTORS

The Directors who held office during the Reporting Period and up to the date of this report are:

Executive Directors:

Mr Tan Zheng (*Chairman*)
Dr Wang Yu (*resigned on 25 June 2025*)

Non-executive Directors:

Mr Wang Ruihua
Mr Yang Fan
Mr Wang Donghu
Mr Yang Xin (*appointed on 26 June 2025*)
Mr Liu Rui (*appointed on 26 June 2025*)
Mr Cao Ran (*appointed on 16 October 2025*)
Mr Tao Ran (*resigned on 25 April 2025*)
Ms Yu Xiaohui (*appointed on 25 April 2025 and resigned on 16 October 2025*)

Independent Non-executive Directors:

Professor Wang Yingdian
Mr Ng Chi Kit
Ms Peng Sujiu
Mr Zhang Guoguang (*appointed on 26 June 2025*)

Biographical details of the current Directors are set out in the section headed "Directors and Senior Management" on pages 24 to 27 of this annual report.

PRINCIPAL ACTIVITIES

The Group is a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy for almost 19 years. Since its establishment in 2006, it has focused on R&D and clinical applications of cellular immunotherapy drugs for cancers and other major diseases, by applying advanced theories in immunology, cell biology, and genetics.

BUSINESS REVIEW

A fair review of the business of the Group including an analysis of the Group's financial performance and financial position during the Reporting Period and an indication of likely future developments in the Group's business and the material factors underlying its financial performance and financial position as required by section 388(2) to the Companies Ordinance (Chapter 622 of The Laws of Hong Kong) are set out in the section headed "Management Discussion and Analysis" in this annual report. These discussions form part of this report. Events affecting the Company that have occurred since the end of the Reporting Period is set out in the section headed "Events After the Reporting Period" in this annual report.

Relationship with Employees and Suppliers

The Group understands the importance of maintaining a good relationship with its employees and suppliers to meet its immediate and long-term business goals. During the Reporting Period, there was no material and significant dispute between the Group and its employees and suppliers.

Report of Directors

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

Risks relating to our business and industry

- We may not be able to identify, discover, or in-license new product candidates, and investors may lose all of their investment in us as a result
- We may not achieve successful and timely development and regulatory approval of our product candidates, all of which are in pre-clinical or clinical development
- We incurred net losses and did not generate any revenue from the sale of our product candidates during the Reporting Period, and there is no assurance that we will become and remain profitable in the future
- Even if approved, our product candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community necessary for commercial success
- An outbreak of diseases or epidemic may cause material disruptions to our business operations
- We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalise on product candidates or indications that may be more profitable or for which there is a greater likelihood of success
- If we are unable to establish sales and marketing capabilities, we may not be successful in commercialising our product candidates
- Delays in completing and receiving regulatory approvals for our manufacturing facilities, or damage to, destruction of, or interruption of production at such facilities, could delay our development plans or commercialisation efforts
- Our future success depends on our ability to retain key executives and to attract, retain, and motivate qualified personnel
- The prior clinical application of EAL[®] does not guarantee its success in obtaining regulatory approval or achieving market acceptance
- We had net operating cash outflow during the Reporting Period and we expect to require additional financing to fund our operations, including our R&D and commercialisation efforts
- Raising additional capital may cause dilution to our shareholders, restrict our operations, or require us to relinquish rights to our technologies or product candidates
- Our product candidates may cause undesirable side effects
- The research, development, and commercialisation of pharmaceutical products are heavily regulated

Report of Directors

- Any of our future approved product candidates will be subject to ongoing or additional regulatory obligations and continued regulatory review
- We face substantial competition, which may result in others discovering, developing, or commercialising competing products before or more successfully than we do
- We rely on third parties to conduct our pre-clinical studies and clinical trials and we must work effectively with collaborators to develop our product candidates
- We have entered into collaborations and may form or seek collaborations or strategic alliances or enter into licensing arrangements in the future, and we may not realise the benefits of such alliances
- There may be delays or interruptions in the provision of equipment supplies critical for our clinical trials
- Product liability claims or lawsuits could cause us to incur substantial liabilities
- We partially rely on government grants to finance our R&D activities, and may be liable to repay government grants if we terminate the R&D of a product candidate

Risks relating to intellectual property rights

- We may fail to obtain and maintain patent protection for our product candidates through intellectual property rights
- Our patents could be found invalid or unenforceable if challenged in court
- We may not be able to enforce our intellectual property rights or prevent unfair competition by third parties
- We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming, and unsuccessful
- If we are sued for infringing, misappropriating, or otherwise violating intellectual property rights of third parties or engaging in unfair competition, such litigation could be costly and time-consuming and could prevent or delay us from developing or commercialising our product candidates
- Obtaining and maintaining our patent protection depend on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements
- Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantages
- If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed
- We may not be successful in obtaining necessary rights for our development pipeline through acquisitions and in-licences

Report of Directors

Risks relating to our operations

- We are subject to the risks of doing business globally
- We may experience difficulties in managing our growth
- Our non-compliance with certain laws and regulations regarding certain employee social welfare schemes in the PRC could lead to the imposition of fines and penalties
- If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, dilute our shareholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks
- If we fail to comply with applicable anti-bribery laws, our reputation may be harmed and we could be subject to penalties and significant expenses
- If we fail to comply with environmental, health, and safety laws and regulations, we could become subject to fines or penalties or incur substantial costs
- Our computer systems may fail or suffer security breaches
- We may not have adequate insurance coverage
- Fluctuations in exchange rates could result in foreign currency exchange losses and could materially reduce the value of your investment
- Our financial results for the year ended 31 December 2025 may be affected by fair value changes in the Convertible Bonds we issued
- We recognised gains from changes in fair value of financial assets at fair value through profit or loss which may not recur in the future

Risks relating to doing business in China

- The pharmaceutical industry in China is highly regulated and such regulations are subject to change which may affect approval and commercialisation of our product candidates
- Changes in PRC economic, political, and social conditions, as well as government policies may have an adverse effect on us
- Government control of currency conversion may limit our ability to use capital effectively and could negatively affect our financial condition, operations, and our ability to pay dividends, increase competition from foreign competitors, and affect the value of our net assets, earnings, and dividends in foreign currency terms
- The legal system of the PRC is not fully developed, and there are inherent uncertainties which may affect the protection afforded to our business and our Shareholders

Report of Directors

- It may be difficult to effect service of process or to enforce foreign judgments in the PRC as most of our assets are located in the PRC
- We may be deemed to be a PRC tax resident enterprise under the EIT Law and be subject to PRC taxation on our worldwide income
- Gains on the sale of Shares and dividends on the Shares may be subject to PRC income taxes
- The Chinese tax authorities have strengthened their scrutiny over transfers of equity interests in a PRC resident enterprise by a non-resident enterprise, which may negatively affect our business and our ability to conduct mergers, acquisitions or other investments
- We rely on dividends paid by our subsidiaries for our cash needs, and limitations under the PRC laws on the ability of our PRC subsidiaries to distribute dividends to us could adversely affect our ability to utilise such funds
- Our business benefits from certain financial incentives and discretionary policies granted by local governments

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. For further details, please refer to the section headed “Environmental, Social and Governance Report” of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

DIVIDENDS

The Board does not recommend the distribution of a final dividend for the Reporting Period.

BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Company are set in the “Directors and Senior Management” on pages 24 to 27 of this annual report.

Report of Directors

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on pages 71 to 72 of this annual report. This summary does not form part of the audited consolidated financial statements.

DIRECTOR'S SERVICE CONTRACTS

Mr Tan Zheng, an executive Director, has entered into a service contract with the Company for term of three years.

Each of Mr Wang Ruihua, Mr Yang Fan and Mr Wang Donghu, the non-executive Directors, has signed a letter of appointment with the Company with no specific term of his appointment since the date of appointment.

Each of Mr Yang Xin, Mr Liu Rui and Mr Cao Ran, the non-executive Directors, has signed a letter of appointment with the Company for a term of three years since the date of appointment.

Each of Professor Wang Yingdian, Mr Ng Chi Kit and Ms Peng Sujiu, the independent non-executive Directors, has signed a letter of appointment with the Company for a term of three years.

Mr Zhang Guoguang, an independent non-executive Director, has signed a letter of appointment with the Company for a term of three years since the date of appointment.

The above appointments are always subject to the provisions of retirement and rotation of directors under the Articles of Association. None of the Directors has an unexpired service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and the five highest paid individuals of the Group are set out in notes 12 and 13 to the consolidated financial statements in this report.

EMOLUMENT POLICY

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

Each of Mr Wang Ruihua, Mr Yang Fan, Mr Wang Donghu, Mr Yang Xin, Mr Liu Rui and Mr Cao Ran is not entitled to receive any director's fee, and there were no emoluments paid by the Group to any of the directors as an inducement to join, or upon joining the Group, as compensation for loss of office. Details of the Directors' remuneration, senior management and the five highest paid individuals of the Group are set out in notes 12 and 13 to the consolidated financial statements in this annual report.

The Group has adopted the Share Option Scheme to motivate and reward its Directors and eligible employees. For further details, please refer to the section headed "Report of Directors – Share Option Scheme" of this annual report.

Report of Directors

FUNDING AND TREASURY POLICY

The Group adopts a stable, conservative approach in its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. Cash and cash equivalents are normally placed at financial institutions that the Group considers the credit risk to be low. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its business operations as well as its R&D, future investments and expansion plans.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No Controlling Shareholders or their subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

DIRECTORS' MATERIAL INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

None of the Directors had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group in the Reporting Period.

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

As at 31 December 2025, there is no treasury shares held by the Company.

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any Shares (includes the sale of treasury shares) during the Reporting Period.

Report of Directors

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

As at the date of this report, the interests and short positions of the Directors of and chief executives of the Company in the ordinary Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out as follows:

(i) Interest in Shares and underlying Shares

Name	Capacity/Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding in the Company
Director			
Mr Tan Zheng ⁽²⁾	Beneficial interest	5,395,000 (L)	0.87%
	Interest in controlled corporation	158,890,428 (L)	25.73%

Notes:

- (1) The letter L denotes "long position" (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.
- (2) Mr Tan Zheng was interested as a grantee of options subscribe for up to 5,395,000 Shares under the Pre-IPO Share Option Scheme (as defined below).

Pursuant to the Proxy Arrangement, the Passive Minority Shareholders have irrevocably entrusted their voting rights at any general meeting of the Company to Tan Zheng Ltd, such that it may exercise such voting rights with absolute discretion and hence it is deemed to be interested in the Shares held by the Passive Minority Shareholder. Among the 158,890,428 Shares held by Tan Zheng Ltd, 120,490,428 Shares were entrusted by the Passive Minority Shareholders pursuant to the Proxy Arrangement. Tan Zheng Ltd is a company wholly-owned by Mr Tan Zheng. Accordingly, Mr Tan Zheng is deemed to be interested in the 158,890,428 Shares held/deemed to be interested in by Tan Zheng Ltd.

Report of Directors

Save as disclosed above, as at the date of this report, none of the Directors or chief executives of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were 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

As at the date of this report, to the knowledge of the Directors, the following persons (other than the Director or chief executive of the Company) had an interest or a short positions in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register of the Company maintained under Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding
Tasly (Hong Kong) Pharmaceutical Investment Limited	Beneficial interest	96,678,571 (L)	15.66%
Evodevo Ltd	Beneficial interest	31,184,000 (L)	5.05%
Tan Zheng Ltd ⁽²⁾	Beneficial interest Interest of a party to an agreement	38,400,000 (L) 120,490,428 (L)	6.22% 19.51%
China Resources Company Limited ⁽³⁾	Interested in controlled corporation	148,136,971 (L)	23.99%
China Resources Pharmaceutical Group Limited ⁽³⁾	Interested in controlled corporation	148,136,971 (L)	23.99%
Beijing Pharmaceutical Investment and Management (BVI) Limited ⁽³⁾	Beneficial interest	51,458,400 (L)	8.33%
Greater Bay Area Homeland Development Fund (GP) Limited ⁽⁴⁾	Interested in controlled corporation	39,478,342 (L)	6.39%

Report of Directors

Name of Shareholder	Nature of Interest	Number of Shares held ⁽¹⁾	Approximate percentage of shareholding
Greater Bay Area Homeland Development Fund LP ⁽⁴⁾	Interested in controlled corporation	39,478,342 (L)	6.39%
Poly Platinum ⁽⁴⁾	Beneficial interest	39,478,342 (L)	6.39%
Tan Xiaoyang ⁽⁵⁾	Interest of controlled corporation/ Interest of spouse	59,794,286 (L)	9.68%
Tan Xiao Yang Ltd ⁽⁵⁾	Other	46,080,000 (L)	7.46%
Tan Yueyue ⁽⁵⁾	Interested in controlled corporation/ Interest of spouse	59,794,286 (L)	9.68%
Zhang Junzheng ⁽⁶⁾	Other/Interest of spouse	44,167,656 (L)	7.15%
Zhang Jun Zheng Ltd ⁽⁶⁾	Other	42,579,713 (L)	6.90%
Wang Minhui ⁽⁶⁾	Interested in controlled corporation/ Interest of spouse	44,167,656 (L)	7.15%
Tibet Jiaze Venture Capital Co., Ltd ⁽⁷⁾	Beneficial Interest	102,880,787 (L)	16.66%
Jiangsu Jichuan Holding Group Co., Ltd ⁽⁷⁾	Interested in controlled corporation	102,880,787 (L)	16.66%
Cao Fei ⁽⁷⁾	Interested in controlled corporation	102,880,787 (L)	16.66%
Cao Longxiang ⁽⁷⁾	Interested in controlled corporation	102,880,787 (L)	16.66%

Report of Directors

Notes:

- (1) The letter L denotes “long position” (as defined under Part XV of the SFO) of the relevant person/entity in such. As at the date of this report, the issue Shares comprised 617,500,800 Shares.
- (2) Pursuant to a proxy agreement dated 29 August 2019 (the “**Proxy Agreement**”), the passive minority shareholders have irrevocably entrusted their voting rights at any general meeting of the Company to Tan Zheng Ltd, such that it may exercise such voting rights with absolute discretion and hence it is deemed to be interested in the Shares held by the passive minority shareholders.
- (3) Beijing Pharmaceutical Investment and Management (BVI) Limited is a company wholly-owned by China Resources Pharmaceutical Group Limited which is indirectly owned as to 53.39% by China Resources Company Limited, China Resources Pharmaceutical Group Limited and China Resources Company Limited are deemed to be interested in the Shares held by Beijing Pharmaceutical Investment and Management (BVI) Limited.
- (4) Poly Platinum is a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP (大灣區共同家園發展基金有限合夥) (“**Greater Bay Area Fund**”). According to Poly Platinum, the general partner of Greater Bay Area Fund is Greater Bay Area Homeland Development Fund (GP) Limited. Accordingly, each of Greater Bay Area Homeland Development Fund (GP) Limited and Greater Bay Area Fund is deemed to be interested in the Shares held by Poly Platinum.
- (5) These 59,794,286 Shares comprises 46,080,000 Shares held by Tan Xiao Yang Ltd and 13,714,286 Shares held by a company controlled by Ms Tan Yueyue. Tan Xiao Yang Ltd is a company wholly-owned by Mr Tan Xiaoyang, who is deemed to be interested in Shares held by Tan Xiao Yang Ltd. Ms Tan Yueyue is the spouse of Mr Tan Xiaoyang and Tan Yueyue Ltd is a company wholly-owned by Ms Tan Yueyue. Among the Shares, 6,714,286 Shares held by Tan Yueyue Ltd was pledged to the Investor pursuant to the Subscription Agreement.

Mr Tan Xiaoyang and Tan Xiao Yang Ltd are the passive minority shareholders which entrusted their voting rights in the Company in Tan Zheng Ltd pursuant to the Proxy Agreement.

- (6) These 44,167,656 Shares comprises 42,579,713 Shares held by Zhang Jun Zheng Ltd and 1,587,543 Shares held by a company controlled by Ms Wang Minhui. Zhang Jun Zheng Ltd is a company wholly-owned by Mr Zhang Junzheng, who is deemed to be interested in the Shares held by Zhang Jun Zheng Ltd. Ms Wang Minhui is the spouse of Mr Zhang Junzheng.

Mr Zhang Junzheng and Zhang Jun Zheng Ltd are the passive minority shareholders which entrusted their voting rights in the Company in Tan Zheng Ltd pursuant to the Proxy Agreement.

- (7) These 102,880,787 Shares are unlisted derivatives – convertible instruments held by Jiaze Global Capital Limited. As at the date of this report, the 2026 Convertible Bonds had not been converted. Assuming upon full conversion of the 2026 Convertible Bonds at the initial conversion price of HK\$2.92 per conversion share (assuming that there is no other change in the number of issued Share), the approximate shareholding of the Company held by Jiaze Global Capital Limited is 16.66%. For details, please refer to the announcements of the Company dated 9 February 2026 and 13 February 2026.

Jiaze Global Capital Limited is a company indirect wholly-owned by 嘉澤宏業(天津) 科技有限公司, which is indirect wholly-owned by Tibet Jiaze Venture Capital Co., Ltd. Tibet Jiaze Venture Capital Co., Ltd is a controlled subsidiary held as to approximately 94.78% by Jiangsu Jichuan Holding Group Co., Ltd, which is in turn directly owned as to 50.1% by Cao Longxiang and 49.9% by Cao Fei.

Save as disclosed above, as at the date of this report, the Directors have not been aware of any person (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register maintained under Section 336 of the SFO.

SHARE OPTION SCHEME

In order to reward the participants defined thereunder for their contribution to the Group’s success and to provide them with incentives to further contribute to the Group, the Company adopted the pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) on 31 December 2019 and a post-IPO share option scheme (the “**Post-IPO Share Option Scheme**”) on 6 June 2020.

Report of Directors

Pre-IPO Share Option Scheme

Purpose

The purpose of the Pre-IPO Share Option Scheme was to encourage certain key employees to contribute to the Group for the long-term benefits of the Company and its Shareholders and provide the Group with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to its key employees.

Who May Join

Our Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) had the power to at their absolute discretion, invite any employee, officer, director, contractor, advisor or consultant of the Group who was notified by the Board that he or she was eligible to the option under the Pre-IPO Share Option Scheme by reason of his or her contribution to the Group, to the extent that an offer of an award to or a receipt of such award by him or her was permitted under the applicable laws, rules of any applicable stock exchange (including without limitation the Listing Rules) and regulations or accounting or tax rules and regulations, to take up options to subscribe for Shares.

The eligibility of any of these participants to the grant of any option was to be determined by our Directors from time to time prior to the Global Offering on the basis of our Directors' opinion as to the participant's contribution to the development and growth of our Group. For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who fell within any of these participants shall not, by itself, unless our Directors otherwise so determined, be construed as a grant of option under the Pre-IPO Share Option Scheme.

Time of Acceptance and Exercise of Option

An offer shall have been accepted upon our receipt of the duly signed offer letter together with a non-refundable payment RMB1.00 (or such other sum in any currency as the Board may have determined).

An option may be exercised in accordance with the terms of the Pre-IPO Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 7 years from the date of grant of the option subject to the provisions for early termination under the Pre-IPO Share Option Scheme. Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Pre-IPO Share Option Scheme for the holding of an option before it can be exercised.

Subscription Price for Shares and Consideration for the Option

The exercise price for any option granted under the Pre-IPO Share Option Scheme shall be HK\$5.5 per Share.

Report of Directors

Period of the Pre-IPO Share Option Scheme

The share options granted will vest in multiple tranches in same or different proportions as determined by our Directors. The Pre-IPO Share Option Scheme is effective for a period of 10 years from 31 December 2019 and the remaining life of the Pre-IPO Share Option Scheme as at the date of this annual report is around 3.5 years.

Details regarding the number of options, date of grant, vesting period, exercise period and exercise price of the share options granted under the Pre-IPO Share Option Scheme that were granted under the Share Option Scheme during the Reporting Period are set out below:

Name of the grantee	Date of grant	Vesting Period	Exercise Period	Exercise Price per share ⁽²⁾	No. of share options outstanding as at the 1 January 2025	Adjusted no. of share options during the Reporting Period	No. of share options granted during the Reporting Period	No. of share options exercised during the Reporting Period	No. of share options cancelled during the Reporting Period	No. of share options lapsed during the Reporting Period	No. of share options outstanding 31 December 2025 ⁽¹⁾
Tan Zheng Chairman and executive Director	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK\$5.097	5,000,000	395,000	-	-	-	-	5,395,000
Wang Yu Executive Director, CEO and CTO (resigned on 25 June 2025)	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK\$5.097	23,450,000	-	-	-	-	23,450,000	-
Employees (in aggregate)	31 December 2019	Three tranches of 30%, 30% and 40% on 31 December 2020, 2021 and 2022, respectively/ Two equal tranches on 31 December 2020 and 2021, respectively (Note 1)	31 December 2019 to 30 December 2026	HK\$5.097	7,480,000	327,850	-	-	-	3,330,000	4,477,850
Total					35,930,000	722,850	-	-	-	26,780,000	9,872,850

Notes:

- For details of the vesting period of share options granted to each of the employees, please refer to Appendix IV to the Prospectus.
- Closing price of the shares is not applicable as the shares of the Company were not listed at the date of grant.

As at the date of this report, the total number of share available for issue under the Pre-IPO Share Option Scheme is 9,872,850 Shares, representing approximately 1.60% of the total issued Shares.

Post-IPO Share Option Scheme

Purpose

The purpose of the Post-IPO Share Option Scheme is to attract and retain employees of the Group and to reward our eligible employees, our Directors and other selected participants for their past contribution to the Group.

Report of Directors

Who May Join

Our Directors (which expression shall, for the purpose of this paragraph, include a duly authorised committee thereof) may, at their absolute discretion, invite any employee, officer, director, contractor, advisor or consultant of the Group who is notified by the Board that he or she is eligible to the option under the Post-IPO Share Option Scheme by reason of his or her contribution to the Group, to the extent that an offer of an award to or a receipt of such award by him or her is permitted under the applicable laws, rules of any applicable stock exchange (including without limitation the Listing Rules) and regulations or accounting or tax rules and regulations, to take up options to subscribe for Shares.

The eligibility of any of these participants to the grant of any option shall be determined by our Directors from time to time on the basis of our Directors' opinion as to the participant's contribution to the development and growth of our Group. For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of these participants shall not, by itself, unless our Directors otherwise so determine, be construed as a grant of option under the Post-IPO Share Option Scheme.

Maximum Number of Shares

- a) The maximum number of Shares which may be issued upon the exercise of all outstanding options (if any) granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option scheme of our Group shall not in aggregate exceed 30.00% of the issued share capital of our Company from time to time.
- b) The total number of Shares which may be issued upon exercise of all options (if any) to be granted under the Post-IPO Share Option Scheme and any other share option scheme of our Group shall not in aggregate exceed 10.00% of the Shares in issue on the day on which trading of the Shares commence on the Stock Exchange, such 10.00% limit represents 50,000,000 Shares (the "**General Scheme Limit**"), but excluding any Shares which may be issued upon the exercise of the Over-allotment Option. The General Scheme Limit represents approximately 8.10% of the total Shares in issue as at the date of this report.
- c) Subject to paragraph (a) above and without prejudice to paragraph (d) below, our Company may issue a circular to its Shareholders and seek approval of its Shareholders in a general meeting to extend the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share options scheme of our Group shall not exceed 10.00% of the Shares in issue as at the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Post-IPO Share Option Scheme and any other share option scheme of our Group) previously granted under the Post-IPO Share Option Scheme and any other share option scheme of our Group will not be counted. The circular sent by our Company to its Shareholders shall contain, among other information, the information required under the Listing Rules.
- d) Subject to paragraph (a) above and without prejudice to paragraph (c) above, our Company may seek separate Shareholders' approval in a general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph (c) above to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under the Listing Rules.

Report of Directors

Maximum Entitlement of Each Participant

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme and any other share option scheme of our Company (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1.00% of the issued share capital of our Company for the time being (the “**Individual Limit**”). Any further grant of options in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our Shareholders and our Shareholders’ approval in general meeting of our Company with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

Granting Options to Connected Persons

Any grant of options under the Post-IPO Share Option Scheme to a Director, chief executive or substantial shareholder of our Company or any of their respective associates must be approved by our Independent Non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).

Where any grant of options to a substantial Shareholder of our Company or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (1) representing in aggregate over 0.10% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and (2) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet the date of the offer of grant, in excess of HK\$5.0 million (or such other higher amount as may from time to time be specified by the Stock Exchange); such further grant of options must be approved by our Shareholders in a general meeting. Our Company must send a circular to its Shareholders. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour of the relevant resolution at such general meeting. Any vote taken at the general meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates must be approved by our Shareholders in a general meeting.

Time of Acceptance and Exercise of Option

An option may be accepted by a participant from the date of the offer of grant of the option within the offer period as set out in the relevant offer letter issued to by the Company to such participant together with a non-refundable payment of such sum in any currency as the Board may determine.

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

Performance Targets

Unless our Directors otherwise determine and state in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Post-IPO Share Option Scheme can be exercised.

Report of Directors

Subscription Price

The subscription price per Share under the Post-IPO Share Option Scheme will be a price determined by our Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the global offering shall be used as the closing price for any business day falling within the period before Listing); or (iii) if the Shares are not so quoted or traded, the fair market value of a Share as determined by the compensation committee of the Board.

Period of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme is effective for a period of 10 years from 6 June 2020 and the remaining life of the Post-IPO Share Option Scheme is around 4 years.

Option Granted

No share options were granted, exercised, cancelled or lapsed under the Post-IPO Option Scheme during the period from the Listing Date to the date of this report.

The number of options available for grant under the Post-IPO Scheme Option Scheme was 50,000,000 at both the beginning and the end of the Reporting Period.

MANAGEMENT CONTRACTS

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

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended 31 December 2025, we did not generate any revenue from product sales and the percentage of the total sales attributable to the Group's customer was nil. Our other income primarily represented (1) income received from provision of cell cryopreservation services; (2) interest income on bank deposits; (3) interest income from lease deposits; (4) government grants; and (5) technical service.

Major Suppliers

Our major suppliers primarily include (i) suppliers of our equipment and raw materials; and (ii) CROs, SMOs, and other R&D and quality evaluation service providers which we engaged to conduct clinical and pre-clinical studies on our product candidates. For the year ended 31 December 2025, purchases from the Group's five largest supplier for the year accounted for approximately 44.8% (2024: 50.2%) of the Group's total purchase amount in the same year. The Group's largest supplier for the year ended 31 December 2025 accounted for approximately 22.9% (2024: 19.9%) of the Group's total purchase amount for the same year.

As far as the Directors are aware, none of the Directors or any of their close associates, or any shareholders (which, to the knowledge of the Directors, owns more than 5% of the issued Shares) had any beneficial interest in the Group's five largest suppliers for the Reporting Period.

Report of Directors

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the Cayman Islands where the Company is incorporated which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 37 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Reporting Period are set out in note 16 to the consolidated financial statements in this annual report.

TAX RELIEF AND EXEMPTION

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

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and of the Company during the Reporting Period are set out in the consolidated statement of changes in equity and note 39 to the consolidated financial statements in this annual report.

As at 31 December 2025, the Company had distributable reserves for share premium of RMB1,631,922,000 (2024: RMB1,402,498,000).

MATERIAL LITIGATION

As at 31 December 2025, there was no material litigation against the Group.

CONNECTED TRANSACTIONS

During the Reporting Period, no related party transactions disclosed in note 36 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the continuing connected transactions entered into by the Group during the Reporting Period.

Report of Directors

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules and the Company has adopted the CG code as its own code of corporate governance. The CG Code has been applicable to the Company with effect from the Listing Date. The Board is of the view that the Company has complied with the applicable code provisions as set out in the CG Code since the Listing Date up to the date of this report. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 51 to 70 of this annual report.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code since the Listing Date and up to the date of this report. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

RIGHTS TO ACQUIRE THE COMPANY'S SECURITIES AND EQUITY-LINKED AGREEMENTS

At no time during the Reporting Period was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any equity-linked agreement.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

Report of Directors

EVENTS AFTER THE REPORTING PERIOD

On 20 January 2026, the Company and the Investor, being the holder of the 2023 Convertible Bonds, entered into the framework agreement, pursuant to which the Investor agreed to subscribe for the 2026 Convertible Bonds and the Note.

On 13 February 2026, the consideration for the subscription were applied exclusively as full and final settlement of principal amount of the 2023 Convertible Bonds which would mature on 20 February 2026. For further details, please refer to the announcements of the Company dated 20 January 2026, 9 February 2026 and 13 February 2026.

Save as disclosed above, there were no material events which could have an impact on the Company since 31 December 2025 and up to the date of this report.

USE OF NET PROCEEDS FROM LISTING AND OVER-ALLOTMENT OPTION

The Shares were listed on the Stock Exchange on 10 July 2020. Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the Global Offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering.

After deducting the underwriting fees and commissions, other listing expenses and other expenses in connection with the exercise of the initial Global Offering and the exercise of the over-allotment option, the net proceeds amounted to approximately HK\$1,127.8 million. As at the date of this report, the Company used a total of approximately HK\$1,127.8 million of the proceeds, including approximately HK\$385.6 million for investment in the ongoing clinical trial and commercialisation of EAL[®], approximately HK\$374.5 million for investments in CAR-T-19 clinical trial and TCR-T product series candidates, approximately HK\$212.5 million for R&D expenditure in connection with expansion of other clinical indications for EAL[®], approximately HK\$95.8 million for development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres and approximately HK\$56.4 million for working capital and other general corporate purposes. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus.

Report of Directors

The table below sets out the planned applications of the net proceeds from the global offering the over-allotment option and actual usage up to 31 December 2025:

Use of Proceeds	Allocation of the net proceeds from the Global Offering (HK\$ million)	Percentage of total net proceeds (%)	Unutilised amount (as at 1 January 2025) (HK\$ million)	Utilised amount (from the Listing date to 31 December 2025) (HK\$ million)	Utilised amount (from 1 January 2025 to 31 December 2025) (HK\$ million)	Unutilised amount (as at 31 December 2025) (HK\$ million)	Expected timeline of full utilisation of the remaining proceeds from the Global Offering as at 31 December 2025⁽¹⁾
For investment in the ongoing clinical trial and commercialisation of EAL [®]	385.6	34.2	–	385.6	–	–	Not applicable
For R&D expenditure in connection with expansion of other clinical indications for EAL [®]	213.2	18.9	0.7	212.5	–	0.7	By the end of 2026
For investments in CAR-T-19 clinical trial and TCR-T product series candidates	374.5	33.2	–	374.5	–	–	Not applicable
Development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres	98.1	8.7	2.3	95.8	–	2.3	By the end of 2026
Working capital and other general corporate purposes	56.4	5.0	–	56.4	–	–	Not applicable
Total	1,127.8	100.0	3.0	1,124.8	–	3.0	

(1) The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances.

For the Company's planned usage of the use of proceeds as described above, the Company expects the net proceeds will be used up by 2026.

PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

As at 31 December 2025, the Company's public float was approximately 36.27% of its total Shares in issue.

Report of Directors

Changes in the issued Shares of the Company

Class of Shares	As at 1 January 2025		Increase/Decrease during the Reporting Period (+, -)			As at 31 December 2025	
	Number	%	New Shares issued	Others	Subtotal	Number	%
Ordinary Shares	514,584,000	100	+102,916,800	-	+102,916,800	617,500,800	100
Total	514,584,000	100	+102,916,800	-	+102,916,800	617,500,800	100

Shareholdings of Substantial Shareholders

Shareholdings of the top 5 registered Shareholders

Name of registered Shareholders	Increase/ Decrease during the Reporting Period	Number of Shares held as at the end of the Reporting Period	Percentage as at the end of the Reporting Period In total number of issued Shares (Approximate %)
HKSCC Nominees Limited	248,505,201	515,152,334	83.43
TAN XIAO YANG LTD	46,080,000	46,080,000	7.46
ZZZ – CONTROL ACCOUNT OF CAYMAN ISLANDS PRINCIPAL REGISTER	26,000,000	26,000,000	4.21
TAN ZHENG LTD	19,114,286	19,114,286	3.10
TAN YUE YUE LTD	7,000,000	7,000,000	1.13

Shareholdings of the top 5 holders of tradeable Shares

Name of holders (Note)	Number of Shares held as at the end of the Reporting Period	Percentage as at the end of the Reporting Period In total number of issued Shares (Approximate %)
Haitong International Securities Co Ltd	105,947,304	17.17
BNP Paribas	56,923,663	9.21
Cinda International Securities Ltd	52,922,000	8.56
CCB International Securities Ltd	39,508,479	6.39
Futu Securities International Ltd	34,526,088	5.59

Note: Please refer to the section headed "Report of Directors – Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares" for the number of Shares in which persons are deemed to have interests pursuant to Part XV of the SFO.

Report of Directors

PERMITTED INDEMNITY PROVISIONS

The Articles of Association provides that every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. Subject to the Companies Law (2013 Revision) of the Cayman Islands, if any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability. Such provisions were in force throughout the Reporting Period and are currently in force. The Company has arranged for appropriate insurance cover for Directors' liabilities in respect of legal actions that may be brought against the Directors.

CHANGE OF DIRECTORS

During the Reporting Period, there were the following changes in Directors: Mr TAO Ran resigned as the non-executive Director and a member of the Audit Committee on 25 April 2025; Ms YU Xiaohui was appointed as a non-executive Director and a member of the Audit Committee on 25 April 2025 and resigned from the aforementioned positions on 16 October 2025; Dr WANG Yu resigned as the executive Director, CEO and CTO on 25 June 2025; Mr YANG Xin was appointed as the non-executive Director on 26 June 2025; Mr LIU Rui was appointed as the non-executive Director on 26 June 2025; Mr ZHANG Guoguang was appointed as the independent non-executive Director on 26 June 2025; and Mr CAO Ran was appointed as the non-executive Director and a member of the Audit Committee on 16 October 2025.

Save as disclosed above, there has been no change of Directors during the Reporting Period.

CHANGES IN INFORMATION OF DIRECTORS

Since the publication of the 2025 interim report of the Company, save as disclosed herein, there has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Thursday, 30 April 2026 (the "AGM"). A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the members' eligibility to attend and vote at the AGM, the Company's register of members will be closed from Monday, 27 April 2026 to Thursday, 30 April 2026, both days inclusive, during which period no transfer of share will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Share shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 April 2026. The record date to determining eligibility to attend and vote at the AGM is Thursday, 30 April 2026.

Report of Directors

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period.

AUDITOR

Deloitte Touche Tohmatsu, Certified Public Accountants is appointed as the Auditor for the financial statements as for the Reporting Period prepared in accordance with IFRS. Such Financial Statements prepared in accordance with IFRS as stated herein this annual report have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants and an unqualified audit report has been issued.

There was no change in the auditor of the Company in any of the preceding three years.

Deloitte Touche Tohmatsu will retire at the forthcoming AGM and being eligible offer themselves for reappointment.

By report of
the Board of Directors

Tan Zheng

Chairman

Hong Kong, 20 March 2026

Corporate Governance Report

The Board is pleased to present the corporate governance report for the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions contained in the CG Code as set out in Appendix C1 to the Listing Rules.

The Board is of the view that the Company has complied with the applicable code provisions as set out in the CG Code for the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C1 to the Listing Rules to monitor and regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code. The Company has also adopted written guidelines on no less exacting terms than the Model Code for the relevant employees.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code throughout the year ended 31 December 2025. No incident of non-compliance of the Model Code by the employees was noted by the Company as at the date of this report.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises eleven directors, including one executive Directors, six non-executive Directors and four independent non-executive Directors.

The Board's composition is in compliance with the requirement under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules that there are four independent non-executive directors and at least one of them have an appropriate professional qualification or accounting or related financial management expertise, and the number of independent non-executive Directors must represent at least one-third of the Board. The Board believes that the balance between the executive Directors and the non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the Shareholders and the Group.

Corporate Governance Report

During the Reporting Period, the composition of the Board is as follows:

	Date of Appointment	Current Period of Appointment
Executive Directors		
Mr Tan Zheng (<i>Chairman</i>)	11 April 2018	3 years
Dr Wang Yu (<i>resigned on 25 June 2025</i>)	–	–
Non-executive Directors		
Mr Wang Ruihua	24 March 2023	no specific term
Mr Yang Fan	24 March 2023	no specific term
Mr Wang Donghu	25 August 2023	no specific term
Mr Yang Xin	26 June 2025	3 years
Mr Liu Rui	26 June 2025	3 years
Mr Cao Ran	16 October 2025	3 years
Mr Tao Ran (<i>resigned on 25 April 2025</i>)	–	–
Ms Yu Xiaohui (<i>appointed on 25 April 2025 and resigned on 16 October 2025</i>)	–	–
Independent non-executive Directors		
Professor Wang Yingdian	6 June 2020	3 years
Mr Ng Chi Kit	6 June 2020	3 years
Ms Peng Sujiu	6 June 2020	3 years
Mr Zhang Guoguang	26 June 2025	3 years

Notes:

- Each of Mr Yang Xin, Mr Liu Rui and Mr Zhang Guoguang obtained the legal advice on 26 June 2025 with regards to the requirements under the Listing Rules that are applicable to his as director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he understood his obligations as a director of a listed issuer.
- Mr Cao Ran obtained the legal advice on 16 October 2025 with regards to the requirements under the Listing Rules that are applicable to his as director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he understood his obligations as a director of a listed issuer.
- Ms Yu Xiaohui obtained the legal advice on 25 April 2025 with regards to the requirements under the Listing Rules that are applicable to her as director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and she understood her obligations as a director of a listed issuer.

Biographical details of the current Directors are set out in the section headed "Directors and Senior Management" on pages 24 to 27 of this annual report.

Save as disclosed in this Annual Report, the members of the Board do not have financial, business, family or other material/relevant relationships with one another.

Corporate Governance Report

GENERAL MEETINGS, BOARD MEETINGS AND SHAREHOLDERS' ATTENDANCE RECORDS

Code provision C.5.1 of the CG Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication.

During the year ended 31 December 2025, the Company held eleven Board meetings and one general meeting. Attendance records of the Directors at Board meetings and general meeting are set out in the table below:

Name of Directors	Board meetings attended/ held as at 31 December 2025	General meeting attended/ held as at 31 December 2025
Executive Directors		
Mr Tan Zheng (<i>Chairman</i>)	11/11	1/1
Dr Wang Yu (<i>resigned on 25 June 2025</i>)	5/7	1/1
Non-executive Directors		
Mr Wang Ruihua	11/11	1/1
Mr Yang Fan	11/11	1/1
Mr Wang Donghu	11/11	1/1
Mr Tao Ran (<i>resigned on 25 April 2025</i>)	4/4	0/0
Mr Yang Xin (<i>appointed on 26 June 2025</i>)	3/3	0/0
Mr Liu Rui (<i>appointed on 26 June 2025</i>)	3/3	0/0
Mr Cao Ran (<i>appointed on 16 October 2025</i>)	1/1	0/0
Ms Yu Xiaohui (<i>appointed on 25 April 2025; resigned on 16 October 2025</i>)	6/6	1/1
Independent Non-executive Directors		
Professor Wang Yingdian	11/11	1/1
Mr Ng Chi Kit	11/11	1/1
Ms Peng Sujiu	11/11	1/1
Mr Zhang Guoguang (<i>appointed on 26 June 2025</i>)	3/3	0/0

Corporate Governance Report

CHAIRMAN AND CEO

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr Tan Zheng is the Chairman of the Board and is responsible for the leadership of the Company, the effective operation of the Board, the overall management of the Board and the Company, the implementation of decisions for the Company and its operations, and the supervision of the Group's regulation, commercial practicability and sustainability. Mr. Zhang Jian serves as the senior Vice president and acting CEO of the Company and is responsible for the management of the Company's overall operations and business development, development of R&D plans and strategies, supervision and management of R&D activities and provide leadership for our R&D teams according to the authorisation of the Board.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing not less than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

The Company has established channels through formal and informal means whereby independent non-executive Directors can express their views in an open and candid manner. These include periodic Board reviews, dedicated annual meeting sections with the Chairman and interaction with management and other Board members including the Chairman outside the boardroom. The Chairman also held one meeting with the independent non-executive Directors in the absence of other Directors during the Reporting Period. The Board will review the implementation and effectiveness of the abovementioned mechanism on an annual basis to ensure that independent views and input are available to the Board.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors and the independent non-executive Directors is engaged on a service contract (in the case of the executive Directors) or a letter of appointment (in the case of the independent non-executive Directors) for a specific term of three years, which is renewable by mutual consent and subject to the Articles of Association.

The Articles of Association provides that all Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

Every executive Director and independent non-executive Director (including those appointed for a specific term) shall also be subject to retirement and re-election by rotation at least once every three years at the annual general meetings of the Company under the Articles of Association.

Corporate Governance Report

RESPONSIBILITIES OF THE DIRECTORS

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

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

All Directors (including independent non-executive Directors) have brought a wide spectrum of valuable business experience, knowledge, and professionalism to the Board for its efficient and effective functioning. All Directors have carried out their duties in good faith and in compliance with relevant laws and regulations, and have acted in the interests of the Company and the Shareholders.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

The Board has reviewed the implementation and effectiveness of the mechanism to ensure that the Board can obtain independent views and input. After considering the following channels, the Nomination Committee believes that the Company maintains an effective mechanism to ensure strong and sufficient independent elements on the Board:

- All independent non-executive Directors share their views and opinions through regular quarterly meetings with core department heads, and specific business departments are also invited to participate in such meetings at the request of independent non-executive Directors; and
- Independent non-executive Directors are assigned on-site visit to deepen their understanding of the Company's new and old projects.

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

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

The Company arranges appropriate insurance coverage for Directors and senior management, and the insurance coverage is reviewed annually.

Corporate Governance Report

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. Each of these committees has been provided sufficient resources to perform its duties. Each of these committees has access to independent professional advice at Company's expense to perform its responsibilities, if necessary. Each of these committees is established with defined written terms of reference.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting, risk management and internal controls system of the Group, review and approve related party transactions and to advise the Board. The terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

As at the date of this report, the Audit Committee consists of three members, being two independent non-executive Directors, namely Mr Ng Chi Kit and, Professor Wang Yingdian, and one non-executive Director, namely Mr Cao Ran. Mr Ng Chi Kit is the chairman of the Audit Committee and he possesses the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Directors. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025 and has met with the independent Auditor, Deloitte Touche Tohmatsu, Certified Public Accountants. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company.

Corporate Governance Report

During the year ended 31 December 2025, the Audit Committee has convened three meetings, during which the Audit Committee has performed the following major works:

- discussed the audit plan prepared by Deloitte Touche Tohmatsu for the audit of the Company's results for the year ended 31 December 2024;
- discussed the report issued by Deloitte Touche Tohmatsu, Certified Public Accountants in respect of their audit of the Company's financial statements for the year ended 31 December 2024;
- reviewed the annual results announcement and the annual report of the Group for the year ended 31 December 2024;
- reviewed the financial reporting system, risk management and internal control system of the Group;
- reviewed the Group's Environmental, Social and Governance Report ("**ESG Report**");
- approved the audit fees of the auditor for 2025 and submitted it to the Board of Directors for consideration
- approved the appointment of Deloitte Touche Tohmatsu Certified Public Accountants as the auditor of the Company to review the Group's interim results for the six months ended 30 June 2025;
- discussed the Group's interim results announcement for the six months ended 30 June 2025 prepared by the Company's auditor, Deloitte Touche Tohmatsu Certified Public Accountants; and
- reviewed the unaudited consolidated financial statements, interim results announcement, and interim report of the Group for the six months ended 30 June 2025.

The attendance records of the members of the Audit Committee are as follows:

Name of Members of the Audit Committee	Attendance/ Number of Meeting(s)
Mr Ng Chi Kit	3/3
Professor Wang Yingdian	3/3
Mr Cao Ran (<i>appointed on 16 October 2025</i>)	2/3
Ms Yu Xiaohui (<i>appointed on 25 April 2025; resigned on 16 October 2025</i>)	1/1

Corporate Governance Report

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors (both executive and non-executive Directors) and other senior management and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. The terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee comprises three Directors, namely Mr Ng Chi Kit, Ms Peng Sujiu and Professor Wang Yingdian, all being independent non-executive Directors. Professor Wang Yingdian is the chairman of the Remuneration Committee.

During the year ended 31 December 2025, the Remuneration Committee has convened one meeting, during which the Remuneration Committee has performed the following major works:

- reviewed and confirmed the Company's remuneration arrangements for directors and senior management in 2024;
- reviewed and advised the Board of Directors on the Company's remuneration policy and structure for directors and senior management in 2025;
- reviewed the Company's pre-IPO share option scheme and post-IPO Share option scheme and their implementation progress;
- reviewed and advised the Board of Directors on the remuneration plan of the independent non-executive directors of the Company; and
- reviewed and advised the Board of Directors on the remuneration plan of the executive directors of the Company.

The attendance records of the members of the Remuneration Committee are as follows:

Name of Members of the Remuneration Committee	Attendance/ Number of Meeting(s)
Professor Wang Yingdian	1/1
Mr Ng Chi Kit	1/1
Ms Peng Sujiu	1/1

Corporate Governance Report

Details of the remuneration payable to each Director for the year ended 31 December 2025 are set out in Note 12 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the CG Code, details of the remuneration of the senior management and employees (other than Directors) by bands for the year ended 31 December 2025 is set out below:

	Number of employee(s)
Nil to HK\$1,000,000	–
HK\$1,000,001 to HK\$2,000,000	4
HK\$2,000,001 to HK\$2,500,001	–
HK\$4,500,001 to HK\$5,000,000	–

NOMINATION COMMITTEE

The Company has established the Nomination Committee in compliance with the CG Code. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment and re-appointment of Directors and management of Board succession, review the structure, size and composition of the Board, to assist the Board in maintaining a board skills matrix, assess the independence of independent non-executive Directors, to assess the adequacy of time that a candidate nominated as a director of the Company can devote for its directorship, considering factors including the number of other listed companies in which such candidate has a directorship and to support the Company's regular evaluation of the Board's performance. The terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

The Nomination Committee comprises one executive Director, namely Mr Tan Zheng, and two Independent Non-executive Directors, namely Ms Peng Sujiu and Professor Wang Yingdian. Mr Tan Zheng is the chairman of the Nomination Committee.

During the year ended 31 December 2025, the Nomination Committee has convened two meetings, during which the Nomination Committee has performed the following major works:

- reviewed the structure, size, and composition of the Board of Directors;
- assessed the independence of the independent non-executive Directors;
- reviewed the amended terms of reference for the Nomination Committee;
- considered the nominees proposed for election as directors of the Company and recommended their appointments to the Board of Directors;
- re-elected retired directors; and
- considered the diversity policy and director nomination policy of the Board of Directors of the Company and its execution.

Corporate Governance Report

The attendance records of the members of the Nomination Committee are as follows:

Name of Members of the Nomination Committee	Attendance/ Number of Meeting(s)
Mr Tan Zheng	2/2
Ms Peng Sujiu	2/2
Professor Wang Yingdian	2/2

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “**Diversity Policy**”) in accordance with the CG Code, which sets out the approach to achieve diversity of the Board. The Company embraces the benefits of having a diverse Board to maintain the Company’s competitive advantage and enhance its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of aspects, including, but not limited to, gender, age, race, nationality, language ability, technical and professional knowledge and skills, professional qualifications, regional and industry experience, educational and cultural background, industry knowledge and reputation.

The Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The nomination committee will discuss and agree periodically on the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. As at 31 December 2025, one out of the Company’s eleven Board members were females and achieve the gender diversity of the Board of approximately 9.09%. The Company will continue to apply the merit-based appointment principle in accordance with our Diversity Policy.

As at 31 December 2025, the male to female ratio across all level of the Company is approximately 1:1 in terms of the entire workforce and 5:1 in terms of senior management. The Company targets to maintain the current gender ratio and will continue to review and monitor the gender ratio and make the relevant adjustment if necessary to reflect further business development. Details of gender equality of workforce and inclusive policies and data are set out in section headed “V.1. Protection of Employees’ Rights and Interests” in the ESG Report.

During the Reporting Period, the Nomination Committee has reviewed the implementation and ongoing effectiveness of the Diversity Policy, and concluded that taking into account the Group’s existing business model and specific needs as well as the different background of the Directors, the Directors consider that the composition of the Board satisfies the Diversity Policy. The Nomination Committee reviews the Diversity Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Report

DIRECTOR NOMINATION POLICY

Nomination Policy

The Company has also adopted the director nomination policy (the “**Director Nomination Policy**”).

The Director Nomination Policy sets out the nomination criteria of a proposed candidate, including without limitation to the following: (i) qualifications including professional qualifications, skills, knowledge and experience, requirements of INED; (ii) character and integrity; (iii) diversity in all aspects, including without limitation to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience, length of service; (iv) commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company; (v) independence of the proposed INEDs in accordance with the Listing Rules; and (vi) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The Director Nomination Policy also sets out the following nomination procedure:

- (a) If the Nomination Committee determines that an additional or replacement Director is required, the secretary of the Nomination Committee shall convene a meeting, and invite nominations from the Board members (if any) prior to the meeting, and the Nomination Committee may also put forward candidates who are not nominated by the Board members. The Nomination Committee shall take such measures that it considers appropriate in connection with its identification and/or evaluation of a candidate.
- (b) In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall submit the candidate’s personal profile and a proposal to the Board for its consideration. In order to be a valid proposal, the proposal must clearly indicate the nominating intention and the candidate’s consent to be nominated and the personal profile must incorporate and/or be accompanied by the full particulars of the candidate that are required to be disclosed under the Listing Rules, including the information and/or confirmation required under Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an INED, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.
- (c) In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

Corporate Governance Report

Directors' Time Commitment and Contribution Assessment

The Nomination Committee has assessed the Directors' time commitment and contribution to the Board for the Reporting Period based on the following factors:

- (a) Other Listed Directorships and/or Other Significant External Commitments: All Non-executive Directors and Independent Non-executive Directors have annually disclosed to the REIT Manager their other directorships held in Hong Kong listed companies, as well as any other significant commitments. As at 31 December 2025, none of the Directors concurrently holds more than six other listed company directorships in other listed companies in Hong Kong.
- (b) Attendance Record: All Directors have attended all Board Meetings, Board Committees Meetings, AGM and EGM held during the Year.
- (c) Responsibilities and Skills: Directors are able to contribute effectively to the Board through their responsibilities and skills. The expertise and skills of each of the Directors are set out in the Board Skills Matrix section of this report.

In view of the above, the Nomination Committee believes that the Directors are able to devote sufficient time to the affairs of the Company without being over-occupied with the business of other listed companies.

The Nomination Committee reviews and evaluates the composition of the Board and the independence of independent non-executive Directors, and recommends the appointment of new Directors of the Company to the Board. The Nomination Committee identifies individuals who are eligible to become members of the Board of Directors, and after considering the Diversity Policy of the Board and other factors related to the company, selects and nominates relevant individuals to serve as directors or makes recommendations to the Board on this matter. In recommending candidates for appointment to the Board, the Nomination Committee will assess candidates' strengths against objective criteria and will consider the benefits and diversity of the Board.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board would review the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in its corporate governance report.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company may from time to time and as the circumstances require provide updated training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

Corporate Governance Report

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") on payment of dividends, including the proposal of declaration and/or payment of dividend and determination of the dividend amount. The Company currently does not set any pre-determined dividend payout ratio.

Depending on the financial conditions of the Company and the Group and the conditions and factors as set out below, interim and/or special dividends may be proposed and/or declared by the Board in its sole and absolute discretion during a financial year and any final dividends for a financial year will be subject to the shareholders' approval.

In considering the payment of dividends, there shall be a balance between maintaining sufficient capital to grow the Group's business and rewarding the shareholders of the Company. The Board shall take into account the following factors, among other factors:

- (a) the Group's overall results of operation, financial position, liquidity position, capital requirements, cash flow and future prospects;
- (b) the amount of distributable reserves of the Company;
- (c) the general business and regulatory conditions, the business cycle of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- (d) the statutory and regulatory restrictions;
- (e) the contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;
- (f) the Shareholders' interests; and
- (g) other factors that the Board deems relevant.

The dividend decision made by the Board on account of the Reporting Period was made in accordance with the Company's dividend policy.

The Board does not recommend the payment of a final dividend for the Reporting Period, as the Company is currently loss-making and the Board considers it appropriate to retain the Group's cash reserve for the Group's operations.

Corporate Governance Report

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Financial Statements and Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

The statement of the independent Auditor of the Company about their reporting responsibilities on the financial statements is set out in the independent auditor's report on pages 152 to 156 of this annual report.

Extract from the Auditor's Report

The following is an extract from the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2025.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB230,907,000 and a net operating cash outflow of RMB97,291,000 for the year ended 31 December 2025, and as of that date, the Group has net current liabilities of RMB319,262,000, net liabilities of RMB17,206,000, bank balances and cash of RMB54,458,000 and structured bank deposits of RMB100,109,000. These events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

The Company acknowledges the importance of directors participating in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company actively encourages the Directors to attend relevant training courses at the Company's expenses.

Directors should participate in appropriate continuing professional development to develop and refresh their knowledge and skills, which shall cover the following topics:

- (a) the roles, functions and responsibilities of the Board, its committees and its Directors, and Board effectiveness;
- (b) the Company's obligations and the Directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties;

Corporate Governance Report

- (c) corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business);
- (d) risk management and internal controls; and
- (e) updates on industry-specific developments, business trends and strategies relevant to the Company.

The Group will organize seminars regularly to provide Directors with the latest development and changes of Listing Rules and other relevant laws and regulations in a timely manner.

The Directors confirmed that they have complied with the Listing Rules on Directors' training and have provided a record of the training they received to the Company. All Directors have participated in continuous professional development by the following means to develop and refresh their knowledge.

During the year ended 31 December 2025, Directors' participation in continuous professional development is set out in the table below:

Name of Directors	Type of training ^(Note)	Completion/participation in 10 hours continuous professional development
Executive Directors		
Mr Tan Zheng (<i>Chairman</i>)	A, B and C	√
Dr Wang Yu (<i>resigned on 25 June 2025</i>)	A, B and C	√
Non-executive Directors		
Mr Wang Ruihua	A, B and C	√
Mr Yang Fan	A, B and C	√
Mr Wang Donghu	A, B and C	√
Mr Tao Ran (<i>resigned on 25 April 2025</i>)	A, B and C	√
Mr Yang Xin (<i>appointed on 26 June 2025</i>)	A, B and C	√
Mr Liu Rui	A, B and C	√
Mr Cao Ran (<i>appointed on 16 October 2025</i>)	A, B and C	√
Ms Yu Xiaohui (<i>appointed on 25 April 2025; resigned on 16 October 2025</i>)	A, B and C	√
Independent Non-executive Directors		
Professor Wang Yingdian	A, B and C	√
Mr Ng Chi Kit	A, B and C	√
Ms Peng Sujiu	A, B and C	√
Mr Zhang Guoguang (<i>appointed on 26 June 2025</i>)	A, B and C	√

Note:

- A: Read relevant news alerts, newspapers, journals, magazines and other publications.
- B: Obtained learning resources through the Internet.
- C: Attended training sessions, including but not limited to briefings, seminars and conferences.

Corporate Governance Report

AUDITOR'S REMUNERATION

The Company appointed Deloitte Touche Tohmatsu as the external auditor for the year ended 31 December 2025. A statement by Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 152 to 156.

Details of the fees paid/payable in respect of the audit and non-audit services provided by Deloitte Touche Tohmatsu for the year ended 31 December 2025 are set out in the table below:

Service Category	Fees Paid/ Payable (RMB'000)
Audit services	1,560
Non-audit services	750
Total	2,310

The non-audit services provided by Deloitte Touche Tohmatsu related to (a) its review of the interim results announcement and interim report issued the Company during the Reporting Period; and (b) its review of its review of the Company's internal control system and issue of a report thereon to the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises its responsibility for the risk management and internal control system and the review of its effectiveness. The system aims to manage but not eliminate risks arising from the failure in achieving business objectives and is only able to provide reasonable but not absolute assurance that there will be no material misstatement or loss.

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition through implementation of a set of internal control procedures. Internal control procedures are intended to manage significant risks in the Group's business activities and bring them to an acceptable level, but not eliminating the risks of failure to achieve business objectives. Moreover, it can only provide reasonable, and not absolute, assurance against material misstatement or loss.

1. Board of Directors' Responsibilities

The Board recognises its responsibility for the risk management and internal control systems and reviewing their adequacy and effectiveness. The Board conducts annual review of the Group's internal controls covering major financial, operational and compliance controls, as well as risk management functions.

The Audit Committee assists the Board in leading the review of the Company's financial supervision and control, risk management and internal control systems. Such review is formally conducted at each Audit Committee meeting, which includes an annual review of the effectiveness of the risk management and internal control systems.

Corporate Governance Report

2. Risk Management Process

The risk management process is cascaded throughout the Group, from the Board level to management level.

Senior management and department heads are required to identify, evaluate and manage risks associated with business operations on an on-going basis with defined parameters, and record these in the risk registers. For each risk identified, management assesses their root causes, consequences and mitigating controls. Such assessment takes into account of the (i) probability of risk occurrence and (ii) degree of potential loss. The result of the assessment is summarised on a risk register and is reviewed by the Board. It is mandatory for this process to be conducted at least once a year.

The management of the Company at least annually re-examines the internal control policies and procedures and make updates when necessary. Each department of the Company will conduct a self-assessment at least once a year to ensure proper compliance with the Company's internal control policies.

The Audit Committee will monitor and manage the overall risks associated with our business operations, including: discussing risk management and internal control systems with management to ensure that management has fulfilled its responsibilities to establish effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The Audit Committee will consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings.

The Company has a chief compliance officer in place to establish and improve the Company's compliance management system, risk control system and internal supervision system based on the Company's strategy, development plan and actual business development. The Company attaches great importance to whistleblowing and anti-corruption. Details are set out in section headed "III. 2. Compliance with Business Ethics" in the ESG Report.

The relevant departments of the Company are responsible for implementing risk management policies and executing daily risk management practices.

The Company has formulated policies for external disclosure of information to guide the preparation and disclosure procedures of inside information. The Company has implemented monitoring procedures to ensure that inside information is strictly prohibited from being obtained and used without authorisation, and is identified and where applicable disclosed to the public by way of announcements.

Corporate Governance Report

3. Confirmation from the Board and the Audit Committee on the Group's Risk Management and Internal Control

The Board and the Audit Committee have conducted a review on and are satisfied with the adequacy and effectiveness of the Group's risk management and internal control system for the Reporting Period including financial, operational and compliance controls. The review covers, among others, the nature and extent of significant risks (including ESG risks) and the scope and quality of management's ongoing monitoring of risks (including ESG risks).

From the review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group. During the Reporting Period, the Board was not aware of any material defect in internal control of the Group.

The Group will continue to strengthen its internal control system in order to maintain proper corporate governance and safeguard the interest of its shareholders.

Internal Audit

The Group has formulated internal audit management measures (內部審計管理辦法) as a detailed supplementary system to the internal audit work system. The measures clarify the audit management organization and the responsibilities and authorities of relevant departments, and conduct independent and objective supervision, evaluation, and recommendations on financial revenues and expenditures, economic activities, internal controls, risk management, and other aspects related to the Company's internal business operations, so as to promote the Company's governance improvement, operational efficiency enhancement, and achievement of business objectives.

The audit focuses on key areas and critical links in daily operations, including but not limited to corporate governance, asset preservation and appreciation, internal controls, bidding management, and outsourcing management.

To address potential integrity risks in audit work, the measures stipulate that during audits, the audit work and reporting hotline must be publicized. Audit teams must commit to abiding by work discipline, and audited units must commit to the truthfulness and completeness of the information provided. Third-party audit institutions may be introduced as appropriate, and interested parties should recuse themselves.

To address audit quality control risks, key business processes (such as bidding, procurement, and contract management) are prioritized during audits to ensure audit quality. Clues discovered during audits are promptly transferred to discipline inspection and other relevant departments.

Annually, based on feedback from internal audit work, the Group assess the scientificity and rationality of the system and formulate revision plans. We also conduct routine management review activities to evaluate the suitability, sufficiency, and effectiveness of the current system, identifying and filling gaps in existing systems.

Corporate Governance Report

COMPANY SECRETARY

Ms. Leung Shui Bing is the company secretary of the Company, and she is responsible for advising the Board on such work, covering corporate governance, compliance, information disclosure, investor relation management and other aspects, and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed. Ms. Leung Shui Bing's primary corporate contact person at the Company is Mr Tan Zheng, an executive Director.

During the Reporting Period, Ms. Leung Shui Bing has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to articles 12.3 of the Articles of Association of the Company, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s).

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

PUTTING FORWARD PROPOSALS AT GENERAL MEETING

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (as amended from time to time) or the Articles of Association. However, shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out in paragraph above.

Procedures for shareholders to propose a person for election as a Director are available on the Company's website at www.eaal.net.

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PUTTING FORWARD ENQUIRIES TO THE BOARD

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

CONTACT DETAILS

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

Address: 8/F, Block 1, Guosheng Technology Park, No.1 Kangding Street, BDA, Beijing, the PRC

Fax: +86 (10) 8840 0152

Email: IR@eaal.net

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries. To promote effective communication, the Company maintains a website at www.eaal.net, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The Board will continue to communicate with shareholders and the investment community, and will regularly review this policy to ensure effectiveness and reflect best practices in communicating with Shareholders.

The main channels through which our Company's communicates information to Shareholders are our annual report, interim report, quarterly report (if any), annual general meeting, and other potential shareholders' meetings, and all disclosed data submitted to the Stock Exchange, and Company's communications and other Company's publications are published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website.

Having considered the multiple channels of communication in place as described above, the Company considers the implementation of the Shareholders' communication policy during the Reporting Period was effective.

CHANGES IN CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Company did not make any substantial changes to the constitutional document. A latest version of the Articles of Association is available on the websites of the Company and the Stock Exchange.

Financial Summary

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

	For the year ended 31 December				
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)
Other income	20,507	33,788	10,547	9,087	17,755
Other gains and losses, net	(69,541)	(11,813)	(106,458)	(36,335)	(23,540)
Fair value gain or loss of convertible redeemable preference shares	–	–	–	–	–
Administrative expenses	(41,036)	(44,540)	(53,223)	(97,708)	(104,254)
Research and development expenses	(132,823)	(154,240)	(177,326)	(176,223)	(240,610)
Finance costs	(6,807)	(7,493)	(8,519)	(6,135)	(3,678)
Other expenses	(1,207)	(2,119)	(500)	(13,781)	(288)
Loss before tax	(230,907)	(186,417)	(335,479)	(321,095)	(354,615)
Income tax expense	–	(926)	–	–	–
Loss and total comprehensive expense for the year	(230,907)	(187,343)	(335,479)	(321,095)	(354,615)
Loss per share (RMB)					
Basic	(0.42)	(0.35)	(0.65)	(0.62)	(0.69)
Diluted	(0.42)	(0.35)	(0.65)	(0.62)	(0.69)

Financial Summary

	As at 31 December				
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)
NON-CURRENT ASSETS					
Property, plant and equipment	407,002	451,603	500,759	527,251	426,588
Intangible assets	17,899	19,551	41,882	42,486	14,250
Prepayments, deposits and other receivables	6,402	5,180	42,113	48,881	80,499
Contract costs	43	214	464	720	976
Financial assets at fair value through profit or loss ("FVTPL")	-	-	46,362	140,175	163,176
Pledged bank deposits	-	-	810	1,810	-
	431,346	476,548	632,390	761,323	685,489
CURRENT ASSETS					
Contract costs	170	250	256	256	256
Materials for research and development project	4,517	5,542	4,924	7,213	10,866
Amounts due from related parties	-	100	-	-	-
Pledged bank deposits	-	5,581	1,023	-	-
Financial assets at FVTPL	100,109	10,536	124,812	21,010	-
Prepayments, deposits and other receivables	12,338	18,528	30,718	31,187	47,737
Bank balances and cash	54,458	46,957	52,161	58,448	353,341
	171,592	87,494	213,894	118,114	412,200
CURRENT LIABILITIES					
Contract liabilities	1,372	1,729	710	710	710
Trade and other payables	127,013	131,925	176,911	167,989	154,706
Lease liabilities	25,650	27,445	24,679	26,056	20,209
Deferred government grants	-	46	1,136	3,650	4,476
Other financial liability	336,612	268,097	326,839	10,069	-
Other borrowings	207	-	-	-	-
Tax liabilities	-	964	-	-	-
	490,854	430,206	530,275	208,474	180,101
NET CURRENT (LIABILITIES) ASSETS	(319,262)	(342,712)	(316,381)	(90,360)	232,099
TOTAL ASSETS LESS CURRENT LIABILITIES	112,084	133,836	316,009	670,963	917,588
NON-CURRENT LIABILITIES					
Contract liabilities	116	811	1,274	1,984	2,694
Lease liabilities	77,794	89,017	105,655	122,750	90,845
Deferred government grants	51,380	60,461	38,190	38,860	870
Bank borrowing	-	-	-	1,000	-
	129,290	150,289	145,119	164,594	94,409
NET (LIABILITIES) ASSETS	(17,206)	(16,453)	170,890	506,369	823,179
CAPITAL AND RESERVES					
Share capital	4,306	3,576	3,576	3,576	3,576
Reserves	(18,233)	(16,872)	170,040	504,859	818,683
(Deficit)/equity attributable to owners of the Company	(13,927)	(13,296)	173,616	508,435	822,259
Non-controlling interests	(3,279)	(3,157)	(2,726)	(2,066)	920
TOTAL (DEFICIT)/EQUITY	(17,206)	(16,453)	170,890	506,369	823,179

Environmental, Social and Governance Report

I. ABOUT THE REPORT

1. Statement of the Board

The Board of Directors is the supreme body for management and disclosure of ESG matters of Immunotech Biopharm Ltd. The Board takes overall responsibility for supervising the ESG progress of the Company, and convening ESG communication meetings on a regular basis. The ESG Working Group has been set up at the management level, and is tasked with identifying and assessing ESG risks, and reviewing ESG plans and goals. The Board undertakes that the Company has fully disclosed its environmental, social and governance (ESG) progress and highlights of 2025 in strict accordance with the disclosure requirements as stipulated in *Appendix C2 ESG Reporting Code to the Main Board Listing Rules* of the Stock Exchange of Hong Kong Limited (HKEX). The Board assures that the Report is free from any false records, misleading statements or material omissions, and assumes joint and several liability for the authenticity, accuracy and completeness of the Report.

In March 2026, the Board deliberated on the 2025 ESG Report and approved its disclosure to the public.

2. Reporting Entity

The Report is prepared by Immunotech Biopharm Ltd (hereinafter referred to as “Immunotech”, “The Company” or “we”).

3. Reporting Timeframe and Boundary

The Report ranges from 1 January 2025 to 31 December 2025 (the Reporting Period). Given information and data consistency, some content hereof may appropriately extend beyond the above timeframe. The Report covers the main business areas of the Company, showing no significant changes compared with its 2024 version.

4. Basis of Preparation

The Report is prepared in compliance with *Appendix C2 ESG Reporting Code to the Listing Rules of HKEX*, the *Global Reporting Initiative Standards (GRI Standards)* issued by Global Sustainability Standards Board (GSSB), and considering the actual conditions of the Company at present.

Environmental, Social and Governance Report

5. Reporting Principles

The Report follows the reporting principles of materiality, quantitative, balance and consistency in *Appendix C2 ESG Reporting Code to the Listing Rules* of HKEX.

- **Materiality:** The Report discloses the ESG issues deliberated on by the Board, communication with stakeholders, as well as identification process and matrix of material topics, following the requirements of this principle.
- **Quantitative:** The statistical standards, methodologies, assumptions and/or calculation tools, and sources of conversion factors used for quantitative key performance indicators are disclosed herein.
- **Balance:** The Report provides an unbiased picture of the Company's sustainability performance during the reporting period by disclosing both positive and negative information indicators.
- **Consistency:** Consistent statistical methodologies are used for the information disclosure herein. If there is any change in the statistical methods, we will make retrospective adjustments to the relevant data and provide explanations regarding the reasons for such adjustments.

6. Form of Publication

This report has two text versions in both Traditional Chinese and English. In case of any discrepancy among the two versions, the Traditional Chinese version shall prevail. The report is viewable and downloadable on the websites of the Company (www.eaal.net) and the Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

7. Contact

Address: 8th Floor, Building 1, Guosheng Science Park, No. 1 Kangding Street, Beijing Economic-Technological Development Area, Beijing, China

Fax: +86 (10) 8840 0152

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Environmental, Social and Governance Report

II. ESG MANAGEMENT

1. ESG Management Framework

As the highest ESG decision-making body, the Board of Directors is responsible for assessing and identifying ESG risks in respect of Immunotech, guiding and overseeing ESG efforts, ensuring an effective ESG risk management system, and examining and approving the disclosure information in the ESG Report. The Audit Committee is charged with specific ESG management tasks, and report progress to the Audit Committee to facilitate the implementation and steady advancement of routine ESG work. In 2025, the Board held 3 ESG-related meetings. The Company has formulated and executed the Board diversity policy. As of 31 December 2025, the Board had 11 directors, including 4 independent non-executive Directors, and 1 female directors.

2. Communication with Stakeholders

Support and trust from stakeholders are the core drivers behind our sustainable development. The Company consistently adheres to principles of openness and transparency, actively listens to diverse perspectives, systematically identifies key issues, and continuously enhances its routine communication mechanisms. Through multi-dimensional, two-way engagement, the Company gains a deeper understanding of stakeholders' concerns and expectations, and responds to their reasonable demands with practical actions, thereby strengthening mutual trust and collaboration and jointly creating long-term value.

Stakeholders	Issues of Most Concern	Communication and Response Methods
Board of Directors, and Management	<ul style="list-style-type: none"> Corporate governance Product safety and quality assurance Information security protection 	<ul style="list-style-type: none"> Meetings of the Board of Directors Meetings of the Audit Committee
Governments and regulators	<ul style="list-style-type: none"> Business ethics Operational compliance Driving industry development Climate change and energy management Supporting economic, social and environmental sustainability 	<ul style="list-style-type: none"> Observe applicable laws and regulations Paying taxes according to law Pursuing green and low-carbon development Transmitting and disclosing information in a transparent manner Boosting business development

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Stakeholders	Issues of Most Concern	Communication and Response Methods
Shareholders and investors	<ul style="list-style-type: none"> • Prudent operation • Performance growth • Investment return • Risk management • Technology and product innovation 	<ul style="list-style-type: none"> • General meetings of shareholders • Interim and annual reports • Timely information disclosure • Meetings with investors
Employees	<ul style="list-style-type: none"> • Employment equality • Remuneration and benefits • Rights and interests of employees • Career development • Occupational health and safety 	<ul style="list-style-type: none"> • Regular meetings and skill training • Employee communication activities • Tightened safety supervision
Suppliers and partners	<ul style="list-style-type: none"> • Fair procurement • Green procurement • Integrity in contract performance • Long-term cooperation for mutual benefits 	<ul style="list-style-type: none"> • Standard-based supplier management • Management procedures for public bidding • Regular communication with and evaluation of suppliers
Customers	<ul style="list-style-type: none"> • Product safety • Privacy protection • Product efficacy 	<ul style="list-style-type: none"> • Strict quality and safety management • R&D and innovation • Protection of customer rights and interests
Media, industry associations or social organizations	<ul style="list-style-type: none"> • Animal ethics and technology ethics • Driving industry development • Technology and product innovation • Medicine safety and quality 	<ul style="list-style-type: none"> • Press release and media briefing • Communication with peers • Project cooperation
Communities and the public	<ul style="list-style-type: none"> • Engaging in public welfare activities • Mitigating the impact of business operation on surrounding communities 	<ul style="list-style-type: none"> • Organizing charitable activities • Launching regular environmental compliance assessments

Environmental, Social and Governance Report

3. Materiality Evaluation

The Company assesses the materiality of ESG issues based on the extent of impact on stakeholders and Immunotech Biopharm Ltd.

Step 1: Understanding the Organizational Context

Immunotech Biopharm Ltd, rooted in its identity as a biopharmaceutical enterprise, conducts in-depth analysis of macro policy trends and industry developments in ESG across domestic and international pharmaceutical sectors. By aligning with the Company's strategic direction, core business model, and the key concerns and expectations of its stakeholders, the Company defines the scope and core dimensions for ESG issue identification.

Step 2: Identifying Actual and Potential Impacts

We systematically reviewed the actual and potential impacts across the entire lifecycle of research and development, production, supply chain, and products. A total of 24 ESG issues have been identified, covering the three core areas of environmental, social, and governance dimensions.

Material ESG Issues		
Environmental	Social	Governance
<ul style="list-style-type: none"> Waste Disposal Pollutant Discharge Water Resource Usage Energy Usage Circular Economy Climate Change Tackling Environmental Compliance Management Ecosystem and Biodiversity Protection Packaging Material Usage 	<ul style="list-style-type: none"> Responsible Marketing Environmental and Social Risks in the Supply Chain Ethics in science and technology Innovation-Driven Development Product Quality and Safety Accessibility of Products/Service Protection of Intellectual Property Staff Social Contribution Data Security and Privacy Protection 	<ul style="list-style-type: none"> Risk Management Stakeholder Communication Business Ethics Anti-Bribery and Anti-Corruption Anti-Unfair Competition

Environmental, Social and Governance Report

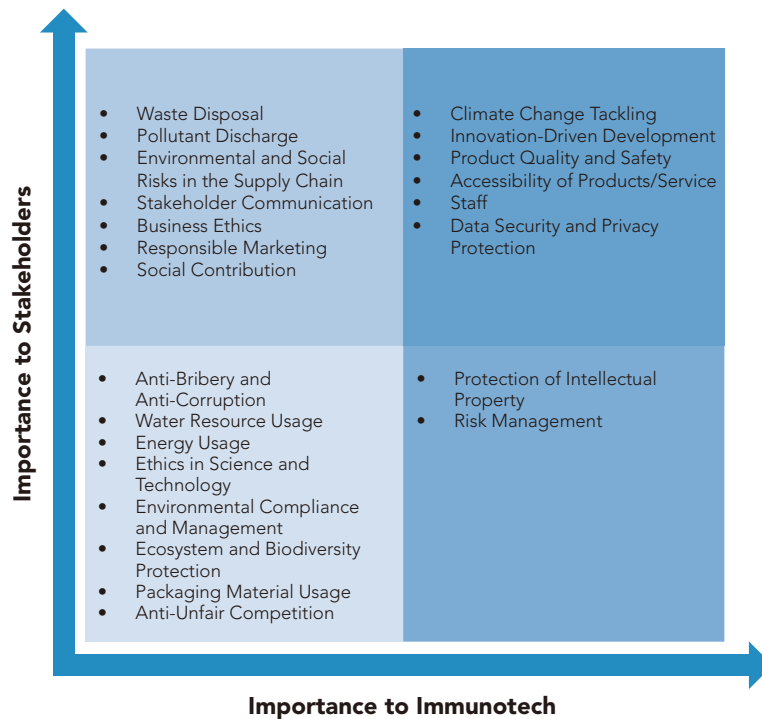
Step 3: Assessing the Significance of Impacts

For the identified ESG issues, we assess the level of impact by considering both the extent of impact on stakeholders and the extent of impact on Immunotech Biopharm Ltd. This evaluation is conducted using a combination of quantitative and qualitative methods, including stakeholder survey feedback, expert assessments.

Step 4: Prioritizing Issues

The Company's ESG Working Group is responsible for driving the process of identifying and assessing material issues. The Board of Directors reviews and approves the prioritization results to ensure that ESG topics are systematically evaluated and aligned with the Company's strategic vision. This governance oversight enables the development of targeted, forward-looking strategies that enhance ESG performance and effectively address stakeholder concerns and expectations.

Based on the identification of 24 material ESG issues, the Company conducted a comprehensive analysis of impact magnitude and prioritization, and formed a materiality matrix to identify the core issues that have a significant impact on both stakeholders and Immunotech Biopharm Ltd.



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III. GOVERNANCE DIMENSION: LAYING A SOLID FOUNDATION FOR COMPLIANCE

Compliant and stable operations are the cornerstone of high-quality, sustainable business development. Immunotech Biopharm Ltd aligns with its strategic goals by adopting a risk-oriented approach, continuously enhancing its compliance management system, risk control framework, and internal oversight mechanisms.

1. Compliant and Stable Operations

Immunotech Biopharm Ltd adheres to a prudent development philosophy, upholds strict compliance standards, and comprehensively strengthens internal controls and risk management to promote sustainable growth through robust governance practices. In 2025, the Company reported no incidents of regulatory violations or non-compliance in its operations.

1) Internal Control and Compliance Management

- *Refining Management Systems*

The Company continues to optimize and improve the management system, enhancing the implementability and enforceability of regulations, and strengthening the foundation of internal control. In terms of system construction, the updated *Compilation of Regulations (2025 Edition)* was released, effectively reinforcing the development of rules and regulations, advancing the institutionalization, standardization, and scientific development of our management system, and establishing a management framework that is rule-based, compliant, and efficient. Throughout the year, the *Hazardous Waste Management System* was revised to strengthen the Company's management of hazardous waste, and the Management Regulations on Business Reception was updated to standardize official reception practices. In terms of process control, the *Process Control Manual* was compiled and officially released, systematically mapping out core business processes, clarifying key control points and responsibilities, and promoting standardization, visualization, and traceability of processes, thereby significantly enhancing operational efficiency and management standardization.

- *Conduct internal control evaluation*

The Company has fully implemented internal control evaluations to effectively assess the effectiveness of internal control operations. Adopting a "review and follow-up" approach, it conducts comprehensive and systematic assessments of the design and operational effectiveness of internal control measures, further strengthening the foundation of risk management. When complaints are received or non-compliance is identified, immediate corrective actions are taken, and corresponding rectification reports are prepared.

- *Implement compliance training*

In 2025, the Company conducted two compliance training sessions for all newly hired employees, aiming to instill the Company's compliance culture and enhance overall compliance awareness across the organization.

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2) **Strengthen Risk Prevention and Control**

The Company identifies multiple key risks that could impact the achievement of its strategic objectives through research and analysis of internal and external environments. These risks include environmental factors, policy changes, R&D technology developments, and clinical trial management. In response, the Company has established corresponding control measures to ensure that risks are mitigated through scientific evaluation, rational resource allocation, rigorous project management, and effective internal communication mechanisms, thereby minimizing their potential impact on company operations.

Risk Items	Description	Significance of Risk Control	Control Measures
Environmental Factors Risk	Due to untimely research on the external environment and inadequate analysis, the Company fails to reasonably allocate internal resources, plan industrial structure, and determine regional layout in alignment with its development goals, resulting in the inability to achieve its business strategy and negatively impacting enterprise development.	Changes in the external environment can significantly impact the Company's R&D and clinical business planning, as well as the allocation of personnel, capital, and other resources; therefore, thorough research and analysis of these factors are particularly critical.	<ol style="list-style-type: none"> 1. Strengthen research on the external environment, particularly ensuring that R&D and clinical departments closely monitor competitors' developments, including progress, pricing strategies, and market expansion of similar products and those targeting the same indications, as well as the status of other products in the same therapeutic area. 2. All functional departments shall conduct comprehensive research and analysis on environmental factors within their respective domains. For issues involving resource conflicts, collective decision-making shall be used to determine clear response strategies, and corresponding control measures shall be established and implemented to ensure effective execution.

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Risk Items	Description	Significance of Risk Control	Control Measures
Policy Risk	Due to changes in regulatory policies and inadequate, unscientific policy research, as well as ineffective implementation and lack of clear legal guidance, the Company's decision-making lacks sufficient basis. This leads to uncertainty in R&D, clinical trials, and pharmaceutical manufacturing, potentially reducing management efficiency and causing financial losses.	Policy risk introduces significant uncertainty and has far-reaching implications for the Company's R&D, clinical trials, and pharmaceutical manufacturing activities.	<ol style="list-style-type: none"> <li data-bbox="1121 461 1439 836">1. Departments, especially R&D, clinical, and production units, should strengthen policy research and information collection, and establish effective communication mechanisms with relevant regulatory authorities to guide the Company's business operations. <li data-bbox="1121 879 1439 1181">2. Management will proactively develop policy response plans and contingency measures to anticipate potential risks, respond promptly to policy changes, and minimize unnecessary financial losses.

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Risk Items	Description	Significance of Risk Control	Control Measures
R&D Technology Risk	Absence or insufficiency of scientific demonstration for research projects, and emerging technologies or transformations in existing ones may severely disrupt the established R&D programs and production technologies of the Company. Additionally, force majeure factors such as ever-shifting international situation, policy changes, major global emergencies, and wars will impose constraints on access to open-source databases, reagent importing, cutting-edge technology research, and domestic substitution for foreign technologies. These limitations will lead to innovation bottlenecks or resource waste, consequently impeding the commercial development of the Company.	Technical risks in R&D have their presence across the entire biopharmaceutical industry. Gaining a competitive edge depends on the Company's ability to anticipate and manage these risks more effectively than its counterparts.	<ol style="list-style-type: none"> 1. Strengthen scientific project initiation by conducting thorough investigations on new projects; keep tracking and analyzing industry trends and competitors; participate in top-tier industry conferences, and stay highly attuned to emerging technologies and industry shifts; 2. Ensure the registration and submission team stays updated on national policies, laws and regulations in the pharmaceutical sector, and analyzes and assesses risks timely; 3. Prioritize domestic alternatives of raw materials, and maintain rigorous screening of supply channels.

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Risk Items	Description	Significance of Risk Control	Control Measures
R&D Control Risk	Unreasonable R&D planning, underperforming control over project progress and direction, inadequate adjustment and remediation mechanisms, and improper allocation of R&D talents may give rise to excessive R&D costs, frauds or project failures.	The R&D control effect directly affects R&D costs, efficiency, and outcomes. Effective R&D risk control is crucial to achieving the strategic goals of the Company.	<ol style="list-style-type: none"> <li data-bbox="1118 465 1442 735">1. Upgrade project management mechanisms, and strengthen preparation of experimental proposals and plans to ensure reasonable resource allocation. <li data-bbox="1118 771 1442 1009">2. Select proper platforms and project leaders, and tighten the control of R&D risks through process management approaches such as weekly meetings and budget oversight.

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Risk Items	Description	Significance of Risk Control	Control Measures
Clinical Trial Control Risk	Deficient clinical trial schemes due to absence of detailed and meticulous planning, and sufficient research may affect the outcomes of clinical trials negatively, and cause significant losses.	Scientific clinical trial schemes contribute to smooth clinical trials and satisfactory outcomes. Effective control of the clinical trial process is also a key to the success of clinical trials.	<ol style="list-style-type: none"> <li data-bbox="1086 461 1401 735">1. Comply with the requirements of clinical trial approval, design clinical trial schemes according to the characteristics of target products, and apply for approvals to the CDE. <li data-bbox="1086 771 1401 1181">2. Design clinical trial schemes from a forward-looking perspective, by referring to the documents of existing similar products and products with the same indications, and considering the progress of similar products and products with the same indications under development. <li data-bbox="1086 1218 1401 1526">3. Hold scheme discussion meetings to draw on the insights of clinical and statistical experts; prepare clinical research schemes that meet ethical and scientific standards, and are feasible for implementation. <li data-bbox="1086 1563 1401 1772">4. Tighten the process control of clinical projects, especially control on progress, cost, and quality; report and solve major deviations timely.

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Risk Items	Description	Significance of Risk Control	Control Measures
Outsourcing Partner Control Risk	Improper selection and inadequate management of clinical trial institutions may adversely affect the progress, quality and outcomes of clinical trials, and lead to financial losses.	The management capacity of clinical trial suppliers directly impacts the outcomes of clinical trial projects. So, it is advisable to make greater efforts to select and manage these suppliers.	<ol style="list-style-type: none"> <li data-bbox="1118 461 1449 627">1. Select suppliers that have strong service awareness and meet GCP requirements by proper ways such as bidding. <li data-bbox="1118 670 1449 1047">2. Conduct thorough research when choosing research centers, remain full understanding of the processes before centers are launched, align with principal researchers on subject recruitment progress and project expectations, and sign agreements. <li data-bbox="1118 1090 1449 1220">3. Establish fair reward and penalty mechanisms to motivate and regulate third-party suppliers. <li data-bbox="1118 1263 1449 1528">4. Employ qualified suppliers, communicate key terms and conditions on negotiations or bidding to contract auditors, and include these terms and conditions in final contracts.

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Risk Items	Description	Significance of Risk Control	Control Measures
R&D Outcome Risk	The R&D effectiveness may deviate from expectations and, in some cases, lead to project suspension due to adverse side effects, and health risks, among other things. This will obstruct product R&D and commercialization.	The effectiveness of the developed products deviating from the expectations will cause the R&D investment to result in a huge waste of resources. The control over the R&D effectiveness is the key to the success or failure of R&D projects.	<ol style="list-style-type: none"> 1. Investigate targets more sufficiently, strengthen the review of scientific mechanisms for indications, and optimize and upgrade the technical routes timely. 2. Verify the clinical effect of products in advance at minimal cost by leveraging IIT policies, which allows for early trial and error; boost product iterations timely; make prompt adjustments to the product upgrade paths based on clinical feedback.

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Risk Items	Description	Significance of Risk Control	Control Measures
Internal Information Communication Risks	Delayed, inadequate or inappropriate internal information communication may cause information asymmetry among departments, consequently impairing the operating efficiency of the Company.	Although ineffective internal communication may not result in immediate significant impact, it will imperceptibly damage corporate culture, reduce work efficiency, and ultimately undermine operating efficiency.	<ol style="list-style-type: none"> <li data-bbox="1118 459 1444 875">1. Set clear, unified and transparent goals for all departments; offer effective access to company- and department-level goals, and goal progress; make work adjustments timely in case of deviations from goals as department leaders stay informed of dynamics about goals. <li data-bbox="1118 911 1444 1080">2. Establish robust top-down communication mechanisms to ensure effective information transmission. <li data-bbox="1118 1116 1444 1284">3. Strengthen cross-departmental communication to enable information sharing, and advance at the same pace <li data-bbox="1118 1321 1444 1528">4. Implement the first-inquiring responsibility system, ensure effective implementation, and conduct post-mortem and analysis.

Environmental, Social and Governance Report

3) **Information Security Protection**

The Company has developed *Information Disclosure Management System*, and *Confidentiality Management System* in accordance with applicable laws and regulations, as well as the Company's *Articles of Association*. These documents regulate risk management, and improve the corporate operation risk management system highlighting prevention as the main, while taking in-process control and post-event remedies as complementary to step up risk prevention capabilities. Ultimately, they will ensure safe and stable development, and help the Company achieve the goal of overall risk management.

- *Information Disclosure Management System*

The Company has established an information disclosure management structure with clear division of responsibilities. Under the structure, the Chairman of the Board is designated as the first person responsible for information disclosure. The well-established top-down *Management Regulations on Information Disclosure* defines information required for disclosure, disclosure criteria, as well as information transmission, review and disclosure processes, thus intensifying information disclosure management. In line with this document, the Company has fully performed the duties of integrity and diligence to investors.

- *Confidentiality Management System*

The Company has set up the Confidentiality and Security Committee that takes overall responsibility for business information confidentiality. The specific duties of the committee are as follows: deliberating on the confidentiality management regulations; defining the requirements on confidentiality scope, content, classification and measures; determining whether the secret-related employees are subject to competition restriction upon separation from the Company; supervising whether confidentiality actions are put in place. Employees entering or leaving the Company or having their job transferred are all required to sign non-disclosure agreements. The Company files these agreements for management and provides regular training sessions on security and confidentiality. Additionally, the Company has developed the *Confidentiality and Records Management System for Overseas Securities Issuance and Listing* to safeguard information security during the process of overseas securities issuance and listing.

- *Contract Management System*

When signing contracts, the Company upholds the principles of "equality and mutual benefit, consensus upon consultation, and merit-based contract conclusion", takes the contract management mode of classified authorization, and strictly regulates the procedures for contract approval, signing, performance and filing. The Compliance Center of the Company conducts random inspection on the conclusion and performance of contracts from time to time.

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- *Information Security*

The Company adheres to the principle of information system confidentiality management based on different classes and regions, and implements management regulations on network information security and information system confidentiality, prioritizing security for data, networks, servers, applications, terminals, and mobile storage media. Furthermore, efforts are made to conduct prevention, in-process control and post-traceability for leaked secrets, and supervise and inspect the implementation of the regulations.

Case Study: IP-Guard

IP-guard champions the system management philosophy, adopts the functional modular design, and leverages multiple technological means such as behavior auditing, hierarchical authorization, access control, centralized management, and transparent document encryption and decryption, in order to provide overarching solutions in terms of information security, application efficiency, and system management. In the IP-guard system, the transparent document encryption and decryption module employs a range of advanced technologies to ensure document integrity and availability. Additionally, the integration of high-speed cache technology minimizes the impact on system performance. Based on system management principles and practical security experience, IP-guard comprehensively addresses all potential risks of information destruction and leakage to prevent corporate information from unauthorized disclosure, theft, or malicious tampering. With the help of this system, the Company is able to systematically plan and manage information security.

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2. Compliance with Business Ethics

The Company regards anti-corruption and anti-bribery as a top priority in corporate governance, strengthening oversight of ethical business conduct at both the organizational and individual levels through institutional development, and actively fostering a culture of integrity.

1) **Anti-Bribery and Anti-Corruption**

The Company adheres to the principles of “clean and healthy operation” It has established the *Management Measures for Receiving Gifts* and the *Management Regulations on Business Reception*, and requires all employees and suppliers to sign the *Self-Discipline Commitment in Procurement*. All suppliers are required to sign integrity agreements prior to participating in bidding processes, committing to comply the The Company’s integrity and compliance requirements.

During the bidding process, suppliers are briefed on the Company’s relevant integrity policies, and reporting channels are clearly communicated to ensure transparency and accessibility of oversight mechanisms. When serving clients, attending meetings, traveling on business, or participating in various business activities, employees are expected to uphold professional ethics, maintain personal integrity, and actively resist improper commercial practices.

Employees must not solicit or illegally accept property or benefits using their position; must not harm the Company’s legitimate rights and interests in exchange for personal gain; must not violate national laws, local regulations, or company policies by accepting tips, kickbacks, handling fees, or any other form of improper benefits; and must not purchase goods from business-related entities for personal use in violation of regulations. All actions must strictly comply with compliance standards to safeguard the Company’s reputation and long-term sustainable development.

2) **Reporting and Anti-Retaliation**

To strengthen internal and external oversight and effectively prevent and address various forms of misconduct, the Company has established the *Measures for Complaining and Whistleblowing and Management Measures for Bidding Oversight*. These regulations clearly define the scope and methods of reporting, procedures for receiving and investigating complaints, reward and punishment mechanisms, and protective measures for whistleblowers. The Company also implements comprehensive supervision over all stages of the bidding process to ensure fairness, impartiality, and transparency, and to prevent irregular operations, conflicts of interest, and improper influence.

The Company upholds the principle of “feedback on all complaints.” Upon receiving a report, the Company conducts an initial review within five working days to determine whether the case will be accepted. For major or urgent reports, the CEO will be consulted for immediate handling. Within one month of concluding a case (with a possible extension of up to half a month in complex or exceptional circumstances), the investigation results will be reported to the CEO for approval. After approval, the relevant department will take appropriate actions based on the circumstances and inform the whistleblower accordingly.

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- *Whistleblower Protection Mechanism*

The Company strictly maintains confidentiality regarding the identity, contact information, and content of reports provided by whistleblowers. Report materials and records are classified as confidential documents and protected through appropriate security measures to ensure that the whistleblower's identity remains undisclosed during the receipt of reports or follow-up verification. Any individual who obstructs reporting activities or retaliates against a whistleblower will be subject to strict disciplinary action; if such actions constitute violations of law or criminal offenses, the matter will be referred to judicial authorities for legal accountability.

No complaints or reports were received by the Company during the reporting period.

- *Smooth Whistleblowing Channels*

The internal whistle-blowers can report any violations through multiple channels, such as corporate WeChat, email, face-to-face reporting, and mailing. The external whistleblowers have access to email and mailing, among other means.

Corporate WeChat: Employee Service – Complaint
Email: tousu@eaal.net

IV. OPERATIONAL DIMENSION: ENHANCING QUALITY, DRIVING EXCELLENCE, AND EMPOWERING GROWTH

In 2025, Immunotech Biopharm Ltd continued advancing operational excellence and efficiency by strengthening procurement and supply chain management, accelerating innovation-driven product development, reinforcing its quality management system, and comprehensively enhancing operational efficiency and compliance standards.

1. Enhance Responsible Procurement Practices

1) **Strengthen the System of Regulations and Policies**

The Company complies with relevant laws, regulations, and industry standards, including the *Contract Law of the People's Republic of China*, the *Civil Code of the People's Republic of China*, the *Bidding Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Provisional Regulations on Prohibiting Commercial Bribery*, the *Pharmaceutical Supply Chain Initiative (PSCI) Principles*, the *Good Manufacturing Practice (GMP) for Pharmaceutical Products*, and the *GMP Guidelines – Material Management*. Based on these, the Company has established standardized management documents such as the *Supplier Management Regulations*, the *Management Process for Supplier Development and Access*, and the *Bidding Management Procedures*. These frameworks provide standardized guidance for supplier collaboration across the three stages – pre-access, mid-term execution, and post-management – ensuring that business partnerships are conducted fairly, transparently, and in full compliance with applicable regulations.

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2) **Standardize the Procurement Process**

At the execution level, the Company strictly adheres to bidding, price comparison, and routine procurement management systems and principles, achieving a 100% compliance rate in 2025. A rigorous access control mechanism is applied to suppliers, requiring all suppliers to sign integrity agreements and confidentiality agreements, and to pass qualification reviews. For suppliers of GMP-related materials, quality agreements are also signed simultaneously, clearly defining key terms related to quality compliance, supply assurance, and transportation management.

In terms of process supervision, procurement and bidding activities are fully monitored and executed by relevant functional departments within the Company. Quotation documents are uniformly collected via designated email accounts or by designated personnel and centrally managed prior to the opening of commercial bids, ensuring fairness and information confidentiality throughout the process. For the bid awarding phase, a multi-department joint evaluation mechanism is implemented, involving senior management, finance, compliance, user center leaders, procurement staff, and supply chain managers. Decisions are made through comprehensive assessment across multiple dimensions, including technical capability, pricing, delivery performance, and quality, ensuring objectivity, fairness, and alignment with the Company's overall interests.

3) **Supplier Onboarding and Management**

The Company conducts strict integrity reviews of suppliers prior to onboarding and requires all suppliers to sign the *Integrity Agreement* as a prerequisite for cooperation. Contract conclusion is subject to business ethics, and applicable laws and regulations on contract, anti-corruption, labor, environmental protection, product quality, protection of consumer rights and interests, taxation, and intellectual property. As specified in contracts, both parties shall prohibit all commercial bribery and corruption acts, and perform the business contracts under the principle of fairness, justice and transparency, in order to effectively safeguard the legitimate rights and interests of both parties.

Supplier Onboarding Process

- Suppliers are introduced through bidding and tendering processes in accordance with laws such as the Bidding Law of the People's Republic of China. The specific procedures are carried out in compliance with the Company's Supplier Onboarding Management System, with all bidding activities conducted via invited tendering.
- GMP system suppliers are subject to audit management, access control management, and annual performance evaluation management in accordance with relevant GMP regulatory requirements.
- For special-type collaborations requiring a sole-source supplier, a justification statement must be prepared, evaluated by Company leadership, and formally approved with signed authorization before the relevant supplier is engaged.

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The Company evaluates suppliers by rating. To be specific, we establish long-term and reliable relationships with S1 suppliers as our strategic partners by sharing risks and benefits, and launch deep cooperation in terms of technology and standards. Furthermore, we regularly hold round-table meetings and technical exchanges to review cooperation progress and issues found, and engage in innovations jointly with suppliers while decreasing costs and enhancing efficiency. Annual performance compliance rate reviews are conducted for all material suppliers, accompanied by performance scoring, feedback discussions, and targeted improvement plans for suppliers with suboptimal performance, driving continuous optimization across the supply chain.

Environmental, Social, and Governance (ESG) risks are integrated into the supplier management framework. Key material suppliers are audited annually to ensure compliance with environmental, health, and safety standards, achieving 100% audit coverage in 2025. In assessing social risks related to supplier organizations and personnel, focus is placed on organizational structure, employee health management systems, and labor compliance to ensure alignment with the Company's sustainability and compliance standards in human resource management and labor rights protection. Suppliers with unsatisfactory performance in environmental, labor, or ethical areas are designated as suppliers under probation, and are required to undergo rectification and training. If issues persist, their qualifications are revoked. According to the *Supplier Management Regulations*, suppliers that cause significant negative impacts on the Company are placed on a blacklist and permanently excluded from future collaboration.

Additionally, the Company enforces strict contract management for suppliers, ensuring all activities are conducted under valid and monitored contracts. Cross-departmental acceptance management is implemented to strengthen multi-angle oversight from the client side, enhancing execution quality and accountability.

Indicator	Unit	2023	2024	2025
Number of Supplier Audits	Times	74	31	25
Supplier Audit Coverage Rate	%	12	14	15
Annual Supplier Compliance Ratio	%	100	100	98

The Company actively communicates with suppliers, achieving a 100% dispute resolution rate for supplier-related issues for three consecutive years.

Indicator	Unit	2023	2024	2025
Number of Disputes with Suppliers	Cases	0	2	2
Resolution Rate of Disputes with Suppliers	%	100	100	100

Environmental, Social and Governance Report

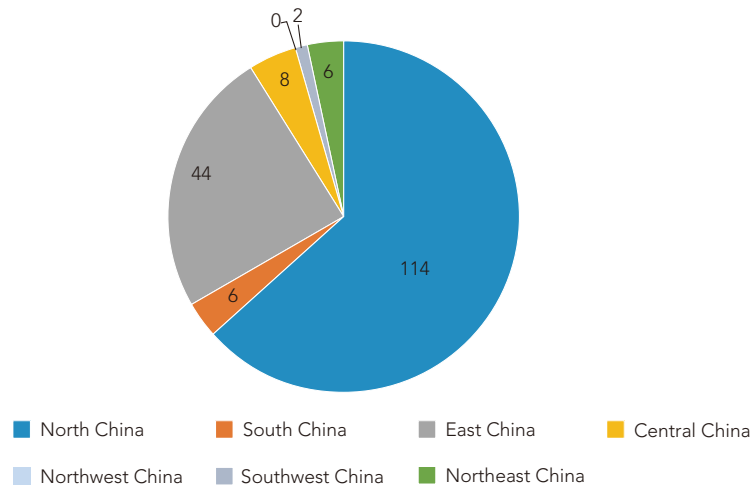
On this foundation, the Company deepens technological collaboration with long-term and strategic suppliers, jointly enhancing social and economic benefits and advancing the sustainable development of the supply chain.

Technical Collaboration

- Cooperation with Corning and NEST/WEGO on closed consumables for cell therapy and the development of customized culture media;
- Collaboration with SHENGSHENG Logistics on cost-effective transportation for fresh cell therapy products;
- Partnership with Thermo Fisher on information-based systems for cell therapy product manufacturing facilities.

During the reporting period, the Company had a total of 170 suppliers, with an annual supplier compliance rate of 98%.

Number of Suppliers by Region



Environmental, Social and Governance Report

4) Upholding Green Procurement

During material sourcing and supplier evaluation, the Company complies with the provisions and requirements outlined in documents such as the *Guiding Opinions on Recommending the Development of Green Supply Chains*, the *Measures for the Administration of the Law-based Disclosure of Environmental Information by Enterprises*, the *Guiding Opinions of the General Office of the State Council on Vigorously Advancing the Innovation on and Application of Supply Chains*, and the *Green Manufacturing – Green Supply Chain Management in Manufacturing Enterprises – Guideline (GB/T33635-2017)*. In line with these documents, we investigate and evaluate suppliers in terms of their staffing structures, personnel health management, and labor conditions.

In procurement activities, the Company prioritizes environmentally friendly, non-toxic, and non-harmful products for integration into production processes. Strict adherence to pharmacopoeia standards and GMP requirements is maintained, and materials with potential risks are subject to rigorous inspection and strict control measures.

Promoting the Use of Green and Environmentally Friendly Products:

- Prioritize the use of recyclable and biodegradable eco-friendly materials for product packaging.
- In transportation, reusable cold chain media are prioritized to minimize environmental impact.
- Full promotion of reusable tools in warehousing operations, with a firm ban on single-use pallets and other disposable consumables, continuously improving resource utilization efficiency and reducing environmental impact.

5) Supplier Training

In 2025, the Company conducted one GMP training session with key material suppliers, covering a comprehensive exchange on the suppliers' current operational status, cooperation performance, and related practices. Feedback and recommendations were provided on aspects such as logistics management, goods protection, tool management, and reuse. The session also aligned upstream and downstream strategies, achieving 100% coverage of material suppliers in the training initiative.

Indicator	Unit	2023	2024	2025
Number of Supplier Training Sessions	Times	9	9	15
Number of Suppliers Reached Through Training	Times	40	45	52

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2. Drive Product Innovation and Development

As a leading biopharmaceutical company in China specializing in cell immunotherapy, Immunotech Biopharm Ltd is committed to its vision of becoming a pioneer and leader in the development and commercialization of immunocellular therapy products. Over the past two decades, the Company has focused exclusively on research, development, and commercialization of T-cell immunotherapy.

During product development, Immunotech has subjected its studies to current regulatory requirements, and made sustained efforts to conduct training and interpretation of new regulatory requirements. According to its actual conditions, the Company analyzes the underperforming areas by reference to regulatory requirements, and takes tangible improvement measures, in an attempt to establish and optimize its product development management documents, while advancing work by law. Moreover, the Company has built a multi-level management system covering project management, feedback of declaration results and acceptance of various inspections to ensure compliance of product development with regulatory requirements.

In the process of product development, we focus on the latest regulatory requirements in the field of cell therapy apart from national regulations on drug registration, including:

- Technical Guidelines for Study and Evaluation of Cell Therapy Products (Trial) (YSYZJ 2017 No. 216)
- *Guidance on Pharmaceutical Research and Evaluation of Ex Vivo Gene-Modified Systems (Trial) (CDE Announcement No. 29, 2022)*
- Technical Guidelines for Pharmaceutical Study and Evaluation of Cell Immunotherapy Products (Trial) (YPSPZX 2022 No. 30)
- *Technical Guidelines for the Research on Pharmaceutical Changes of Marketed Biologics (Trial) (YPSPZX 2021 No. 31)*
- Administrative Guidance on Production Quality of Cell Therapy Products (Trial) (SHCYZX 2022 No. 4)
- *Technical Guidelines for Pharmaceutical Research and Changes During the Clinical Trial Period for Biologics*
- Medicinal Product Administration Law of the People's Republic of China
- *Measures for the Administration of Drug Registration (Former State Food and Drug Administration Announcement No. 27, 2020)*
- *Guidelines for Inspections of Cell Therapy Products*
- *Scope, Classification, and Interpretation of Advanced Therapy Medicinal Products*
- Guidelines and pharmacopoeia on cell therapy released by China, the US or Europe

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1) **Product Overview**

Our product pipelines cover non-genetically modified and genetically modified products, as well as cell immunotherapy products dominated by multi-target and single – target series. The primary research and development focus is on tumor immunotherapy and treatment of refractory viral infections following hematopoietic stem cell transplantation. The pipeline includes: multi-target tumor immunotherapy products; CAR-T cell therapy product lines; and TCR-T cell therapy product lines. A total of seven key R&D projects are currently underway.

- *EAL®*

EAL® products fall into the multi-target tumor cell immunotherapy series. The Company has more than 10 years of track record for clinical application in cancer therapy. EAL® is prepared with activated and expanded T cells from the patients' autologous peripheral blood. Its main active component is CD8+ cytotoxic T cells whose surface marker is the CD3 molecule. The activated autologous lymphocyte (AAL) therapy (with EAL® serving as an example) has been seen in clinical trials overseas for its effectiveness in preventing postoperative recurrence of liver cancer. The safety and efficacy of EAL®, produced using our patented method, has been published in three SCI Journal articles. Currently, EAL® is undergoing a conditional marketing authorization application in China, with the intended clinical indication focused on preventing recurrence after hepatocellular carcinoma surgery.

- *CAR-T Cell Product Pipeline*

The Company's CAR-T cell product pipeline is centered on the CAR-T-19 cell series. Among these, the CAR-T-19 injection has demonstrated promising efficacy in clinical studies. The investigational product targeting B-cell acute lymphoblastic leukemia (B-ALL) is currently in Phase II clinical trials. Building on CAR-T-19 Injection, our CAR-T-19-DNR Injection and aT19 Injection in the pipeline ultimately aim to solve the pain spots of inadequate persistence, unsatisfactory therapeutic efficacy and tumor recurrence of CAR-T cells in treating solid tumors. The relevant technology of the two products in the pipeline is likely to be applied in genetically modifying other CAR-T and TCR-T cell products targeting solid tumors.

- *TCR-T Cell Product Pipeline*

Leveraging genetic engineering, TCR-T cell therapy transfers TCR sequences that can specifically bind to target antigens into T cells derived from the patient's peripheral blood, and then reinfuses the modified T cells back into the patient's body to specifically recognize and kill tumor cells expressing antigens, thus achieving the goal of treating tumors. The Company has a number of TCR-T cell product candidates under pre-clinical research, with the relevant target antigens including human endogenous retrovirus, CMV, EBV, and HPV. Indications include clear renal cell carcinoma, and CMV or EBV infection after hematopoietic stem cell transplantation.

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2) Innovation System Construction

The Company focuses its research on cell therapy products targeting viral infections and tumors when advancing scientific research and innovation. To this end, the Company has established a suite of technology platforms to support the R&D of cell immunotherapy products, such as an early-stage CAR-T R&D platform, an early-stage TCR-T R&D platform, an advanced manufacturing process development platform, and a sequence evaluation technology platform. Additionally, the Company has established an organizational and management platform dedicated to clinical trials.

- *R&D Platforms Construction*

- R&D Process Platform

- Serum-Free Cell Culture and Expansion Technology Platform

The serum-free technology platform lays the foundation for developing individualized cell immunotherapy products. With the help of this platform, immune cells can all be grown and expanded, and their antineoplastic activity can be maintained under serum-free conditions in vitro. The serum-free platform is comparable to the serum culture platform in terms of the cell culture efficiency, and can minimize the xenogeneic reaction and contamination risk to reduce the side effects clinically.

- Gene Modification and Transduction Technology Platform

The optimized gene vector and transduction technology platform allows T cells to transduce and express macromolecular genes, through optimized vector selection and transduction efficiency. In turn, these cells can be used to produce various CAR-T and TCR-T cells.

- Antigen-specific T Cell In Vitro Induction and Expansion Technology Platform

The technology platform for in vitro expansion of antigen-specific T cells works for clinical therapy and screening of TCR genes to construct TCR-T cells.

- Plasmid and Viral Vector Production and Purification Technology Platform

The plasmid and lentiviral vector production and purification technology platform is used for the mass production of lentiviral vectors meeting clinical application standards to prepare various gene transduction cells (CAR-T and TCR-T), and provide CMC services.

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➤ R&D Management Platform

The Company has developed an efficient quality management system to achieve the institutionalized management for the R&D process and ensure compliance with GMP and other applicable laws and regulations. In the system, the standards involve the whole quality management process covering quality control and quality assurance. Raw materials, finished products and laboratory consumables are subject to strict quality criteria. Standard operating procedures have been put in place for each production step of EAL® products to meet high standards in production. To produce standard-based finished products, all quality issues during production are recorded and submitted to the senior management for review. Then, the management organizes risk assessment according to the standards and procedures under the quality management system and policies.

➤ R&D Service Platform

To keep R&D on track, the Company has established an R&D service platform system covering transportation and logistics, clinical research and other links, developed blood sample collection and reinfusion process documents, and provided relevant employees with training sessions. Meanwhile, our R&D team has maintained active communication with specialists in clinical trials, kept records, and put vehicles and logistics service providers in place.

• *R&D Facilities*

Our R&D and production space in China covers a total area of over 7,500 square meters, including more than 6,000 square meters for Guosheng Laboratory and 1,500 square meters for Guanglian Laboratory. The Company has obtained the inspection report on the clean workshop (area) issued by Beijing Institute for Drug Control. Furthermore, a research center in Korea Technology Valley has been established, with an aim to fuel the development of the next-generation cancer immunotherapy products and to identify new specific products that can act on a variety of cancer cells.

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- *R&D Equipment*

Our laboratories are equipped with international advanced production equipment, including bio-safety cabinets, centrifuges, incubators, inverted microscopes, and heat sealers that are used for the preparation of cell immunotherapy products. In addition, bio-reactors and purification devices for the production of high-quality viral vectors have been provided. Quality control devices are allocated for immune cell-related quality control and detection, including automatic cell counters, multi-laser flow cytometers, cell biological activity detectors, and qPCR instruments.

Key Research Achievements:

- **EAL** submitted a conditional marketing application (granted priority review) and passed the CFDI on-site registration inspection, as well as completed registration tests and specification review by the NIFDC.
- **CAR-T-19** enrolled 52 patients in its Phase II clinical trial, with a conditional marketing application planned for 2026.
- **RC19D2** enrolled 16 patients in its Phase I clinical trial.
- **aT19** received implied approval for Phase I clinical trial, with the study pending initiation.
- **The 6B11 project** enrolled 6 patients in its Phase I clinical trial.
- **The YT003 project** completed pre-IND studies and 9 IIT cases; research showed it could effectively eliminate CMV infection.
- **The YT007 project** completed preclinical research; in vivo efficacy data showed significant therapeutic effects.

- *Innovation Incentives*

The Company places great emphasis on fostering a culture of innovation to continuously enhance its research and development capabilities. Annual awards are established to recognize teams that have demonstrated outstanding innovation capabilities. Incentive mechanisms are implemented to reward the completion of key milestones in project advancement. Additionally, patent application incentives are offered to protect intellectual property and stimulate independent innovation.

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3) **Intellectual Property Protection**

The Company observes applicable laws and regulations, such as the Trademark Law of the People's Republic of China, and the Patent Law of the People's Republic of China. In line with these laws and regulations, the Company has developed a series of management regulations, including the Management Regulations on Intellectual Property, the Management Regulations on Patent Affairs, the Management Regulations on Trademark Affairs, and the Confidentiality Management Regulations (V3.0). These documents regulate intellectual property protection to prevent infringement upon the protected intellectual property, while advancing technology innovation. Besides, the Company has regularly organized intellectual property training sessions for employees to enhance their awareness of intellectual property protection.

We have been granted a number of patents for invention and utility model patents with independent intellectual property rights, building on an all-round layout and multiple advanced immune cell pharmaceutical R&D and production technology platforms. Regarding technology platforms and product pipelines, we have implemented intellectual property protection throughout the life cycle of the products ranging from project initiation and application to product marketing. Specific measures:

- Conduct intellectual property risk analysis at different stages to mitigate infringement risks.
- Undertake patent layout for related projects across technical, temporal and spatial dimensions, including the layout for patents and trademarks involving different technologies, project phases, and jurisdictions, so as to protect the intellectual property protection rights of project technologies effectively.

4) **Industry-Academia-Research Collaboration**

Our company's core technology team is composed of seasoned cancer immunologists with strong industry foresight and sensitivity. We have established a comprehensive R&D organizational structure spanning early-stage development, preclinical research, clinical studies, to commercial-scale manufacturing and management, enabling rapid advancement of product development. In 2025, the R&D team consisted of 5% PhDs, 23% master's degree holders, with a total team size of 95 members.

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3. Focus on Product Quality and Safety

Immunotech upholds a quality philosophy centered on “patients first,” emphasizing standardization, implementation, supervision, and continuous improvement in service delivery. We strictly comply with key regulatory frameworks, including the *Chinese Pharmacopoeia*, *Medicinal Product Administration Law of the People’s Republic of China*, the *Good Manufacturing Practice (GMP) for Drugs*, the *Measures for the Administration of Drug Registration*, the *Measures for the Supervision and Administration of Drug Production*, the *Guidelines for the Quality Management of Cell Therapy Products (Trial)*, the *Guidance on the On-site Inspection of Cell Therapy Product Manufacturing*, the *Annex on Sterile Products*, the *Guidelines for the Quality Management of Cell Therapy Products*, the *GMP Guidelines – Quality Control Laboratory*, and international standards such as ICH. These regulations comprehensively govern all stages of drug R&D and manufacturing, ensuring full compliance and scientific rigor.

To safeguard the scientific integrity of R&D activities, the Company has established robust internal procedures, including the *R&D Quality Management Procedures*, *Procedures for R&D Record Management*, and *Procedures for R&D Material Management*. A comprehensive quality management system has been implemented, covering all factors impacting product quality – ranging from personnel management and facility/equipment, to material management, quality control, qualification and validation, environmental monitoring, product release, internal audits, deviation and change management, and quality risk management. A dedicated Quality Assurance (QA) department has been established, staffed with qualified professionals responsible for monitoring product quality and ensuring the effective operation of the quality system. Additionally, a Qualified Person (QP) is appointed to independently oversee product release, ensuring that all manufacturing processes consistently meet legal requirements and quality standards. This rigorous framework enables the Company to achieve a 100% product release compliance rate at the time of shipment – fully reflecting our commitment to being the primary responsible party for drug quality. As of the end of the reporting period, we had no legal or disciplinary violations.

1) **Systematic Document Management Framework**

The Company has established a comprehensive quality management system documentation covering the entire product lifecycle, including R&D, manufacturing, packaging, testing, storage, release, distribution, usage, and recall. The quality system documentation consists of Level 1 documents, Level 2 documents, Level 3 documents, batch records, records, labels, and status identifiers. These documents are managed through an integrated document and training management information system, ensuring the documentation system operates effectively under the supervision of the Quality Assurance department. Additionally, the Company monitors the validity of original records and the continuity of R&D progress to ensure that pharmaceutical R&D activities are conducted in a scientific, standardized, authentic, and complete manner.

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2) **Organizational Management System**

The Company's Quality Center comprises three departments: Quality Assurance (QA), Quality Control (QC), and Validation Management. In 2025, the Quality Center successfully completed the EAL dual-inspection (EAL combined on-site audit) and the ATL development site evaluation. It also effectively managed a full cycle of quality events throughout the year, including deviations, changes, Corrective and Preventive Actions (CAPA), risk assessments, and supplier audits; the verification management of 566 projects are completed

- Quality Assurance Department (QA): Responsible for GMP quality supervision and management throughout the entire product lifecycle to ensure drug product quality and safety; establishing a robust GMP quality management system and R&D quality management system; ensuring compliance with relevant pharmaceutical regulations (such as GMP) throughout the entire product lifecycle; guaranteeing that products meet quality standards and are both safe and effective.
- Quality Control Department: Responsible for inspecting our products, intermediate products, materials, and water supply for pharmaceutical production; Developing and inspecting methodology verification for research projects, and cooperating with the Automation Department in R&D of automated production; Conducting departmental training, document management, laboratory instrument and equipment management, departmental deviations, changes, OOS, self-inspection management, as well as laboratory bio-safety management. In 2025, the department will focus on completing preparations and rectifications for the EAL on-site inspection, CAR-T testing and validation, gap analysis and protocol drafting for P134, ATL testing and auditing, stability support for key projects, pharmacopoeia revision, and integration with the Immunotech Ruike system.
- Verification Management Department: Responsible for building and maintaining the internal management systems for confirmation and verification, daily environmental monitoring, and computer-based system compliance; Supervising confirmation and verification activities, implementing daily environmental monitoring, and ensuring the routine operation of the computer-based system complies with GxP.

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3) **Quality Management System**

- *GMP Management System Construction*

Our GMP management system runs through the whole life cycle of products from R&D to withdrawal from market., primarily encompassing management modules such as organizational structure and personnel, facilities and premises, material control, document management, production management, laboratory management, quality control and quality assurance, and clean environment management. In 2025, the Company successfully completed the on-site inspection for EAL product registration and the GMP compliance assessment, as well as the on-site evaluation of the ATL product during its development phase.

- Organization and Personnel

The Company has established a clear and highly efficient organizational structure aligned with its sustainable development strategy, encompassing core functional departments such as R&D, clinical affairs, manufacturing, quality, supply chain, informatization, human resources, and finance. Each department has clearly defined responsibilities, ensuring smooth operation of business activities and management systems.

All personnel involved in production and quality management hold academic backgrounds in biology, pharmacy, medicine, or related fields and possess a bachelor's degree or higher. The Company has implemented a comprehensive training and assessment management system. All staff must complete pre-employment training and pass evaluations before assuming their roles. Annual GMP-related training is conducted for all employees, while functional departments also carry out targeted skill and operational standard training as needed based on job requirements. These initiatives continuously enhance staff professional competence and compliance awareness, ensuring stable and controlled production processes and consistent product quality.

The Clinical Medical Department is fully responsible for core functions including clinical development strategy planning, trial protocol design, medical monitoring, and medical document writing. Team members all have over five years of industry experience. The department has established standard operating procedures (SOPs) for writing multiple types of technical documents and regularly conducts internal training sessions and external academic exchanges to continuously improve team expertise and standardization of work processes.

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➤ Facilities and Premises

Facilities and premises have been equipped with production facilities and infrastructure compliant with GMP requirements, including cell manufacturing center, quality testing center, warehousing areas, and equipment rooms. The cell manufacturing center and quality control areas are both equipped with cleanrooms, each area operates independently and without mutual interference. Cleanroom finishes use materials that do not generate or accumulate dust and are anti-static. Wall and ceiling panels are made of specialized cleanroom color-coated steel plates, the flooring uses PVC roll material, and all lighting fixtures are dedicated cleanroom recessed ceiling lights. Rounded transitions and corner treatments are applied throughout the rooms, and separate dedicated pathways for personnel and materials are established to minimize the risk of contamination, cross-contamination, and mix-ups.

Regarding equipment, standardized management procedures were established covering the entire lifecycle – procurement, acceptance, calibration, validation, operation, maintenance, and decommissioning. For equipment and instruments used in production and quality inspection, an annual preventive maintenance plan has been implemented to ensure the reliable and stable operation of facilities and instruments. Equipment maintenance is conducted in accordance with established standards and procedures, including routine maintenance, preventive maintenance, and scheduled periodic maintenance. An annual maintenance plan is formulated, with detailed requirements specified in the relevant Equipment Standard Operating Procedures (SOPs).

➤ Material Control

To ensure that raw and auxiliary materials, packaging materials, and single-use consumables used in production meet established quality standards and intended use requirements, the Company has implemented a material release management system. Materials are classified based on their potential impact on product quality and managed accordingly through a graded management approach. A standardized management process has been established, including material receipt and warehousing, inspection request, quality testing, and release approval, to ensure that only qualified materials are used in production. Based on the risk level associated with each material category, corresponding suppliers are also subject to a graded management framework. A supplier audit system was established to conduct periodic supplier audits to ensure supplier compliance with relevant quality and regulatory requirements.

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➤ Production Management

Standard operating procedures (SOPs) for product manufacturing processes, production management, and operational guidelines have been established to implement procedural and standardized management across all production-related activities. Production instructions are issued by the production supervisor prior to initiating operations, ensuring all production activities are under controlled conditions and that the final product consistently meets predefined quality standards. For product traceability, unique identification codes – namely the Chain of Identity (cCOI) and Chain of Custody (cCOC) – are utilized to ensure each product is identifiable and traceable throughout the manufacturing and usage processes, effectively preventing product mix-ups.

➤ Quality Control and Quality Assurance

In quality control, laboratory management procedures, quality standards for materials and products, testing management procedures, testing operation procedures, and OOS (Out-of-Specification) management procedures have been established. All testing methods have undergone validation or verification. Sampling and retention management procedures have been defined, and sampling personnel are formally authorized to ensure sample homogeneity and representativeness. These comprehensive controls collectively ensure the accuracy and reliability of test results.

In quality assurance, an audit system has been implemented, including regular self-inspections, internal audits, and targeted investigations triggered by specific issues, enabling continuous identification of system defects and ongoing improvement of management practices. Deviation and change management procedures have been established to address deviations and changes occurring during production. Dedicated deviation and change review teams are formed to conduct root cause investigations, impact assessments, and develop corrective and preventive actions (CAPAs), with follow-up tracking to ensure effective resolution. To ensure the effective operation and continuous improvement of the quality management system, additional quality management activities such as risk assessments and annual quality reviews are conducted. Identified risks are promptly addressed with effective risk control measures, emphasizing a proactive, prevention-oriented approach.

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➤ Clean Environment Management

Cleanroom environments have all undergone qualification, including cleanroom classification verification and dynamic monitoring validation, each cleanroom grade meets GMP requirements. Regular environmental cleaning and disinfection are performed, including daily cleaning (conducted after each day's production activities) and monthly deep cleaning (covering ceilings, walls, floors, and equipment surfaces). Routine monitoring of temperature, humidity, and pressure differentials is carried out daily, while periodic monitoring of airborne particles, viable airborne microorganisms (floating bacteria), settled microorganisms (settled bacteria), and surface microbial counts is conducted to ensure that the production environment consistently complies with specified cleanroom standards.

• *Quality Testing Process*

➤ Quality Testing System Framework

The Company has established a comprehensive pharmaceutical quality testing system framework, serving as the legal basis and management standard for process execution, encompassing two main categories: statutory mandatory regulations and internal enterprise control systems.

Core statutory mandatory systems include:

- **Pharmaceutical Quality Standard Implementation System:** All testing activities are conducted in strict accordance with the **Chinese Pharmacopoeia** as the core reference standard, supplemented by applicable drug registration standards and the national requirements governing pharmaceutical reference standards and reference substances.
- **Reference Standard Management System:** All reference standards and reference substances used for testing are procured from the **National Institutes for Food and Drug Control**. Establish management ledger covering storage, and expiry-date control, the use of expired reference materials or materials without batch identification is strictly prohibited. Where the required reference standards are not available from the **National Institutes for Food and Drug Control**, internal working standards should be established, with corresponding procedures implemented for their production, standardization, release approval, requisition, storage, and expiry-date management, supported by complete documentation and traceability records.
- **Pharmaceutical Sample Retention System:** The Company is required to retain samples of each batch of finished products.

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Internal Enterprise Control Core Systems, including:

- Testing Personnel Onboarding System: Testing personnel must undergo training and pass qualification assessments before commencing testing activities. A dual-review system is implemented.
- Laboratory Equipment Management and Calibration System: Laboratory equipment must be validated or calibrated and confirmed as qualified before being put into use.
- Testing Method Validation and Verification System: Testing methods must undergo validation or verification and be formally approved before they can be used.
- Traceability System for Test Records and Reports: All testing processes must be fully documented in either paper or electronic record formats.
- Laboratory Environment Management System: Laboratory areas are designated according to specific testing requirements to prevent cross-contamination; microbiological and aseptic testing laboratories must meet the required cleanroom classification standards.

➤ Standardized Quality Testing Process

Pharmaceutical testing processes are categorized into three core stages based on sample origin and testing phase: raw material incoming inspection, in-process control during production, and finished product outgoing inspection. Each process follows a standardized workflow: sampling → sample receipt and registration → testing execution → result review → report issuance → subsequent handling.

When non-conforming raw materials, intermediate products, or finished products are identified during testing, immediate action shall be taken to isolate the items, affix clear identification labels, and notify relevant departments. A traceability investigation shall be initiated, and the items shall be disposed of in accordance with established requirements. The release of non-conforming products into production or the market is strictly prohibited. All actions shall be carried out in accordance with the *Nonconforming Product Management Procedure*. To ensure the accuracy and reliability of test results, comprehensive testing management procedures and standardized testing operation workflows have been established.

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For defective finished products that have not been delivered out of factory, the Quality Assurance Department prepares non-conformance labels based on the defective product information, and issues the sheets to the Production Department. Upon receiving the non-conformance labels, the Production Department is required to affix the labels to defective products, store them separately, and mark non-conformance status identifiers. The non-conforming items, reasons, and disposal methods, once confirmed, are submitted for approval following the defined procedures, and defective products are disposed of according to the approved disposal methods. The Safety and Environmental Protection Department is responsible for inactivating defective finished products (inactivation conditions: moist heat sterilization at 121°C for 30 minutes). After inactivation, disposal is entrusted to a qualified third-party medical waste treatment agency. Photographic records of the inactivated defective products are retained, and filed by the quality control personnel. For defective finished products that have already been shipped, medical personnel are designated to transport these products back to the production site, where they are disposed of in the same manner as unshipped defective products.

➤ Adverse Reaction Monitoring

The Company has established a pharmacovigilance department responsible for monitoring adverse reaction reports through channels such as adverse reaction hotlines and media comment sections, and for receiving and responding to inquiries, letters, and other communications. The department conducts periodic assessments of adverse reaction reporting trends before and after the implementation of risk communication initiatives and scientifically evaluate the effectiveness of risk communication.

• *R&D Quality Assurance*

The R&D Quality Inspection Platform implements quality control throughout the entire R&D lifecycle by establishing a standardized inspection process covering “inspection planning – scheduling – testing – review – evaluation – closure.” This ensures traceability of testing processes, verifiability of results, and issue closure. Through post-event data retrospection and continuous process optimization, the platform continually enhances quality control efficiency. The inspection activities adhere to three core principles: traceability, quantification, and compliance, with the *Chinese Pharmacopoeia*, national drug regulations, and industry standards serving as the primary reference, while in-house testing methodologies provide supplementary support. Testing primarily relies on automated data collection from instruments, with manual subjective judgment used as a secondary reference, ensuring objectivity, accuracy, and reproducibility of results. The platform integrates various testing tools and systems, enabling data integration and visualized management, driving the digital and intelligent transformation of R&D testing. Automated data acquisition and analysis effectively reduce human error, improving testing efficiency and consistency. This mechanism proactively identifies and mitigates quality defects at the R&D source, enabling end-to-end quality control throughout the development process. It significantly reduces rework and change-related costs, ensuring that products meet quality standards and clinical requirements from the R&D phase. This provides a solid foundation for product safety, efficacy, and accessibility, supporting continuous improvement in product quality.

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- *Quality Traceability System*

During production, the Company has established a quality traceability system covering the entire product lifecycle. Standardized testing procedures are implemented across all stages – from raw material control and process management to finished product release – ensuring traceability through documented records at each step. Using unique identifiers such as batch numbers, serial numbers, COI (Certificate of Identity), and barcodes, the system enables full traceability of products from origin to end-user, ensuring quality control and accountability. Leveraging computerized systems, the Company achieves COI traceability and batch management throughout the entire process – from autologous peripheral blood collection to product reinfusion. The medical affairs system assigns a unique COI number to each donor, which is linked to the unique product batch number generated by the ERP system. In subsequent stages – including collection, transportation, manufacturing, and reinfusion – patient COI is accurately traced by verifying batch numbers. At critical process points, system integration is achieved through barcode verification and batch number binding. Each binding relationship is independently generated by the system, ensuring data authenticity and immutability, while automatically generating corresponding batch records to support full-process traceability.

- *Emergency Response Mechanism*

To effectively respond to product-related emergencies and ensure the ability to swiftly recall products posing safety risks from the market when necessary, the Company has established the *Recall Management Procedure*, covering scenarios in which defects or clinical unsuitability are identified at any stage from product release to prior to reinfusion. In 2025, the Company conducted a simulated recall exercise for the EAL product in accordance with the procedure, validating the operability and response efficiency of the recall process. As stipulated in the procedure, simulated recalls are conducted annually. In 2025, the Company did not experience any product-related emergencies or actual product recalls.

In addition, the Company has developed individual case safety report handling process for post-marketing drugs, emergency response operating procedures for post-marketing safety incidents (including investigations of fatal and clustered events), standard operating procedures for pharmacovigilance literature searches, hotline management process, post-marketing drug safety signal management process, and procedures for preparing and submitting Periodic Safety Update Reports (PSURs).

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- *Pharmacovigilance Management*

Immunotech Biopharma has established a pharmacovigilance management system covering the entire lifecycle of medicinal products, spanning critical stages such as clinical trials and post-marketing surveillance, systematically identifies, evaluates, and controls drug safety risks, effectively safeguarding product quality and patient safety. Adhering strictly to the *Good Pharmacovigilance Practice (GVP) Guidelines*, the Company has developed key documentation including the Pharmacovigilance System Master File, Drug Safety and Pharmacovigilance Policies, and the Pharmacovigilance Quality Management Procedures. A pharmacovigilance internal audit management process has been implemented, and for identified issues, a corrective and preventive action (CAPA) management system for pharmacovigilance has been established to ensure all deficiencies are addressed at their root cause.

The Company strictly complies with regulatory requirements for pharmacovigilance activities, including the establishment of a system for reporting and monitoring serious adverse events (SAEs), ensuring that all serious adverse reactions during clinical trials are promptly and comprehensively collected and reported. Periodic safety update reports (PSURs) are prepared and submitted on a regular basis to enable continuous safety assessment of the product. Currently, pharmacovigilance training is limited to internal departmental coverage and has not yet been extended across the entire company. To ensure the effective operation of the pharmacovigilance system, the Company has established the following standardized procedures:

- Process for handling individual case safety reports (ICSRs) for post-marketing drugs
- Operating procedures for emergency response to post-marketing safety incidents (including investigations of fatal and clustered events)
- Standard operating procedures (SOPs) for pharmacovigilance literature searches
- Hotline management process
- Post-marketing safety signal management process
- Procedures for preparing and submitting Periodic Safety Update Reports (PSURs)

During the clinical trial phase, the Company develops a *Safety Management Plan* for each clinical study, strictly adhering to the *Good Clinical Practice (GCP)* guidelines and the research protocol. All serious adverse events (SAEs) are promptly addressed, thoroughly evaluated, and reported in compliance with regulatory requirements.

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In post-marketing safety management, the Company currently has one product in the new drug application (NDA) stage, a post-marketing PSUR handling process has been established. Through setting up pharmacovigilance hotline, email reporting, and other channels, the Company proactively collects adverse event reports. Relevant data are systematically entered into the pharmacovigilance database, enabling systematic management and ongoing assessment of safety signals.

Based on the efficacy and safety data obtained from non-clinical research and human clinical studies of the product, along with safety information on similar products and the characteristics of the target patient population, the Company has developed a scientific and detailed Risk Management Plan for the product. This plan identifies the product's important identified risks, important potential risks, and important missing information, and assesses their impact on the benefit-risk balance/public health.

Currently, pharmacovigilance training has been implemented within the Clinical Medicine Department and will subsequently be extended to the entire Company to enhance safety awareness and response capabilities among all employees.

- *Logistics Quality Management*

The Company has established the *Logistics and Transportation Management Procedure* and related systems, defining in-transit standards. Customized shipping documentation is developed for different products – including EAL® and CAR-T-19 projects – detailing specific operational procedures and key precautions to ensure safe, timely, and accurate delivery. To address potential abnormalities, the Company has implemented the *Standard Operating Procedure for Logistics Transportation Emergencies*, clearly outlining standardized response protocols for various unexpected scenarios. A comprehensive management framework is in place, including a project-specific logistics transportation management system, a risk early-warning monitoring system, a full-staff training program, and a validation system. Temperature-controlled vehicles and supporting measures are employed to ensure product safety and stability throughout transportation. Dedicated personnel and dedicated logistics lines are assigned, supported by OMS system integration, centralized planning, and other measures to ensure rapid and efficient delivery.

The Company enables online monitoring of all shipped goods via both computer and mobile terminals. On average, the real-time location, temperature, and status of in-transit shipments are checked every two minutes (and at least every five minutes). A pre-set alarm function is activated for all in-transit delivery orders; any deviation from the planned route or any instance where the temperature inside the shipping container reaches a warning threshold triggers an online alert, allowing for timely intervention.

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- *Quality Personnel Training*

The Company has established regulations including the *Personnel Health Management Procedure*, *Personnel Behavior Management Procedure for Production Areas*, and *Training Management Procedure*, comprehensively standardizing personnel management and behavioral guidelines. Quality management personnel must complete position-specific training and pass assessments before assuming their roles. Additionally, they are required to participate in annual company-wide training, department-level training, and specialized training on document management, ensuring continuous alignment with regulatory requirements and job responsibilities. Based on job needs or personal development needs, quality personnel may also apply for external professional training to further enhance their technical expertise and compliance awareness, providing strong human resource support for the effective operation of the quality management system.

In 2025, the Company organized 5 GMP-related regulatory training sessions, achieving an average employee participation rate of 94%. A total of 2,037 online scheduled trainings were completed via the DMS system, 5 offline training sessions with a 100% participation rate.

Indicator	Unit	2023	2024	2025
Product Quality and Safety Training	Times	830	665	2,042
Number of employees receiving product quality and safety training sessions	Person-times	36,813	13,739	65,274
Number of product recall incidents due to safety issues	Times	0	0	0



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- *Digital Application*

The Company places strong emphasis on information technology (IT) development, leveraging digital solutions to enhance operational efficiency across finance, procurement, human resources, contract management, supply chain, and other areas. In 2025, the Company invested a total of RMB314,200 in its IT infrastructure and digital transformation initiatives.

- SAP System

The Company's SAP system serves as an integrated information platform that consolidates core business operations, ensuring data continuity and consistency across functions. By eliminating redundant data entry and preventing erroneous data transmission, the system significantly enhances operational efficiency. SAP integrates six key business modules: Sales and Distribution, Materials Management, Production Planning, Plant Maintenance, Quality Management, and Financial Cost Control. It further integrates and consolidates data from external systems, including MES, LIMS, Medical Affairs, BPM, and ELN, enabling seamless cross-system data flow.

This integration improves resource utilization, promotes process standardization, reduces operational complexity, and supports the delivery of key projects in compliance with the highest standards set by CFDA, FDA, and the European Union, ensuring full regulatory compliance.

- DMS System

For departments involving GMP systems, the Company has developed the Quality System Document and Training Management System (DMS&TMS, referred to as the DMS system), enabling full lifecycle online management of GMP-related documents – from drafting to revision, approval, distribution, and obsolescence. This system enhances compliance, improves work efficiency, reduces paper consumption, and strengthens document security.

The implementation of the DMS system not only effectively supports quality and compliance management but also minimizes the risk and extent of human error. It allows authorized departments to access and review quality information online at any time. Additionally, automated email notifications and visual alerts streamline document approval processes, significantly improving overall workflow efficiency.

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➤ BPM System

In the realm of information system development, the BPM (Business Process Management) system plays a critical role in finance, procurement, human resources, contract management, and supply chain operations.

The finance module enables the construction of standardized approval workflows and integrates with the SAP system to support functions such as budget commitment and release, one-click generation of accounting entries, and automated report generation.

In the procurement module, the system connects with SAP to receive purchase requisitions and purchase orders, automatically generating compliant approval documents for review and archiving by responsible personnel.

The HR module is integrated with the EHR (Employee Human Resource) system, enabling automatic data synchronization and reducing the need for manual data maintenance by HR staff, thereby preventing inconsistencies across systems.

Additionally, the BPM system actively supports contract management and supplier management processes, expanding digital collaboration capabilities for employees and significantly enhancing overall operational efficiency.

➤ LIMS System

The Company's LIMS (Laboratory Information Management System) is designed to enhance the modernization of quality control management, standardizing and proceduralizing testing operations to ensure accurate, compliant testing and improve laboratory efficiency and management capabilities.

Key advantages of the LIMS system include:

- Approval and review processes are completed within the system, eliminating intermediate manual sign-offs;
- Test procedures and records are directly entered into the system, enabling paperless operations;
- Flexible sample registration with customizable workflows;
- Automatic calculation and validation of test data;
- Automated result determination based on predefined criteria and generation of reports in standardized formats;
- Advanced data analytics capabilities that enable large-scale data processing, statistical analysis, and automatic generation of charts and reports – significantly reducing manual workload and improving accuracy and consistency.

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➤ MES System

The Company's MES (Manufacturing Execution System) is used to manage production processes by integrating personnel operations, equipment information and status, material flow and usage, and executing defined manufacturing activities at specific times and locations under the guidance of electronic batch record templates. The system ensures the authenticity, completeness, timeliness, and traceability of production data, while also supporting ESG optimization to maximize operational integrity.

Environmental Aspect:

- Controls room usage and operational environmental conditions (e.g., temperature, humidity, cleanliness) to maintain stability and minimize energy consumption and environmental impact.
- Monitors material usage, flow, and traceability to reduce material waste and emissions.

Social Aspect:

- Manages user accounts, access control policies, and electronic signatures to protect employee rights, prevent unauthorized operations, and enhance production safety and reliability.
- Implements controls over equipment operation status, incubator storage locations, and equipment log recording to ensure safe and secure equipment use, thereby reducing the risk of workplace injuries.

Governance Aspect:

- Ensures process traceability and product traceability through controlled workflow management, guaranteeing that production records are authentic, accurate, and fully traceable – enhancing production transparency and regulatory oversight.
- Leverages standardized electronic batch record templates and electronic signature controls to ensure compliance with manufacturing standards and product quality, strengthening corporate governance and risk management capabilities.

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➤ SCADA System

The SCADA system (Supervisory Control and Data Acquisition) is the core of the smart factory, serving as a critical link between upper-level management systems and lower-level equipment. It offers multiple technical advantages and delivers significant ESG value.

- **Diverse Interface Communication:** Supports multiple protocols including OPC DA, OPC UA, Modbus, S7, ensuring compatibility with a wide range of equipment. This reduces equipment replacement costs and minimizes resource waste, promoting environmental sustainability.
- **System Interface Integration:** Consolidates data from underlying equipment to enable comprehensive visualization, enhancing operational efficiency and monitoring effectiveness. This supports lean management and promotes the optimal utilization of resources.
- **Robust Online Monitoring Functionality:** Enables real-time data acquisition and dynamic display of equipment and system parameters, ensuring stable and safe production operations. The real-time alerting and monitoring capabilities facilitate early detection and prompt resolution of potential issues, enhancing overall operational reliability.
- **Customized Report and Analytics:** Offers tailored report and graphical analysis to support data-driven decision-making; online query and printing functionalities help reduce paper consumption and promote sustainable operations.
- **Real-time and Historical Alarm Monitoring:** Features comprehensive alarm information visualization, enabling rapid identification, response, and resolution of alarm events, thereby ensuring uninterrupted production continuity.
- **SMS Alarm Notification Function:** In the event of critical failures, the system sends immediate SMS alerts to designated personnel, enabling rapid response and timely resolution of issues, thereby minimizing operational losses to the greatest extent possible.
- **Network Operations and Integration:** Enables real-time monitoring of device network status, timely detection and resolution of anomalies, and ensures stable and secure data transmission. The system records detailed network configuration parameters for each device, supporting fault traceability and continuous network optimization.

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4. Enhance Service Management Capability

1) Advertising Management

The Company has announced its product R&D progress in an objective, truthful and legal manner, without exaggeration or false claims, in accordance with applicable laws and regulations, such as the *Medicinal Product Administration Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, and the *Interim Measures for the Administration of Censorship of Advertisements on Drugs, Medical Devices, Dietary Supplements and Formula Foods for Special Medical Purposes*. When preparing the subject informed consent forms and recruitment advertisements, the Company ensures that the product information is examined and approved by the ethics committees of research centers, and that the subjects are fully informed and sign the informed consent before screening.

2) Privacy Protection of Subjects

The Company consistently places subject rights at the core of its clinical research activities, establishing a comprehensive subject protection mechanism that spans the entire project lifecycle.

During the project initiation phase, the project team develops and submits informed consent forms in strict accordance with applicable regulations, including the *Good Clinical Practice (GCP)*, the *E6(R2) Integrated Addendum to Good Clinical Practice (GCP)*, the *Declaration of Helsinki released by the World Medical Association*, and the *Measures for Ethical Review of Life Science and Medical Research Involving Human Being (Trial)*. The content of the informed consent document is tailored based on the complexity of the study protocol and whether the subjects are undergoing invasive procedures. It clearly outlines product information, potential benefits and risks, compensation standards for travel and blood collection, and procedures for managing serious adverse events (SAEs). The document is only implemented after formal approval by the Institutional Ethics Committee, ensuring that subjects make voluntary participation decisions based on full and informed understanding.

During the course of the study, if there are any changes to product information, the study protocol, or relevant regulatory requirements, the project team promptly updates the informed consent form and submits it for re-review and approval by the Ethics Committee. Updated information is then communicated to all subjects, and new informed consent is obtained. Subjects retain the right to withdraw their consent at any time. Upon withdrawal, researchers will fully document the decision in the source records and immediately cease using any subsequent clinical data from the subject, thereby fully respecting their autonomy and privacy rights.

All subjects participating in clinical trials are provided with comprehensive information regarding the study's purpose, procedures, potential risks, and benefits, and are required to provide informed consent only after independent consideration. This process fully reflects the ethical principles of "voluntariness, informed decision-making, and the right to withdraw at any time".

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V. HUMAN DIMENSION: CO-CREATING VALUE WITH COMPASSION

Immunotech safeguards the lawful rights and interests of employees, and strives to foster a positive workplace, upholding the people-oriented principle. In pursuit of a shared future, the Company encourages employees to move forward together with us, and draw a bright blueprint jointly.

1. Protect Employee Legal Rights and Interests

1) Equal Employment

The Company strictly complies with applicable laws, regulations, and policies, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law*, the *Labor Dispute Mediation and Arbitration Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *State Compensation Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the *Regulation on Public Holidays for National Annual Festivals and Memorial Days (New)*, and the *Regulation on Paid Annual Leave for Employees*. The Company safeguards the lawful rights and interests of employees, strictly prohibit child labor, forced labor, and discrimination based on gender or ethnicity.

The Company has developed internal human resource management regulations highlighting value contribution, and has prohibited any form of discrimination based on gender, ethnicity, race, age, religion, nationality or family status. The Company rigorously enforces the principles of gender equality and equal pay for equal work, ensuring fair opportunities in career development and compensation, and fostering a workplace culture characterized by respect, inclusiveness, and safety.

A full-process management system covering recruitment and selection, talent development, appointment, and compensation incentives has been established. Key personnel management procedures, such as the *Management Regulations on Recruitment and Deployment* and the *Management Regulations on Internal Job Competition*, clearly outline employment needs and process standards, ensuring fair and just recruitment. The *Employee Handbook* regulates management in areas such as labor relations, discipline, and attendance, and guides timely settlement of labor disputes. During the reporting period, we had no violations involving child labor or forced labor, maintaining continuous compliance with labor laws and regulations.

2) Compensation Management and Rights Protection

The Company has established the *Attendance Management Regulations*, implementing two working hour systems based on job characteristics – standard working hours and comprehensive working hours. This allows employees to have sufficient rest, while fulfilling work tasks. We have adopted a performance-based remuneration management model, and a comprehensive remuneration structure covering basic salary, position-based salary, performance-based salary, year-end performance bonuses, perks, and benefits. Competitive compensation and benefits are provided to core and outstanding employees, complemented by regular skill-enhancement training, clear career development pathways, and a comfortable work environment to support talent retention. All our employees are eligible to enjoy social insurance package, housing provident fund. Special roles, such as drivers, transportation personnel, part-time employees, and employees subject to the third-party labor dispatching system, have access to the personal accident insurance supplement to fully protect their rights and personal safety. We annually offer free health check-ups to all employees and conducts irregular one-on-one counseling sessions focused on physical and mental well-being, demonstrating a strong commitment to the holistic health and welfare of its workforce.

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3) Communication with Employees

The Company is committed to establishing smooth and open communication channels for employees, actively listening to their feedback and suggestions, and continuously improving management practices to foster a supportive work environment that promotes employee growth and development. Regular general staff meetings are held to share progress on the Company's phase-wise goals, outline objectives for the next phase, and gather employee input on goal-setting and execution, thereby promoting alignment and collaborative development across all levels.

Indicator	Unit	2023	2024	2025
Total number of employees	Persons	211	151	183
Proportion of female managers	%	13.27	18.54	15.59
Proportion of employees from ethnic minorities	%	7.11	7.28	6.45
Number of disabled employees	Persons	2	1	1
By gender				
Female	Persons	110	80	94
Male	Persons	101	71	89
By employment type				
Number of full-time employees	Persons	197	143	174
Number of employees from other employment channels	Persons	14	8	9
By age				
≤ 30	Persons	81	56	62
31~40	Persons	93	62	74
41~50	Persons	28	26	41
≥ 51	Persons	9	7	6
By employee category				
Senior management	Persons	11	9	7
Middle management	Persons	63	50	52
General employees	Persons	137	92	124

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Indicator	Unit	2023	2024	2025
By region				
North China	Persons	207	149	182
South China	Persons	0	0	0
East China	Persons	2	0	0
Hong Kong	Persons	1	1	1
Overseas	Persons	1	1	0
Turnover rate of contract employees by gender				
Female	%	25.00	29.80	7.46
Male	%	14.62	26.49	5.97
Turnover rate of contract employees by age				
≤ 30	%	11.66	19.87	7.96
31~40	%	8.75	24.50	2.99
41~50	%	3.21	7.95	0.50
≥ 51	%	0.87	3.31	1.99
Turnover rate of contract employees by region				
North China	%	38.68	55.63	13
South China	%	0	0	0
East China	%	0	1.32	0
Hong Kong	%	0	0	0
Overseas	%	0.47	0	0
Proportion of employees signing labor contracts	%	100	100	100
Proportion of employees enjoying the social insurance package	%	100	100	100

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2. Ensure Employee Health and Safety

1) **Establish Health and Safety Systems**

The Company strictly complies with relevant laws, regulations, and policy documents, including the *People's Republic of China Law on Work Safety*, the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulations on the Safety Management of Hazardous Chemicals*, the *Regulations on the Reporting and Investigation of Production Safety Accidents*, the *Report on the Evaluation of the Control Effect of Occupational Hazards*, the *Methods for the Declaration of Occupational Hazard Projects*, the *Supervision and Administration of "Three Simultaneities" of Facilities for the Prevention and Control of Occupational Diseases of Construction Projects*, and the *Occupational Hazard Test Report*.

The Company has established specialized management systems such as the *Occupational Health and Safety Management System*, the *Hazardous Chemicals Management System*, and the *Management System for Hazardous Operations*, comprehensively standardizing safety management processes. The *Comprehensive Emergency Response Plan for Production Safety Accidents* has been developed to minimize losses in the event of sudden incidents. Additionally, the *Safety Management System for External Parties* has been implemented to extend the occupational health and safety management system to external partners such as contractors and suppliers, achieving closed-loop control over safety risks across the entire value chain.

During the reporting period, the Company set and achieved the safety targets of zero serious injuries or fatalities, no work safety management penalties, no cases of occupational contraindications or occupational diseases, no environmental protection-related penalties, no fire incidents, and no penalties related to hazardous chemicals management. All safety performance indicators fully comply with legal and regulatory requirements.

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2) **Clarify Governance Structure**

The Production Safety Committee under the Board of Directors is responsible for leading and directing the Company's safety management work. The Committee oversees and coordinates major safety matters, rigorously implements national safety production policies, laws, and regulations, and reviews and deploys key annual safety initiatives. It addresses major safety issues, approves safety management systems, operating procedures, and emergency response plans for production safety accidents, and sets the annual safety investment budget for board review and approval. The Committee also approves the annual safety training plan to promote safety capability development across all employees. It regularly receives specialized reports on work-related accidents, occupational disease incidents, and major accident hazards, and makes timely decisions, thereby effectively fulfilling the Company's primary responsibility for safety production.

In 2025, the Production Safety Committee focused on the following key initiatives:

- Regularly organize safety hazard inspections, establish a problem ledger, and promote closed-loop rectification;
- Hold EHS management meetings to conduct in-depth discussions on the Company's major safety risks and corresponding mitigation measures;
- Organize emergency drills and safety education and training programs to enhance employees' emergency response capabilities;
- Lead the revision and updating of system documents such as safety management systems, operating procedures, and emergency response plans, continuously improving the safety management system.

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3) **Implement Health and Safety Management Measures**

The Company strictly implements occupational health management requirements by conducting regular occupational health examinations for employees exposed to occupational hazards on an annual basis. Upon onboarding, all new employees receive occupational hazard notifications to ensure full awareness of job-related risks. Additionally, employees who are exposed to occupational hazards are required to undergo pre-employment and pre-departure occupational health examinations to comprehensively safeguard their occupational health rights. We maintain individual occupational health monitoring files to identify health problems and arrange treatment timely, or take corresponding measures to prevent serious consequences.

For toxic workplaces, the Company conducts regular monitoring, performing occupational poisoning hazard test at least once a month and occupational poisoning hazard control effect evaluations at least once every six months, ensuring that working conditions continuously meet national occupational health standards and effectively protecting employee health and safety.

In managing hazardous chemicals, the Company has established robust specialized systems, including the *Hazardous Chemicals Management System* and the *Occupational Health and Safety Management System*. It strictly controls hazardous substances such as hydrochloric acid, sulfuric acid, sodium hydroxide, nitric acid, isopropanol, potassium permanganate, potassium nitrate, and hydrogen peroxide. Each chemical is assigned a maximum inventory threshold, and inventory levels are maintained through a quantitative procurement mechanism to achieve dynamic balance.

For high-risk operations, The Company has clearly defined activities such as confined space entry, working at heights, temporary electrical work, and hot work as high-risk operations. The *Dangerous Operations Management System* is strictly enforced, with rigorous implementation of operation approval, on-site supervision, and safety inspection procedures to ensure full control throughout the operation lifecycle.

At the same time, the Company has comprehensively established a multi-layered safety protection system, with the following protective measures designed as follows:

Protection Measures Design:

- During the production of biological products, operators are required to wear personal protective articles as regulated to avoid any injuries.
- The rooms and places that generate hazardous gases or waste heat during the production process are designed with mechanical ventilation systems to emit hazardous gases in time.

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- We ensure that the concentration of hazardous gases in the workplace meets the *Occupational Exposure Limits for Hazardous Agents in the Workplace* (GBZ2-2007).
- The chillers and air compressors in the power station and the rooms with large noise are designed with noise insulation and reduction facilities, sound absorption ceilings and walls, as well as sound insulation doors and windows. The noise generating chillers, air compressors, cooling water pumps, cooling towers, as well as air conditioners and ventilators in production workshops feature energy-saving and noise-reducing features. Measures are taken for noise elimination, and vibration reduction and isolation. The above measures help us reduce noise in workplaces to less than 85 dB(A) in accordance with the *Hygienic Standards for the Design of Industrial Enterprises* (GBZ1-2010).
- The plants make full use of natural lighting, and have artificial lighting meeting the *Standard for Lighting Design of Buildings* (GB50034-2013). The illumination of main production workshops and office buildings is set as 300 Lx.
- Air-conditioning cooling and heating needs are considered in the plant buildings. Air conditioning systems have been allocated for production plants to provide a comfortable working environment for operators.
- The washrooms, changing rooms and other staff welfare facilities are designed in accordance with the *Hygienic Standards for the Design of Industrial Enterprises* (GBZ1-2010) and other applicable design standards. Besides, drinking water supply facilities are provided.
- The Company organizes pre-duty, on-duty and off-duty occupational health examinations for employees exposed to poisonous substances, and establishes employee personal health files.
- There may be potential steam burns when the sterilization cabinets are used during production. Therefore, the equipment operators are required to obtain the special equipment operation certificates, regularly check the functions of sterilization cabinets, and wear protective articles.
- Ozone disinfection may cause potential injuries due to inhalation and respiratory irritation. Operators are provided with respirators and relevant training.
- The 95kPa bio-safety transport bags, and sealed incubators with sealing strips are used to transport goods containing infectious pathogens in line with the bio-safety standard (UN3373), so as to ensure transport safety.

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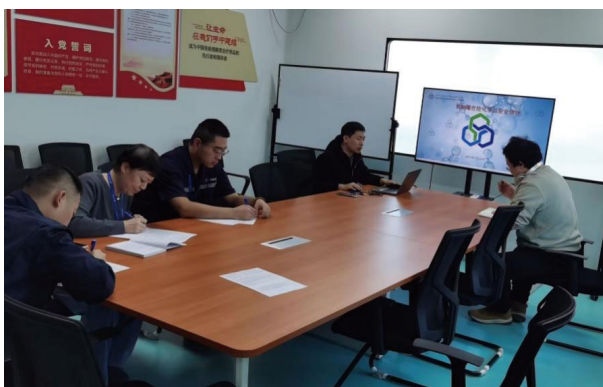
4) Conduct Safety Production Training

We conducted various safety education, training, and emergency response drills, including training on hazardous chemicals, hazardous waste and chemical spill response, safe handling of gas cylinders, biosafety, emergency drills for hazardous chemical and waste leaks, fire drills, and biosafety drills. Safety Month promotional and training activities are also regularly organized. All equipment maintenance personnel receive training on plant and facility maintenance and repair procedures, as well as equipment and instrument repair and preventive maintenance management procedures.

Image Example:



Hazardous Chemicals and Hazardous Waste Spill Drill



Hazardous Chemicals Training

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Hazardous Waste and Hazardous Chemicals Spill Training



Fire Extinguishing Drill

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Biosafety Training



Biosafety Drill

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Indicator	Unit	2023	2024	2025
Safety Training Investment	RMB10,000	0.5	0.24	1.24
Safety Production Investment	RMB10,000	36	45.1	64
Number of Safety Training Sessions	Times	16	15	6
Proportion of employees receiving safety training	%	100	100	100
Number of Safety Emergency Drills	Times	11	6	4
Number of Work-Related Fatalities	Persons	0	0	0
Rate of Work-Related Fatalities	%	0	0	0
Lost Workdays Due to Work Injuries	days	0	0	0
Injury Frequency	Number of injured employees per million work hours	0	0	0
Number of Major Safety Accidents	Times	0	0	0
Number of Occupational Diseases	Persons	0	0	0
Proportion of Employees Receiving Physical Examinations and Having Occupational Health Records	%	100	100	100

3. Support Employee Career Development

1) Employee Training Opportunities

In 2025, the Company continued advancing talent development with a core focus on “enhancing the professional skills of all employees and deepening industry compliance awareness.” The goal is to build a professional, practical, and efficient talent pipeline to provide solid capability support for the Company’s sustainable development.

A total of 13 professional skill enhancement training sessions were conducted throughout 2025, covering key regulatory and technical areas such as *Biosafety*, *Good Manufacturing Practice (GMP) for Pharmaceuticals*, *GMP Annexes: Annex 1: Sterile Products*, *Annex 3: Biological Products*, *Annex 8: Sampling*, *Annex 10: Computerized Systems*, *Annex 11: Qualification and Validation*, *Annex 13: Medicinal Products for Clinical Trials (Trial Implementation)*, *Guidelines for the Manufacture of Cell Therapy Products (Trial Implementation)*, *Inspection Guidelines for Cell Therapy Products*, *Measures for the Supervision and Administration of Pharmaceutical Production*. The training program comprehensively strengthened employees’ professional capabilities in research and development, production, and quality management, covering multiple dimensions including regulatory strategy, compliance standards, supply chain management, information systems, and data governance.

At the same time, we conducted 8 face-to-face specialized training sessions tailored to the job responsibilities and hierarchical needs of different roles. These included series of targeted courses such as new employee onboarding, regulatory interpretation, management standards, and safety production. A total of over 700 personnel participated in person, achieving a training coverage rate exceeding 95%. The training assessments combined written exams and interactive Q&A sessions to ensure that learning outcomes are measurable and verifiable.

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In terms of leadership development and organizational capability enhancement, the Company leveraged multiple channels – including weekly management meetings and Corporate WeChat notification – to deliver leadership training. Concurrently, organizational optimization efforts were advanced by revising functional responsibilities and job descriptions across centers and departments, clearly defining authority and responsibility boundaries. These measures improved cross-departmental collaboration efficiency and established clear career progression pathways for employees, thereby effectively supporting the implementation of the Company's strategic objectives.

Image Example:



Employees participating in offline training



Employees participating in leadership training



Employees participating in professional skill enhancement training

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2) Performance and Rank System

The evaluation cycle continues with the annual assessment mechanism, utilizing diversified evaluation methods such as cross-assessment and 360-degree feedback. This approach effectively enhances employees' awareness of their individual performance, stimulates team vitality, and promotes the synergistic advancement of personal growth and organizational development.

To systematically optimize human resource allocation, the Company conducted a company-wide job responsibility questionnaire survey to comprehensively review job assignments, assess workload saturation, and identify capability gaps. The findings provide a scientific basis for subsequent improvements in performance appraisal and the implementation of targeted training programs.

Indicator	Unit	2023	2024	2025
Percentage of Employees Receiving Training by Gender				
Male	%	49.40	52.90	45
Female	%	50.60	47.10	55
Percentage of Employees Receiving Training by Employee Category				
Senior Management	%	0.51	0.59	0.5
Middle Management	%	8.30	7.00	6.7
General Employees	%	91.19	92.00	92.8
Average Training Hours by Gender				
Male	Hours	42	46	12
Female	Hours	38	42	12
Average Training Hours by Employee Category				
Senior Management	Hours	10	11	10
Middle Management	Hours	25	35	27
General Employees	Hours	45	41	44
Employee Training Investment	RMB Million	0.054	0.033	0.000
Total Training Hours Received by Employees	Hours	8,055	3,152	1,478
Total Number of Trainees	Persons-times	1,253	322	721
Total Number of Employees Trained	Persons	179	148	177
Proportion of Employees Receiving Training	%	89.50	98	97

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4. Deepen Warm Care

The Company places great emphasis on employee care, upholding a people-oriented philosophy. Notably, the Company fulfills its commitment to taking multi-dimensional and overarching employee care initiatives, and building a warm, healthy, and positive workplace. These tangible efforts demonstrate our humanistic care, and strengthen the sense of belonging and happiness among employees.

1) **Female Employee Care**

The Company consistently upholds the legitimate rights and interests of female employees and actively fosters an inclusive and supportive work environment. For pregnant employees, work assignments are reasonably adjusted to minimize workload, and paid prenatal check-up leave is provided monthly in accordance with legal requirements.

Maternity leave is granted in strict compliance with Beijing's highest standards, ensuring employees receive 158 days of paid maternity leave to fully safeguard their reproductive rights. For employees in the lactation period, the Company provides one hour of paid nursing leave per day, supporting their ability to balance work responsibilities with childcare needs and helping female employees achieve a healthy balance between professional development and family responsibilities.

2) **Employee Lives Care**

During major holidays, the Company distributes holiday gifts to all employees, conveying sincere greetings to both employees and their families, thereby strengthening a sense of belonging and organizational cohesion. In recognition of the unique working conditions of production and quality control staff, the Company provides breakfast and dinner allowances and conducts regular health check-ups to ensure the physical and mental well-being of frontline personnel. Office-based employees enjoy complimentary afternoon tea, fostering a warm and relaxed work environment.

The Company provides annual free health check-ups for all employees and conducts unscheduled one-on-one mental and physical well-being counseling sessions at the department level, actively monitoring employee well-being and enhancing psychological resilience and job satisfaction.

At the same time, the Company is committed to establishing open and effective communication channels, utilizing regular forums, suggestion collection, and anonymous feedback mechanisms to proactively listen to employee voices, promptly address concerns, continuously improve management practices, and ensure closed-loop resolution of issues – thereby building a sustainable work environment that supports employee growth and development.

Environmental, Social and Governance Report

5. Conduct Social Public Welfare Initiatives

The Company actively responds to the Beijing municipal government's call for the "Party Members Donate Love" initiative, organizing all Party members and employees to voluntarily participate in the donation campaign under the theme "Love Benefits People's Livelihood, Striving Forward on a New Journey." The activity adheres to the principle of voluntariness, with funds allocated to public welfare projects such as medical assistance, charitable education, elderly care support, aid for financially struggling Party members, and emergency relief, contributing to the development of grassroots charitable infrastructure in "Charitable Beijing." The Company completes donations through an online platform and timely consolidates and reports donation information within the stipulated timeframe. Through concrete actions, it fulfills its social responsibility, promotes the traditional virtue of mutual aid in times of hardship, and demonstrates the commitment and human touch of both the enterprise and its Party members.

VI. ENVIRONMENTAL DIMENSION: PRACTICING GREEN OPERATIONS

Immunotech upholds the environmental philosophy of "Green Intelligence, Low-Carbon Coexistence," actively implementing a sustainable development strategy by deeply integrating environmental awareness into every stage of research and development, production, and operations. The Company is fully advancing energy conservation and emission reduction efforts, striving for synergistic progress between enterprise growth and ecological environmental protection.

1. Implement Environmental Management Measures

The Company strictly complies with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law*, the *Water Pollution Prevention and Control Law*, the *Soil Pollution Prevention and Control Law*, the *Solid Waste Pollution Environment Prevention and Control Law*, the *Measures for the Administration of Carbon Emission Trading (Trial)*, the *Regulations on the Administration of Medical Waste*, the *Regulations on the Administration of Pollutant Discharge Permits*, and the *Management Measures for Pollutant Discharge Permits*, as well as special control policies issued by local ecological environment authorities, and fully implements environmental management responsibilities.

The Company has obtained a Pollutant Discharge Permit and strictly implements the environmental protection requirements specified in the approval document titled *Approval on the Environmental Impact Report of the New Tumor Product – Immune Cell Product Industrialization Project of Beijing Immunotech Biopharmaceutical Co., Ltd.* The Company fully embraces the concept of green production. It has established specialized emergency management systems, including the *Environmental Emergency Response Plan* and the *Emergency Response Plan for Hazardous Waste Leaks*, to strengthen its environmental risk prevention and control system and enhance its capability to respond to and manage sudden environmental incidents.

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In 2025, the Company continuously strengthened its environmental management capabilities, with a total environmental protection investment of RMB310,000 and an energy conservation project investment of RMB350,000. The Company systematically advanced the operation and maintenance of the wastewater treatment station, the acceptance and routine maintenance of the online wastewater monitoring system, the Environmental Impact Assessment (EIA) acceptance of laboratory projects, self-monitoring of wastewater, exhaust gas, and noise, as well as the standardized collection, storage, and disposal of hazardous waste and medical waste. Concurrently, the Company rigorously implemented the operation and maintenance management of environmental protection facilities and equipment, ensuring the stable operation of various pollution control facilities and compliant emissions. In 2025, the Company organized two environmental knowledge training sessions, covering a total of 170 participants. The training content encompassed environmental protection laws and regulations, waste management, and energy conservation and consumption reduction measures, effectively enhancing employees' environmental awareness and compliance capabilities.



This year, the Company did not incur any penalties for violations of environmental laws and regulations. All environmental emission indicators remained stable and within compliance standards, meeting the regulatory requirements set by local ecological environment authorities, continuously ensuring environmental safety and compliant operations.

1) **Waste Gas Management**

The main pollutants generated during the Company's production and R&D processes include nitrogen oxides, hydrogen sulfide, particulate matter, non-methane total hydrocarbons, ammonia (ammonia gas), hydrogen chloride, methanol, sulfur dioxide, and Ringelmann smoke density. To effectively control environmental risks, activated carbon adsorption units have been installed at the workshop exhaust outlets to adsorb harmful substances in the exhaust gases, thereby reducing pollutant concentrations and minimizing environmental impact. The waste activated carbon adsorption material is classified as hazardous waste and has been collected and disposed of in a standardized manner by qualified entities in strict accordance with relevant national regulations.

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2) **Wastewater Management**

In managing wastewater, the Company strictly adheres to national and local regulations and standards, including the *Discharge Standard of Water Pollutants for Pharmaceutical Industry*, the *Regulations on Groundwater Management*, the *Integrated Wastewater Discharge Standard*, and the *Discharge Standard of Water Pollutants for Pharmaceutical Industry Bio-pharmaceutical Category*. Online monitoring systems are implemented to ensure that wastewater pollutant discharges meet regulatory standards, and continuous improvements are made to water usage and drainage management.

Wastewater generated during production primarily consists of inactivated wastewater and cleaning wastewater, with key control parameters including pH, chemical oxygen demand (COD), and ammonia nitrogen. A three-stage treatment process – hydrolytic acidification, contact oxidation, and disinfection – is employed to ensure compliance with relevant emission standards. In 2025, the Company achieved a 100% wastewater treatment rate.

3) **Waste Management**

The Company has established a comprehensive waste management system, developing policy documents including the *Solid Waste Pollution Prevention and Control Responsibility System*, *Hazardous Waste Management System*, and *Production Waste Management Procedures*, clearly defined management requirements for the classification, collection, transfer, and disposal of waste throughout the entire process, reinforcing accountability and ensuring compliant operations. The Company has set a 2025 annual target for reducing polluting waste, continuously enhancing the efficiency and effectiveness of waste management.

Waste generated during the Company's production processes is classified into two categories based on risk level:

- Non-hazardous waste: refers to waste that has not come into contact with blood, cells, or biological active substances, primarily including outer packaging, centrifuge tubes, pipette tips, and similar materials.
- Hazardous waste: refers to waste that has come into contact with blood, cells, or biological materials, including disposable vacuum blood collection tubes, activated cell culture bottles, cell culture bags, closed harvesting systems, and similar items. Additionally, laboratory waste liquids, culture medium waste, waste engine oil, waste organic solvents, and spent activated carbon are also classified as hazardous waste. All hazardous waste is subjected to in-situ sterilization at 121°C for 30 minutes prior to being handed over to qualified third-party professional institutions for compliant disposal, ensuring full traceability and controlled environmental risk throughout the entire process.

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To reduce waste generation at the source, the Company has implemented the following measures:

- Optimize production processes: Utilize closed production processes throughout, employing isolators and disposable closed consumables (such as closed harvest systems and disposable culture bags) to reduce cleaning and sterilization frequency, minimizing material loss and by-product generation.
- Reduce in-house material varieties: Evaluate and consolidate low-yield, high-consumption in-house materials to decrease material input and waste generation during production
- Optimize material usage: Eliminate in-house repackaging by procuring individually packaged centrifuge tubes, thereby reducing packaging waste. By increasing the initial cell seeding quantity and shortening the culture cycle, the Company achieves final product cryopreservation, further reducing resource consumption and waste generation.

For non-hazardous waste generated during operations, such as waste paper and packaging materials, the Company has revised the *Fixed Asset Management System* to standardize the disposal process for idle and obsolete assets. Implemented the *Office Energy Management and Control Guidelines*, encouraging the use of recycled paper for printing and the reuse of recyclable office supplies, thereby enhancing resource utilization efficiency.

4) Noise Management

The Company strives to minimize noise pollution generated during production. During the construction of the new factory, vibration reduction and isolation measures have been implemented for all process equipment and utility systems to ensure that vibration intensity complies with the requirements of the *Standard of Vibration in Urban Area Environment*. Regular noise monitoring is conducted within the factory premises to ensure that noise levels meet regulatory standards.

Indicator	Unit	2023	2024	2025
Total VOCs Emissions ¹	kg	3.98	10.45	53
Total hazardous waste generated ²	Tons	14.09	14.14	11.82
Per capita hazardous waste generated ³	kg/employee	66.78	88.81	64.59
Total Quantity of Non-Hazardous Waste Generated ⁴	Tons	19.57	4.9	21
Per capita non-hazardous waste generated ³	kg/employee	92.75	32.45	114.75
Total Waste water Discharged ⁴	Tons	24,693.60	13,342.43	34,640
Total Packaging Waste	kg	200	104	8

1 VOCs emissions are calculated based on the Pollutant Discharge Permit that the Company applied for and obtained.

2 Hazardous waste generated is calculated based on the statistical data of the Company's production system.

3 Intensity is calculated by dividing discharge/volume generated by the total number of employees.

4 The statistical scope for Total Quantity of Non-Hazardous Waste Generated, Per capita non-hazardous waste generated, Total Waste water Discharged in 2025 covers the entire group, and the company has conducted retrospective adjustments to the relevant data for 2023 and 2024 in accordance with this statistical scope.

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2. Efficient Use of Resources

The Company has established the *Management Procedures for Power Energy* clearly defining usage standards for energy and water resources. Energy conservation and consumption reduction have been integrated into daily management practices, with standardized processes for energy use and a commitment to promoting energy-saving awareness. Monthly energy management inspections are conducted to ensure continuous improvement. The Company has also developed and implemented the *Management Measures for Energy Use in Office Areas*, specifying concrete requirements for energy and resource conservation. Initiatives include card-based printing volume control, mandatory waste sorting, reduction of single-use items, and encouraging employees to purchase idle or scrapped office assets. These measures promote green office practices among employees, effectively achieving cost reduction and operational efficiency improvements.

1) Water Resource Usage

The Company uses purified water in processes such as cleaning and sterilization of equipment and containers in cleanroom areas, laundry of workwear, and the production of pure steam and injection water. Direct process water is not used in production; instead, purified water is primarily utilized for cleaning in clean areas, washing work garments, and humidification in incubators. This purified water is produced by an in-house system, ensuring full self-reliance and control.

In accordance with the *Management Procedures for Power Energy*, water usage standards are clearly defined, and water conservation is integrated into daily operations. Daily inspections are conducted to promptly identify and address issues such as leaks, drips, and overflows. Monthly energy and water consumption analyses are performed to detect and correct anomalies, ensuring efficient and controllable resource use. The Company has also implemented a steam condensate recovery system, reusing condensate from workshop steam processes to significantly reduce fresh water consumption and wastewater discharge.

2) Energy Usage

The Company has established the *Management Procedures for Power Energy* and the *Emergency Response Management Procedures for Power Energy Abnormalities*, clearly defining energy usage standards and emergency response mechanisms to ensure management is based on clear guidelines and effectively implemented. Monthly energy data statistical analysis is conducted, with early warning and performance evaluation mechanisms applied to departments exceeding consumption thresholds, strengthening process control. In 2025, energy consumption management targets were set to ensure that energy-saving measures are effectively implemented and deliver measurable results.

The Company primarily uses electricity (direct energy) and steam (indirect energy), with no use of self-generated power or renewable energy sources such as solar or wind power. No secondary energy is produced during production processes, and the Company does not engage in self-generation or power generation activities.

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Energy efficiency is achieved through optimized HVAC operation strategies: At the Lide Man factory, isolators and CNC air conditioning systems operate on a “demand-based start-stop” principle – shutting down during production downtime and following a “on-demand startup” policy during non-production periods. At the Guosheng factory, which requires continuous operation, the systems run in standby or reduced-frequency mode during non-production hours. Additionally, based on real-time outdoor temperature and humidity conditions, cold and heat sources are promptly shut down when environmental parameters remain within controlled ranges, preventing unnecessary energy consumption.

3) Packaging Material Usage

The Company’s product packaging materials primarily consist of inner and outer cartons, both made from degradable paper-based materials. Currently, the products are still in the R&D phase and have not entered commercial production, resulting in a small-scale packaging usage and a preliminary preparation stage. Due to the current business model, packaging recycling is not yet implemented. We will continue to monitor the full lifecycle management of packaging materials. Future optimization of material usage and recycling strategies will be evaluated based on business development, aiming to enhance resource utilization efficiency.

Indicator ⁵	Unit	2023	2024	2025
Comprehensive Energy Consumption ⁶	MWh	17,711.91	5,349.41	14,330.55
Electricity Consumption	MWh	6,534	5,350	7,978
Natural Gas Consumption	m ³	1,033,634	165	635,255
Per Capita Energy Consumption ⁷	MWh/Person	83.94	35.43	78.31
Water Resource Consumption	Tons	30,867	19,965	42,872
Per Capita Water Resource Consumption ⁷	Tons/Person	146.29	132.22	234.27

5 The scope of environmental indicators is manufacturing and process validation.

6 Energy consumption is calculated according to the national standard of the People’s Republic of China General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).

7 Intensity is calculated by dividing discharge/volume generated by the total number of employees.

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3. Practice Green Resource Operations

1) Green Production

The Company stays committed to practicing green and environmentally-friendly production and project construction. The new base in Yizhuang and the Shaoxing production base are currently progressing steadily, with the goal of building a modern biopharmaceutical park that is green, low-carbon, and highly efficient. All cleanrooms in the Beijing R&D and production centers have obtained inspection reports for cleanroom (area) certification from qualified third-party testing institutions. The new biopharmaceutical R&D and industrialization base project complies with the requirements of the *Assessment Standard for Green Building* and the *Evaluation Standard for Green Industrial Building*, and its design meets the national two-star green building criteria.

Green Building Design:

- Implement integrated design for processes, architecture, structure, and equipment, promote the integration of civil construction and interior decoration, adopt a simple architectural style with moderate use of decorative elements to minimize resource waste;
- The durability design of building materials and products complies with current national standards, enhancing the service life of the building;
- Prioritize the use of green building materials recommended by the state to ensure environmental protection and safety;
- Wall materials use environmentally friendly building products such as autoclaved aerated concrete and fly ash bricks, which are made from industrial by-products, accounting for no less than 30% of similar materials used.
- During the material selection phase, the recyclability of materials is fully considered to support resource recycling and reuse;
- Strictly control the transportation distance of major construction materials to reduce carbon emissions during transportation;
- All interior decoration materials are selected as environmentally friendly products, strictly complying with the *Standard for Indoor Environmental Pollution Control of Civil Building Engineering (GB 50325-2020)*, ensuring that the limits of harmful substances such as formaldehyde, VOCs, and radioactivity meet national standards.
- Vibration generated by process equipment and utility systems is controlled through vibration reduction and isolation measures, with vibration intensity complying with the requirements of the *Environmental Vibration Standard for Urban Areas (GB 10070)*.
- The design of building glass curtain walls, lighting systems, and exterior cladding materials effectively controls light pollution and complies with relevant national standards.

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2) Green Warehousing

The Company has established the *Green Warehouse Requirements and Evaluation Criteria*, fully implementing a GMP-compliant 5S management system to achieve clearly defined zones, scientifically planned storage locations, and elimination of unnecessary material handling. This ensures standardized, efficient, and safe warehousing operations, comprehensively advancing green operations and resource optimization in the warehousing process.

- **Space Design:** We adopt a high-rack storage system with composite space utilization to effectively leverage vertical space, significantly increasing storage density per unit area, reducing land footprint, and maximizing space utilization. Warehouse slot management is optimized through the ERP system, enhancing slot density and storage efficiency. The warehouse area is rationally planned to minimize unnecessary space occupation.
- **Energy Management:** Energy consumption is reduced by optimizing the operation strategy of air conditioning systems and temperature control facilities, combined with precise temperature settings and efficient spatial layout. The lighting system implements zone-based control, dynamically turning on and off according to operational areas to prevent unnecessary illumination.
- **Warehouse Operation Management:** All warehouse operations fully utilize low-energy equipment such as electric forklifts and manual hydraulic pallet jacks, minimizing energy consumption.
- **Packaging and Temperature Control Assurance:** Reusable packaging materials are fully adopted in storage locations, stacking, and packaging processes to reduce the use of single-use packaging. Temperature-sensitive products are managed with precise location tracking to minimize frequent opening of refrigerators or liquid nitrogen tanks, reducing the risk of temperature deviation. All material transportation is conducted using temperature-controlled vehicles and measures to ensure product quality.
- **Information Management:** The warehouse employs the SAP system for unified accounting management, ensuring accurate, real-time, and traceable inventory data. Through BMS and SCADA systems, key parameters such as temperature, humidity, and equipment operating status are monitored in real time and managed through visual dashboards.

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3) Green Logistics

In 2025, we continued advancing its green logistics system, implementing low-carbon and resource-efficient management across all stages – including transportation vehicles, packaging materials, route optimization, and carrier selection – to promote sustainable logistics operations.

- **Packaging Reuse:** The Company fully adopts reusable packaging materials such as cold packs and containers for logistics transportation, significantly reducing the use of single-use consumables. Eco-friendly materials are used for product packaging, and disposable pallets are prohibited in warehousing operations. The Company has fully implemented reusable tools and equipment to promote circular utilization.
- **Transportation Efficiency Optimization:** Implement dedicated route management, optimize transportation planning and routing, improve box consolidation rates and vehicle loading efficiency, and enhance the utilization of shared transportation resources.
- **Low-Carbon Transportation Methods:** For long-distance and intercity transportation, high-speed rail and other low-carbon public transport options are prioritized. Small-volume, low-bulk shipments are handled using compact logistics vehicles to achieve energy savings and cost reduction. When outsourcing logistics, third-party providers using new energy vehicles are preferred. The Company also maintains its own fleet of non-fuel-powered delivery vehicles to reduce reliance on fossil fuels.
- **Intelligent Logistics System:** Leveraging the OMS system, we achieved dynamic monitoring and precise management throughout the entire logistics process. In 2025, the Company maintained four consecutive years of "0 anomalies, 0 disruptions, and 100% safe delivery." A comprehensive project logistics management system, risk early-warning monitoring system, training system, and validation system have been established to ensure the safe, stable, and efficient delivery of products during domestic and international transportation.

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4. Climate Change Tackling

1) Governance

We continue to strengthen our climate risk management framework. As the highest decision-making body for ESG matters, the Board of Directors oversees the identification, assessment, and response to climate-related risks. The Board regularly convenes ESG coordination meetings to review climate strategies and key issues, assess and determine the Company's climate-related risks, and guide and supervise the formulation and implementation of ESG strategies, ensuring the establishment of an effective climate risk management system.

Climate risk management is conducted under the oversight of the Audit Committee, which assumes responsibility for monitoring and supervision. The Audit Committee reviews climate risk reports submitted by the management-level ESG working group on a regular basis, monitors the development and execution of climate targets, and ensures the Board maintains comprehensive oversight of climate change, environmental risks, and sustainable development strategies.

At the management level, we established an ESG Working Group responsible for identifying, assessing, and managing climate-related risks, setting climate targets and action plans, coordinating cross-departmental implementation of climate governance requirements, and submitting recommendations to the Audit Committee for review.

Through a three-tier governance structure – “Board of Directors → Audit Committee → ESG Working Group” – we established a clear, accountable, and effective climate governance mechanism, providing robust organizational support for its low-carbon transition and long-term sustainable development.

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2) Strategy

Actively responding to the national “dual-carbon” (peak carbon emissions and carbon neutrality) strategy, we integrated green and low-carbon development into our long-term strategic planning, embedding energy management and environmental protection requirements deeply into business decision-making and operational systems. The Company has developed a carbon emission management plan, clearly defining the scope of carbon accounting, emission reduction targets, and implementation pathways, and advancing energy structure optimization and energy efficiency improvements in phased steps. The plan covers all operational scenarios – including production, warehousing, and office operations – with a focus on energy-saving renovations and the application of green technologies in high-energy-consuming processes.

Climate Risks	Key Impacts	Time Frames	Countermeasures
Physical Risks – Acute Physical Risks	<ul style="list-style-type: none"> Increased severity of extreme weather events such as hurricanes and floods Damage to company assets and operational disruptions 	<ul style="list-style-type: none"> Short term 	<ul style="list-style-type: none"> Establish the Emergency Management System for Sudden Public Incidents, develop an emergency response plan for sudden environmental incidents, set up an Emergency Command Center for sudden environmental incidents, and form an emergency organization system comprising an Emergency Office, Logistics Support Group, Communication Liaison Group, Environmental Monitoring Group, and Emergency Response Group.
Physical Risks – Chronic Physical Risks	<ul style="list-style-type: none"> Climate Warming Rising Sea Levels Asset devaluation and increased operational costs 	<ul style="list-style-type: none"> Medium- to Long-Term 	<ul style="list-style-type: none"> Advancing Long-Term Risk Assessment and Climate Resilience Assessment

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Climate Risks	Key Impacts	Time Frames	Countermeasures
Transition Risks – Policy and Legal Risks	<ul style="list-style-type: none"> Mandatory regulatory requirements for existing products Litigation Risk Increased compliance costs and business model adjustments 	<ul style="list-style-type: none"> Medium- to Long-Term 	<ul style="list-style-type: none"> Closely monitor national and local environmental protection and pharmaceutical regulatory policy developments Conduct regular compliance assessments and risk inspections Establish systems and measures such as the <i>Stakeholder Safety Management System</i>, clearly defining safety management requirements for contractors and suppliers, thereby enhancing the ESG risk resilience of the supply chain.
Transition Risks – Market and Technology Risks	<ul style="list-style-type: none"> Further increase in R&D and operational costs due to low-carbon transformation 	<ul style="list-style-type: none"> Medium- to Long-Term 	<ul style="list-style-type: none"> Proactively drive green transformation and actively improve energy efficiency to adapt to the trend of sustainable development. Pilot low-carbon, green biomanufacturing technologies and degradable single-use consumables, promoting green upgrading in R&D and production processes.
Transition Risks – Reputational Risk	<ul style="list-style-type: none"> Controversial incidents arising from high-carbon operations Decline in corporate brand value 	<ul style="list-style-type: none"> Medium- to Long-Term 	<ul style="list-style-type: none"> Enhance transparency of climate-related information Strengthen ESG Disclosure

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3) Risk Management

Immunotech proactively employs climate-related scenario analysis to systematically assess the potential impacts of climate change on business operations, supply chain, and long-term strategy. By identifying key risks and transition opportunities, the Company develops climate-related strategies and green, low-carbon operational plans to drive sustainable enterprise development.

4) Indicators and Targets

The Company's primary greenhouse gas emissions originate from energy consumption during production and operations. The Company has developed the *Carbon Emission Management Plan* and the *Power and Energy Management Procedures*, among other policies, to reduce energy consumption in production and operations, thereby lowering greenhouse gas emissions. Additionally, policies and standards such as the *Office Management System*, *Office Energy Management and Control Guidelines*, *Employee Canteen Management System*, and *Intra-city Transportation Management Regulations* have been established to promote green office practices and green commuting, reducing greenhouse gas emissions generated during operations and employee commutes.

Indicator	Unit	2023	2024	2025
Total GHG Emissions ⁸	Tons	6,181.45	2,871.17	5,671.14
Scope 1 GHG Emissions ⁸	Tons	2,234.91	0.36	1,390.15
Scope 2 GHG Emissions ⁸	Tons	3,946.54	2,870.81	4,280.99
Per Capita CO ₂ Emissions ⁹	Tons/ Employee	29.30	19.01	30.99
Carbon Dioxide Emissions per Unit of Output	Tons/ RMB10,000	/	/	2.77

8 GHG accounting is presented as CO₂ equivalent according to the national standard of the People's Republic of China General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020) and the Announcement on Issuing Carbon Dioxide Emission Factors for Electric Power in 2022 issued by the Ministry of Ecology and Environment and the National Bureau of Statistics.

9 Intensity is calculated by dividing discharge/volume generated by the total number of employees.

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APPENDIX: HKEX'S ESG REPORTING CODE INDEX

Aspect	Description	Chapter/Section in the Report
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	I. About the Report
Reporting Principles	<p>A description of, or an explanation of, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	I. About the Report
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.</p> <p>If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	I. About the Report

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Aspect	Description	Chapter/Section in the Report
“Comply or Explain” Provisions		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information relating to air emissions ¹⁰ , discharges into water and land, and generation of hazardous and nonhazardous waste: ¹¹ (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	VI. Environmental Dimension: Practicing Green Operations
A1.1	The types of emissions and respective emissions data.	1. Implement Environmental Management Measures
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1. Implement Environmental Management Measures
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1. Implement Environmental Management Measures
A1.5	Description of emission target(s) set and steps taken to achieve them.	1. Implement Environmental Management Measures
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	1. Implement Environmental Management Measures
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources ¹² , including energy, water and other raw materials.	VI. Environmental Dimension: Practicing Green Operations
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2. Efficient Use of Resources
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2. Efficient Use of Resources
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2. Efficient Use of Resources
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2. Efficient Use of Resources
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3. Practice Green Resource Operations

10 Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.

11 Hazardous wastes are those defined by national regulations.

12 Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.

Environmental, Social and Governance Report

Aspect	Description	Chapter/Section in the Report
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	VI. Environmental Dimension: Practicing Green Operations
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3. Practice Green Resource Operations
B. Social		
B1 Employment		
General Disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	V. Human Dimension: Co-Creating Value with Compassion
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	1. Protect Employee Legal Rights and Interests
B1.2	Employee turnover rate by gender, age group and geographical region.	1. Protect Employee Legal Rights and Interests
B2 Health and Safety		
General Disclosure	Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	V. Human Dimension: Co-Creating Value with Compassion
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	2. Ensure Employee Health and Safety
B2.2	Lost days due to work injury.	2. Ensure Employee Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	2. Ensure Employee Health and Safety

Environmental, Social and Governance Report

Aspect	Description	Chapter/Section in the Report
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training ¹³ activities.	V. Human Dimension: Co-Creating Value with Compassion
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3. Support Employee Career Development
B3.2	The average training hours completed per employee by gender and employee category.	3. Support Employee Career Development
B4 Labor Standards		
General Disclosure	Information relating to preventing child and forced labor: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	V. Human Dimension: Co-Creating Value with Compassion
B4.1	Description of measures to review employment practices to avoid child and forced labor.	1. Protect Employee Legal Rights and Interests
B4.2	Description of steps taken to eliminate such practices when discovered.	1. Protect Employee Legal Rights and Interests
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	IV. Operational Dimension: Enhancing Quality, Driving Excellence, and Empowering Growth
B5.1	Number of suppliers by geographical region.	1. Enhance Responsible Procurement Practices
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	1. Enhance Responsible Procurement Practices
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1. Enhance Responsible Procurement Practices
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1. Enhance Responsible Procurement Practices

13 Training refers to vocational training. It may include internal and external courses paid by the employer.

Environmental, Social and Governance Report

Aspect	Description	Chapter/Section in the Report
B6 Product Responsibility		
General Disclosure	Information relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	IV. Operational Dimension: Enhancing Quality, Driving Excellence, and Empowering Growth
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3. Focus on Product Quality and Safety
B6.2	Number of products and service related complaints received and how they are dealt with.	3. Focus on Product Quality and Safety
B6.3	Description of practices relating to observing and protecting intellectual property rights.	2. Drive Product Innovation and Development
B6.4	Description of quality assurance process and recall procedures.	3. Focus on Product Quality and Safety
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4. Enhance Service Management Capabilities
B7 Anti-Corruption		
General Disclosure	Information relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	III. Governance Dimension: Laying a Solid Foundation for Compliance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	2. Compliance with Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2. Compliance with Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff.	2. Compliance with Business Ethics
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	V. Human Dimension: Co-Creating Value with Compassion
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	5. Conduct Social Public Welfare Initiatives
B8.2	Resources contributed (e.g. money or time) to the focus area.	5. Conduct Social Public Welfare Initiatives

Environmental, Social and Governance Report

Aspect	Description	Chapter/Section in the Report
D. Climate-Related Disclosures		
(I) Governance		VI. Environmental Dimension: Practicing Green Operations
(II) Strategy		
	Climate-Related Risks and Opportunities	4. Climate Change Tackling
	Business Model and Value Chain	4. Climate Change Tackling
	Strategy and Decision-Making	4. Climate Change Tackling
	Financial Position, Financial Performance, and Cash Flow	Capability Exemption
	Climate Resilience	Capability Exemption
(III) Risk Management		4. Climate Change Tackling
(IV) Indicators and Targets		
	Greenhouse Gas Emissions	4. Climate Change Tackling
	Climate-Related Transition Risks	4. Climate Change Tackling
	Climate-Related Physical Risks	4. Climate Change Tackling
	Climate-Related Opportunities	4. Climate Change Tackling
	Capital Allocation	4. Climate Change Tackling
	Internal Carbon Pricing	Capability Exemption
	Compensation	Capability Exemption
	Industry Benchmarks	Capability Exemption
	Climate-Related Targets	4. Climate Change Tackling
	Cross-Industry and Industry-Specific Indicators: Applicability	Capability Exemption

Independent Auditor's Report

Deloitte.

德勤

TO THE MEMBERS OF IMMUNOTECH BIOPHARM LTD

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Immunotech Biopharm Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 157 to 225, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB230,907,000 and a net operating cash outflow of RMB97,291,000 for the year ended 31 December 2025, and as of that date, the Group has net current liabilities of RMB319,262,000, net liabilities of RMB17,206,000, bank balances and cash of RMB54,458,000 and structured bank deposits of RMB100,109,000. These events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter	How our audit addressed the key audit matter
Recognition and cut-off of outsourcing service fees	<p data-bbox="850 741 1129 771">Our procedures included:</p> <ul data-bbox="850 810 1447 1841" style="list-style-type: none"> <li data-bbox="850 810 1447 978">• Testing the design and implementation of management's key controls relevant to our audit to monitor the progress of outsourced R&D activities and recording of relevant R&D expenses; <li data-bbox="850 1017 1447 1185">• Inquiring the project managers of certain Outsourced Service Providers and inspecting the relevant supporting documents to understand the progress of R&D projects at year end; <li data-bbox="850 1224 1447 1358">• Checking with the Outsourced Service Providers in respect of the progress of the services provided, on a sample basis, for the year ended 31 December 2025; <li data-bbox="850 1397 1447 1703">• Checking the accrual of service expenses in relation to major Outsourced Service Providers with reference to actual progresses at year end against the relevant terms in the respective service agreements to evaluate the completion status to determine whether the service fees were recorded based on respective contract sums, progress and/or relevant milestones achieved; and <li data-bbox="850 1742 1447 1841">• Testing the payments of service fees to Outsourced Service Providers on a sample basis.

We identified the recognition and cut-off of outsourcing service fees as a key audit matter due to its significance and the estimation involved in allocating the outsourcing service fees paid and payable to contract research organisations, clinical site management operators, and clinical trial centres mainly being hospitals (collectively referred as "Outsourced Service Providers") in the appropriate financial reporting period.

As disclosed in Note 11 to the consolidated financial statements, the Group incurred outsourcing service fees amounting to approximately RMB20 million for the year ended 31 December 2025, representing a significant portion of the Group's research and development ("R&D") expenses. The R&D activities with these Outsourced Service Providers are documented in detailed agreements and are typically performed over a specified period. Allocation of these expenses to the appropriate financial reporting period based on the progress of the R&D projects involves estimation.

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is LUNG, Wing Hung, David (practising certificate number: P05888).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

20 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2025

	NOTES	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
Other income	7	20,507	33,788
Other gains and losses, net	8	(69,541)	(11,813)
Administrative expenses		(41,036)	(44,540)
Research and development expenses		(132,823)	(154,240)
Finance costs	9	(6,807)	(7,493)
Other expenses	7	(1,207)	(2,119)
Loss before tax		(230,907)	(186,417)
Income tax expense	10	–	(926)
Loss and total comprehensive expense for the year	11	(230,907)	(187,343)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		(230,785)	(186,912)
Non-controlling interests		(122)	(431)
		(230,907)	(187,343)
Loss per share (RMB)	15		
Basic		(0.42)	(0.35)
Diluted		(0.42)	(0.35)

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	As at 31 December	
		2025	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	407,002	451,603
Intangible assets	17	17,899	19,551
Prepayments, deposits and other receivables	19	6,402	5,180
Contract costs		43	214
		431,346	476,548
CURRENT ASSETS			
Contract costs		170	250
Financial assets at fair value through profit or loss ("FVTPL")	18	100,109	10,536
Prepayments, deposits and other receivables	19	12,338	18,528
Amounts due from related parties	36	–	100
Materials for research and development project	20	4,517	5,542
Pledged bank deposits	21	–	5,581
Bank balances and cash	22	54,458	46,957
		171,592	87,494
CURRENT LIABILITIES			
Contract liabilities	23	1,372	1,729
Trade and other payables	24	127,013	131,925
Lease liabilities	25	25,650	27,445
Deferred government grants	26	–	46
Other financial liability	27	336,612	268,097
Other borrowings	36	207	–
Tax liabilities		–	964
		490,854	430,206
NET CURRENT LIABILITIES		(319,262)	(342,712)
TOTAL ASSETS LESS CURRENT LIABILITIES		112,084	133,836

Consolidated Statement of Financial Position

At 31 December 2025

		As at 31 December	
	NOTES	2025	2024
		RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Contract liabilities	23	116	811
Lease liabilities	25	77,794	89,017
Deferred government grants	26	51,380	60,461
		129,290	150,289
NET LIABILITIES			
		(17,206)	(16,453)
CAPITAL AND RESERVES			
Share capital	28	4,306	3,576
Reserves		(18,233)	(16,872)
Deficit attributable to owners of the Company		(13,927)	(13,296)
Non-controlling interests		(3,279)	(3,157)
TOTAL DEFICIT			
		(17,206)	(16,453)

The consolidated financial statements on pages 157 to 225 were approved and authorised for issue by the board of directors on 20 March 2026 and are signed on its behalf by:

Yang Fan
DIRECTOR

Wang Ruihua
DIRECTOR

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2025

	Attributable to owners of the Company							Non-controlling interests	Total equity/(deficit)
	Share capital	Share premium	Capital reserve	Statutory surplus reserve	Share option reserve	Accumulated losses	Subtotal		
	RMB'000	RMB'000	RMB'000 (Note i)	RMB'000 (Note ii)	RMB'000 (Note 30)	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	3,576	1,402,498	180,349	2,001	205,339	(1,620,147)	173,616	(2,726)	170,890
Loss and total comprehensive expense for the year	-	-	-	-	-	(186,912)	(186,912)	(431)	(187,343)
At 31 December 2024	3,576	1,402,498	180,349	2,001	205,339	(1,807,059)	(13,296)	(3,157)	(16,453)
Loss and total comprehensive expense for the year	-	-	-	-	-	(230,785)	(230,785)	(122)	(230,907)
Rights issue of shares (Note 28)	730	233,909	-	-	-	-	234,639	-	234,639
Transaction costs attributable to rights issue of shares (Note 28)	-	(4,485)	-	-	-	-	(4,485)	-	(4,485)
At 31 December 2025	4,306	1,631,922	180,349	2,001	205,339	(2,037,844)	(13,927)	(3,279)	(17,206)

Notes:

- i Capital reserve represents (i) the difference amounting to RMB191,990,000 of the capital contribution from certain investors of Immunotech Applied Science Limited* (北京永泰生物製品有限公司) ("Beijing Yongtai") and new paid-in capital issued to those investors; (ii) a net amount of RMB11,641,000 recognised against capital reserve arising from a group reorganisation completed in 2018.
 - ii Pursuant to the relevant laws and regulations in the People's Republic of China (the "PRC"), the PRC subsidiaries with limited liability are required to make annual appropriations to statutory surplus reserve of 10% of after-tax profits at each year end until the balance reaches 50% of the relevant PRC subsidiary's registered capital.
- * English name is for identification purpose only

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

	NOTES	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Loss before tax		(230,907)	(186,417)
Adjustment for:			
Interest income		(532)	(1,071)
Exchange loss (gain), net	8	598	(216)
Depreciation of property, plant and equipment	11	52,748	58,263
Amortisation of intangible assets	11	2,554	2,609
Loss on disposal of property, plant and equipment	8	30	39
Finance costs	9	6,807	7,493
Gain on early termination of a lease	8	–	(23)
Termination loss of an intangible asset	8	–	19,316
Impairment loss of an intangible asset	8	–	562
Fair value (gain) loss on financial assets at FVTPL, net	8	(192)	19,811
Fair value loss (gain) on other financial liability	8	68,515	(58,742)
Release of deferred government grants	26	(9,127)	(9,559)
Operating cash flows before movements in working capital		(109,506)	(147,935)
Movements in working capital:			
Decrease in prepayments, deposits and other receivables		5,353	39,327
Decrease (increase) in amounts due from related parties		100	(100)
Decrease (increase) in materials for research and development project		1,025	(618)
Decrease in contract costs		251	256
(Decrease) increase in contract liabilities		(1,052)	556
Increase (decrease) in trade and other payables		7,502	(17,266)
Cash used in operations		(96,327)	(125,780)
Prior year income tax returned		–	38
Income tax paid		(964)	–
NET CASH USED IN OPERATING ACTIVITIES		(97,291)	(125,742)

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2025

	NOTES	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Interest received		346	874
Payments for purchase of property, plant and equipment		(14,062)	(27,257)
Acquisition of financial assets at FVTPL		(120,000)	–
Proceeds from disposal/redemption of financial assets at FVTPL		30,619	140,827
Purchases of intangible assets		(568)	(806)
Refund of rental deposits		–	444
Placement of pledged bank deposits		–	(7,133)
Withdrawal of pledged bank deposits		5,581	3,385
Proceeds from disposal of property, plant and equipment		16	29
Government grants received		–	30,740
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(98,068)	141,103
FINANCING ACTIVITIES			
Transaction costs attributable to issue of ordinary shares		(4,485)	–
Repayment of lease liabilities		(20,355)	(13,095)
Interest paid		(6,600)	(7,493)
Proceeds from rights issue of shares		234,639	–
Loans from related parties		14,914	–
Loans repayment to related parties		(14,914)	–
Loans from companies related to a shareholder		30,000	–
Loans repayment to companies related to a shareholder		(30,000)	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES		203,199	(20,588)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		7,840	(5,227)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		46,957	52,161
Effect of foreign exchange rate changes		(339)	23
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	54,458	46,957

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

Immunotech Biopharm Ltd (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act Chapter 22 (Law of 3 of 1961, as consolidated and revised) of the Cayman Islands on 11 April 2018. Its ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 10 July 2020. The address of the Company's registered office is at P.O. Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at 8/F, Block 1, Guosheng Technology Park, No.1 Kangding Street, Beijing Economic-Technological Development Area, Beijing, the PRC.

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in research and development, manufacturing and commercialisation of immune cell products for treatments of cancers in the PRC. The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

(a) Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the Group's annual period on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

(b) New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

IFRS Accounting Standards

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

1. Effective for annual periods beginning on or after a date to be determined.

2. Effective for annual periods beginning on or after January 1, 2026.

3. Effective for annual periods beginning on or after January 1, 2027.

Except as described below, the directors of the Company (the “Directors”) anticipate that the application of the above amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group’s MPMs will be disclosed in a separate note to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

In preparation of the consolidated financial statements for the year ended 31 December 2025, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of RMB230,907,000 and a net operating cash outflow of RMB97,291,000 for the year ended 31 December 2025, and as of that date, the Group has net current liabilities of RMB319,262,000, net liabilities of RMB17,206,000, bank balances and cash of RMB54,458,000 and structured bank deposits of RMB100,109,000. The Group's ability to continue as a going concern is highly dependent on its ability to maintain minimal cash outflows from operations and sufficient financing resources to meet its financial obligations as and when they fall due.

The Group has formulated various plans and measures with the objective to improve the liquidity and cashflows of the Group, including but not limited to, the following:

- i) Certain of the Company's shareholders have agreed to provide financial support to the Group with aggregate amount not less than RMB175 million, to meet the demand of funds of the Group for its operating needs, for a period not less than 12 months from 31 March 2026, when the Group has insufficient funds and is unable to obtain additional financing from third parties. The Directors have evaluated and are satisfied with these shareholders' ability of providing necessary financial support to the Group.
- ii) Subsequently to 31 December 2025, the Company has successfully issued new convertible bonds with the principal amount of RMB270 million and a note with the principal amount of RMB30 million (collectively as "Instruments") with maturity on 13 February 2027, to settle the principal amount of the 2023 Bonds (as defined in Note 27). The Group has also obtained extension commitment from the holder of the Instruments, subject to the following extension conditions: (a) repayment of all outstanding interest on the matured Instruments; and (b) agreement on key extension terms, including extension period, interest rate, conversion price, and required collateral.
- iii) The Group is actively seeking applicable government subsidies. The Directors believe that the Group has substantially met the eligibility criteria for a subsidy provided by local authorities in relation to the Company's core product candidate, and hence the application will be successful.
- iv) The Group continues to negotiate with certain of its construction contractors and suppliers to manage and extend the payment schedules.
- v) The Group is actively negotiating with several banks to obtain borrowings at a reasonable cost.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Directors performed an assessment of the Group's future liquidity and cash flows, which included a cash flow projection for a period of not less than twelve months from 31 December 2025 and a review of assumptions about the likelihood of success of the plans and measures being implemented to meet the Group's financing needs. Taking into account the above plans, measures and considering the underlying bases of management's cash flow projection, the Directors are of the opinion that the Group will have funds available to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2025. Accordingly, the Directors consider it appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group can achieve the plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon:

- i) the success in timely obtaining financial support from shareholders as needed.
- ii) the success in timely satisfying the extension conditions and obtaining further extension of the Instruments with holder as needed.
- iii) the success in timely obtaining government subsidies.
- iv) the success in management of the payments to construction contractors and suppliers.
- v) the success in timely obtaining sufficient bank borrowings at a reasonable cost as needed.

If the Group fails to achieve the above-mentioned plans and measures, it may not be able to continue as a going concern and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amount, to provide for further liabilities that may arise and to reclassify certain non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments are not reflected in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred government grants in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). In cases where the grant date occurs after the employees to whom the equity instruments were granted have begun rendering services, the Group estimates the grant date fair value of the equity instruments for the purposes of recognising the services received during the period between service commencement date and grant date. Once the grant date has been established, the Group revises the earlier estimation so that the amounts recognised for services are ultimately based on grant date fair value. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment

Property, plant and equipment (other than construction in progress), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Intangible assets (Continued)

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Impairment on property, plant and equipment (including right-of-use assets), contract costs and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment (including right-of-use assets), intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment (including right-of-use assets) and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment on property, plant and equipment (including right-of-use assets), contract costs and intangible assets (Continued)

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15 *Revenue from Contracts with Customers*, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related services less the costs which relate directly to providing those services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Materials for research and development project

Materials for research and development project are mainly reagent and consumable materials for research and development purposes. Materials for research and development project are stated at the lower of cost and recoverable amount, and expensed as they are consumed.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets of the Group are subsequently measured at fair value.

- (i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

- (ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income or designated as at fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including deposits and other receivables, amounts due from related parties, pledged bank deposits, bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of deposits and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses, net' line item (Note 8) as part of the exchange gains (loss);
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses, net' line item (Note 8) as part of the fair value gains (loss) on financial assets at FVTPL, net.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 *Business Combinations* applies, (ii) held for trading or (iii) designated as at FVTPL.

A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the in the 'Other gains and losses, net' line item (Note 8) as part of the exchange gains (loss) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Convertible bonds

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value and the convertible bonds are designated as at FVTPL. In subsequent period, changes in fair value are recognised in profit or loss as fair value gain or loss.

The net gain or loss recognised in profit or loss includes interest incurred on the convertible loan notes and is included in "other gains and losses, net" line item.

Transaction costs relating to the issue of the convertible bonds are charged to profit or loss immediately.

When determining the classification of convertible bonds designated at "FVTPL" as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group's own equity instruments as a result of exercise of conversion option by holders as settlement of the convertible bonds.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a convertible instrument are modified, such as extending the tenure, change in exercise price of the underlying options, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Research and development expenditures

Development costs incurred on the Group's immune cell product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and use or sell the asset, how the asset will generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the pipeline, the Group's ability to use or sell the asset and the ability to measure reliably the expenditure during its development. Development costs which do not meet these criteria are expensed when incurred.

The Directors assess the progress of each of the research and development projects and determine whether the criteria are met for capitalisation. During the years ended 31 December 2025 and 2024, all development costs were expensed when incurred.

Key sources of estimation uncertainty

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Key sources of estimation uncertainty (Continued)

Estimated impairment of property, plant and equipment

Property, plant and equipment, are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates, estimated revenue or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amount of property, plant and equipment is RMB407,002,000 (31 December 2024: RMB451,603,000). The management of the Group conducted impairment assessment for those property, plant and equipment with impairment indication and no impairment has been recognised.

6. SEGMENT INFORMATION

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

Geographical information

The Group did not record any revenue during the year ended 31 December 2025 (year ended 31 December 2024: nil). As at 31 December 2025, the Group's non-current assets excluding financial instruments amounted to RMB427,858,000 (31 December 2024: RMB473,205,000). Majority of the Group's non-current assets are located in the PRC, accordingly, no analysis of geographical information is presented.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. OTHER INCOME/OTHER EXPENSES

Other income

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Income from provision of cell cryopreservation services	900	710
Government grants (Note)	18,062	29,369
Income from provision of technical services	1,013	2,409
Interest income on bank deposits	346	874
Interest income on rental deposits	186	197
Others	–	229
Total	20,507	33,788

Other expenses

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Costs for provision of cell cryopreservation services	280	288
Costs for provision of technical services	927	1,473
Others	–	358
Total	1,207	2,119

Note:

An analysis of the Group's government grants is as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Government grants related to		
– Research and development activities	46	14,285
– Machinery	9,081	8,467
– Others	8,935	6,617
	18,062	29,369

Government grants include subsidies from local governments which are specifically for (i) the subsidies for the Group's research and development activities, which are recognised upon compliance with the attached conditions; (ii) compensations of the capital expenditure incurred for purchase of machinery in relation to research and development of immune cell products, which are recognised over the useful lives of the related assets; and (iii) subsidies to provide immediate financial support to the Group with no conditions attached which are recognised in profit or loss when the subsidies are received.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. OTHER GAINS AND LOSSES, NET

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Fair value gain (loss) on financial assets at FVTPL, net	192	(19,811)
Fair value (loss) gain on other financial liability (Note 27)	(68,515)	58,742
Loss on disposal of property, plant and equipment	(30)	(39)
Exchange (loss) gain, net	(598)	216
Termination loss of an intangible asset (Note 17)	-	(19,316)
Impairment loss of an intangible asset (Note 17)	-	(562)
Impairment loss on prepayment to suppliers	-	(4,736)
Compensation for suspension of construction in progress	-	(26,323)
Gain on early termination of a lease	-	23
Others	(590)	(7)
Total	(69,541)	(11,813)

9. FINANCE COSTS

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest expenses on:		
Lease liabilities	6,346	7,493
Other borrowings	461	-
Total	6,807	7,493

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE

(a) Income tax expense

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax:		
PRC enterprise income tax ("EIT")	–	964
Over provision in prior years:		
PRC EIT	–	(38)
Total	–	926

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law, the statutory tax rate of the Company's PRC subsidiaries is 25% for both years.

Beijing Yongtai has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities on 31 October 2018 for a term of three years and further extend to December 2024 and December 2027 subsequently. Beijing Yongtai has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2018.

Yongtai Ruike has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities on 20 December 2023 for a term of three years and has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2023.

Accordingly, the profits derived by Beijing Yongtai are subject to EIT rate of 15% (year ended 31 December 2024: 15%) for the year ended 31 December 2025, and the profits derived by Yongtai Ruike is subject to EIT rate of 15% (year ended 31 December 2024: 15%) for the year ended 31 December 2025.

No provision for PRC EIT was made as the Group's PRC subsidiaries incurred tax losses for the year ended 31 December 2025.

No Hong Kong Profits Tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong Profits Tax.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE (CONTINUED)

(a) Income tax expense (Continued)

The income tax expense for the year is reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	For the year ended 31 December	
	2025 RMB'000	2024 RMB'000
Loss before tax	(230,907)	(186,417)
Tax at the applicable tax rate of 25% (2024: 25%)	(57,727)	(46,604)
Tax effect of non-taxable income	(45)	(19,294)
Tax effect of expenses not deductible for tax purpose	15,787	13,635
Tax effect of additional deduction for research and development expenses (Note)	(25,328)	(32,290)
Over provision in respect of prior years	–	(38)
Tax effect of unrecognised tax losses	67,445	86,067
Utilisation of tax losses previously not recognised	(132)	(550)
	–	926

Note: Pursuant to Caishui 2023 circular No. 7, Beijing Yongtai and Yongtai Ruike enjoy deduction of 200% on qualifying research and development expenses for the years ended 31 December 2025. Beijing Yongtai, Yongtai Ruike and Beijing Weixiao Biotechnology Development Limited* (北京緯曉生物技術開發有限責任公司) ("Beijing Weixiao") enjoy deduction of 200% on qualifying research and development expenses for the years ended 31 December 2024.

* English name is for identification purpose only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE (CONTINUED)

(b) Deferred taxation

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December 2025	2024
	RMB'000	RMB'000
Deferred tax assets	13,575	14,678
Deferred tax liabilities	(13,575)	(14,678)
	-	-

The following are the deferred tax liabilities and assets recognised and movements thereon during the Track Record Period:

	Right-of-use assets	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2024	(17,695)	17,695	-
Credit (charge) to profit or loss	3,017	(3,017)	-
At 31 December 2024	(14,678)	14,678	-
Credit (charge) to profit or loss	1,103	(1,103)	-
At 31 December 2025	(13,575)	13,575	-

As at 31 December 2025, the Group had unused tax losses of RMB2,125,758,000 (31 December 2024: RMB1,874,778,000) which are available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining unused tax losses as at 31 December 2025 and 2024 due to the unpredictability of future profit streams.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE (CONTINUED)

The unused tax losses will be expired as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
2025	–	18,693
2026	47,277	47,384
2027	62,834	62,834
2028	56,948	56,948
2029	125,720	125,720
2030	265,075	261,958
2031	381,415	381,415
2032	320,898	320,898
2033	293,487	293,487
2034	305,441	305,441
2035	266,663	–
Total	2,125,758	1,874,778

11. LOSS FOR THE YEAR

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
– salaries and other allowances	51,819	64,427
– retirement benefits	5,085	5,626
Total staff costs	56,904	70,053
Depreciation of property, plant and equipment	53,006	58,521
Less: capitalised in construction in progress	(258)	(258)
	52,748	58,263
Amortisation of intangible assets	2,554	2,609
Auditor's remuneration	2,160	2,160
Short-term lease expense	4	81
Cost of materials included in research and development expenses	7,697	16,135
Outsourcing service fees in relation to clinical trials included in research and development expenses	19,649	27,299

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to the Directors and chief executive of the Company are as follows:

Year ended 31 December 2025

	Fees RMB'000	Salaries and other allowances RMB'000	Retirement benefits RMB'000	Total RMB'000
EXECUTIVE DIRECTORS:				
Mr. Tan Zheng (Chairman)	–	1,793	70	1,863
Dr. Wang Yu (Note a)	–	863	–	863
Sub-total	–	2,656	70	2,726
NON-EXECUTIVE DIRECTORS:				
Mr. Yang Fan	–	–	–	–
Mr. Wang Ruihua	–	–	–	–
Mr. Wang Donghu	–	–	–	–
Mr. Yang Xin (Note b)	–	–	–	–
Mr. Liu Rui (Note b)	–	–	–	–
Mr. Tao Ran (Note c)	–	–	–	–
Ms. Yu Xiaohui (Notes c&d)	–	–	–	–
Mr. Cao Ran (Note d)	–	–	–	–
Sub-total	–	–	–	–
INDEPENDENT NON-EXECUTIVE DIRECTORS:				
Mr. Wang Yingdian	110	–	–	110
Mr. Ng Chi Kit	108	–	–	108
Ms. Peng Sujiu	110	–	–	110
Ms. Zhang Guoguang (Note b)	56	–	–	56
Sub-total	384	–	–	384
Total	384	2,656	70	3,110

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

The emoluments paid or payable to the Directors and chief executive of the Company are as follows: (continued)

Year ended 31 December 2024

	Fees RMB'000	Salaries and other allowances RMB'000	Retirement benefits RMB'000	Total RMB'000
EXECUTIVE DIRECTORS:				
Mr. Tan Zheng (Chairman)	–	2,338	68	2,406
Dr. Wang Yu (Note a)	–	2,329	–	2,329
Sub-total	–	4,667	68	4,735
NON-EXECUTIVE DIRECTORS:				
Mr. Tao Ran	–	–	–	–
Mr. Yang Fan	–	–	–	–
Mr. Wang Ruihua	–	–	–	–
Mr. Wang Donghu	–	–	–	–
Sub-total	–	–	–	–
INDEPENDENT NON-EXECUTIVE DIRECTORS:				
Mr. Wang Yingdian	206	–	–	206
Mr. Ng Chi Kit	208	–	–	208
Ms. Peng Sujiu	206	–	–	206
Sub-total	620	–	–	620
Total	620	4,667	68	5,355

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

The emoluments paid or payable to the Directors and chief executive of the Company are as follows: (continued)

Notes:

- a. Dr. Wang Yu had resigned from her position of executive director with effect from 25 June 2025.
- b. Mr. Yang Xin and Mr. Liu Rui were appointed as non-executive directors, and Mr. Zhang Guoguang was appointed as an independent non-executive director, each with effect from 26 June 2025.
- c. Mr. Tao Ran had resigned from his position as a non-executive director with effect from 25 April 2025. Ms. Yu Xiaohui was appointed as non-executive director with effect from 25 April 2025.
- d. Ms. Yu Xiaohui had resigned from his position as a non-executive director with effect from 16 October 2025. Mr. Cao Ran was appointed as non-executive director with effect from 16 October 2025.

There were no arrangement under which a director of the Company or the chief executive waived or agreed to waive any remuneration during the year ended 31 December 2025 (year ended 31 December 2024: nil).

Certain directors were granted share options, in respect of their services to the Group under the share option scheme of the Company, details are set out in Note 30.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one directors (year ended 31 December 2024: two directors), details of whose remuneration are set out in Note 12. Details of the remuneration for the year of the remaining four (year ended 31 December 2024: three) highest paid employees who are neither a director nor the chief executive are as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other allowances	4,338	2,842
Retirement benefits	282	68
Total	4,620	2,910

The number of the highest paid employees who are not the directors whose remuneration fell within the following bands is as follows:

	For the year ended 31 December	
	2025	2024
Nil to HK\$1,000,000	–	2
HK\$1,000,001 to HK\$1,500,000	4	–
HK\$1,500,001 to HK\$2,000,000	–	1
Total	4	3

No remuneration was paid by the Group to any of the directors or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended 31 December 2025 (year ended 31 December 2024: nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2025, nor has any dividend been proposed since the end of the reporting period (year ended 31 December 2024: nil).

15. LOSS PER SHARE

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

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Loss		
Loss for the year attributable to owners of the Company	(230,785)	(186,912)

	For the year ended 31 December	
	2025	2024
	Shares	Shares
	('000)	('000)
		(restated)
Number of shares		
Number of ordinary shares for the purpose of basic and diluted loss per share	549,003	538,131

As the Company's share market price immediately before the close of rights exercise was higher than the rights issue price, this gave rise to a bonus element in the Rights Issue (defined in Note 28) to existing shareholders. Therefore the weighted average number of ordinary shares used in the calculation of the basic loss per share was restated for the year ended 31 December 2024 as if the bonus element (but not the total rights issue) arose proportionately at the start of the earliest period for which loss per share is presented in accordance with the requirements under IAS 33.

For the purpose of calculation of diluted loss per share for the years ended 31 December 2025, the share options granted under the pre-IPO share option scheme, the conversion of the Company's outstanding other financial liability and the dilutive factor of the Rights Issue (defined in Note 28) were not included as their inclusion would result in a decrease in loss per share. For the purpose of calculation of diluted loss per share for the years ended 31 December 2024, the share options granted under the pre-IPO share option scheme and the conversion of the Company's outstanding other financial liability were not included as their inclusion would result in a decrease in loss per share.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold lands RMB'000	Leased properties RMB'000	Leasehold improvements RMB'000	Machinery RMB'000	Vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST								
At 1 January 2024	83,922	175,886	121,829	138,988	3,017	7,525	107,651	638,818
Additions	-	-	-	-	-	8	10,176	10,184
Early termination of a lease (Note ii)	-	(2,263)	-	-	-	-	-	(2,263)
Disposals	-	-	-	(394)	-	(196)	-	(590)
Transfer	-	-	-	4,408	-	-	(4,408)	-
At 31 December 2024	83,922	173,623	121,829	143,002	3,017	7,337	113,419	646,149
Additions	-	-	-	-	-	98	943	1,041
Disposals	-	-	-	(51)	-	(74)	-	(125)
Transfer	-	-	-	897	-	-	(897)	-
Modification of leases (Note i)	-	7,410	-	-	-	-	-	7,410
At 31 December 2025	83,922	181,033	121,829	143,848	3,017	7,361	113,465	654,475
ACCUMULATED DEPRECIATION								
At 1 January 2024	(11,469)	(58,574)	(35,873)	(25,638)	(2,344)	(4,161)	-	(138,059)
Provided for the year	(3,809)	(18,706)	(20,397)	(13,430)	(522)	(1,657)	-	(58,521)
Early termination of a lease (Note ii)	-	1,509	-	-	-	-	-	1,509
Elimination on disposals	-	-	-	354	-	171	-	525
At 31 December 2024	(15,278)	(75,771)	(56,270)	(38,714)	(2,866)	(5,647)	-	(194,546)
Provided for the year	(3,809)	(18,528)	(16,172)	(13,630)	-	(867)	-	(53,006)
Elimination on disposals	-	-	-	10	-	69	-	79
At 31 December 2025	(19,087)	(94,299)	(72,442)	(52,334)	(2,866)	(6,445)	-	(247,473)
CARRYING VALUES								
At 31 December 2025	64,835	86,734	49,387	91,514	151	916	113,465	407,002
At 31 December 2024	68,644	97,852	65,559	104,288	151	1,690	113,419	451,603

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

- i. In 2025, the Group remeasured the lease liabilities of RMB7,337,000 due to a lease modification and made corresponding adjustment of RMB7,337,000 to the right-of-use assets.
- ii. In September 2024, the Group early terminated a lease with the lessor. The Group derecognised the right-of-use assets in net amount of RMB754,000, and lease liabilities of RMB777,000, respectively, resulting in a gain of RMB23,000 in profit or loss.

Property, plant and equipment other than construction in progress are depreciated using the straight-line method after taking into account of their estimated residual values with the following useful lives:

Leasehold lands	Over lease terms
Leased properties	Shorter of lease terms
Leasehold improvements	Shorter of lease terms and its useful life
Machinery	3 to 10 years
Vehicles	5 years
Office equipment	5 years

The Group leases properties to operate its business. These leases are typically made for fixed terms of 3 to 10 years. Lease terms are negotiated on an individual basis and contain different payment terms and conditions.

The Group's lease agreements did not contain any contingent rent nor any early termination option or purchase option for lessee.

The total cash outflow for leases amounted to RMB26,705,000 for the year ended 31 December 2025 (year ended 31 December 2024: RMB20,669,000).

As at 31 December 2025, the Group's leasehold lands, machineries and construction in progress of RMB200,881,000 (2024: RMB212,236,000) in total were pledged to secure other financial liability of the Group (Note 27).

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17. INTANGIBLE ASSETS

	License-in right RMB'000 (Note)	Acquired clinical trial permission RMB'000	Patent rights RMB'000	Software development RMB'000	Software under development RMB'000	Total RMB'000
COST						
At 1 January 2024	19,316	2,143	8,387	18,340	1,634	49,820
Additions	-	-	-	-	157	157
Disposals	-	-	-	(9)	-	(9)
Transfer	-	-	-	66	(66)	-
Termination	(19,316)	-	-	-	-	(19,316)
At 31 December 2024	-	2,143	8,387	18,397	1,725	30,652
Additions	-	-	-	-	902	902
Transfer	-	-	-	314	(314)	-
At 31 December 2025	-	2,143	8,387	18,711	2,313	31,554
AMORTISATION AND IMPAIRMENT						
At 1 January 2024	-	(1,388)	(4,103)	(2,447)	-	(7,938)
Charge for the year	-	(193)	(839)	(1,577)	-	(2,609)
Elimination on disposals	-	-	-	8	-	8
Impairment loss recognised	-	(562)	-	-	-	(562)
At 31 December 2024	-	(2,143)	(4,942)	(4,016)	-	(11,101)
Charge for the year	-	-	(713)	(1,841)	-	(2,554)
At 31 December 2025	-	(2,143)	(5,655)	(5,857)	-	(13,655)
CARRYING VALUES						
At 31 December 2025	-	-	2,732	12,854	2,313	17,899
At 31 December 2024	-	-	3,445	14,381	1,725	19,551

Note: On 11 January 2021, the Company entered into a license agreement with T-Cure Bioscience, Inc. ("T-Cure"), pursuant to which T-Cure agreed to grant an exclusive license to the Company to use the patent rights and technology of T-Cure for the development, manufacturing and commercialisation of licensed products in Korea, the PRC, including Hong Kong and Macau, but excluding Taiwan in the field of immunotherapy for renal cell carcinoma. As the transfer of the relevant technologies agreed upon in the agreement was completed in March 2022, the Company recorded an intangible asset in relation to the upfront payment and the first milestone payment with total amount of US\$3,000,000 (equivalent to RMB19,316,000) in 2022. During the year ended 31 December 2024, the license agreement was terminated and a loss of RMB19,316,000 was recognised for the related intangible asset since the Group did not plan to continue the development activities in relation to such licensed technology. In addition, the Group recognised an impairment loss of RMB2,000,000 in profit or loss for the net amount after derecognition of the prepayment to T-Cure of RMB5,183,000 and other payable to T-cure of RMB3,183,000.

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17. INTANGIBLE ASSETS (CONTINUED)

Except for the license-in right and software under development not yet available for use, intangible assets have finite lives and are amortised on a straight-line basis. The useful lives of acquired clinical trial permission, patent rights and software are 10 years, 10 years and 5 to 10 years, respectively. The useful lives of patent rights were determined by the management taking into account of the period over which the assets are expected to be available for use by the Group and the stability of the industry in which the assets operate.

18. FINANCIAL ASSETS AT FVTPL

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Investment in the Tasly Fund (Note i)	–	–
Investment in the Shaoxing Fund (Note ii)	–	–
Investment in the certificate of deposits (Note iii)	–	10,536
Investment in the structured bank deposits (Note iv)	100,109	–
Total	100,109	10,536

Notes:

- i. In December 2020, the Company entered into a subscription agreement with Tasly Bioscience Fund Limited, in relation to the subscription of limited partner interests in Tasly Bioscience Fund, L.P. (the "Tasly Fund"). The investment represents indirect interests in a bio-science company in Korea ("Target A") which is accounted for as a financial asset at FVTPL under IFRS 9. As at 31 December 2025 and 2024, Target A has ceased its clinical research and did not expect the research activities to be resumed in the foreseeable future, therefore, the fair value of the investment approximates to nil. Based on the above situation, the Directors determine that the identification of significant unobservable inputs and the sensitivity analysis of the valuation is not meaningful.
- ii. In February 2021, the Company's subsidiary, Beijing Yongtai, entered into a subscription agreement in relation to the subscription of limited partner interests in (紹興永晟股權投資合夥企業(有限合夥)) (the "Shaoxing Fund"). Subject to the terms of the limited partnership agreement, the initial term of the Shaoxing Fund shall be seven years and each of the partners will be entitled to share the profit or loss attributable to a project investment in proportion to their respective paid capital commitment to fund the acquisition cost of such project investment. The general partner, Tianjin Jinxin Health Technology Co., Ltd.* (天津金新健康科技有限公司), has exclusive power over the management and control of the operation, investment affairs and other matters relating to the Shaoxing Fund.

The subscription amount of RMB50,000,000 had been paid in April 2021. The investment was accounted for as financial assets at FVTPL under IFRS 9. The Shaoxing Fund made the investment of RMB500,000,000 to subscribe convertible bonds of a company principally engaged in gene testing services in Mainland China ("Target B"). The convertible bonds carry interests of 6% per annum and had an original maturity period to May 2024. In March 2024, Target B repaid RMB180,000,000 to Shaoxing Fund and the subscription amount of RMB24,195,000 was redeemed by Beijing Yongtai in June 2024.

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For the year ended 31 December 2025

18. FINANCIAL ASSETS AT FVTPL (CONTINUED)

Notes: (Continued)

ii. (Continued)

As at 31 December 2025 and 2024, the remaining principal of RMB320,000,000 of the convertible bonds did not extend and have been past due. According to the management's assessment, considering the financial position of Target B, the fair value of the remaining investment in Shaoxing Fund was RMB nil. Based on the above situation, the Directors determine that the identification of significant unobservable inputs and the sensitivity analysis of the valuation is not meaningful.

The fair value of investment in the Shaoxing Fund is as follows:

	Investment in the Shaoxing Fund RMB'000
As 1 January 2024	43,969
Redemption of the investment	(24,195)
Change in fair value	(19,774)
At 31 December 2024 and 2025	-

iii. The Group invested in the certain certificate of deposits with a bank in PRC as at 31 December 2024. The certificate of deposits carried fixed interest rate of 3.00% per annum. The Directors determined the deposits were mainly for the purpose of short-term fund management, which would be sold in the secondary market within one year, therefore the deposits were accounted for as financial assets at FVTPL and classified as current assets.

iv. The structured bank deposits carry expected return up to 1.90% per annum, depending on certain exchange rates in the market as specified in the terms of relevant deposits. There is no predetermined return for each product. Such financial products are accounted for as financial assets at FVTPL under IFRS 9.

As at 31 December 2025, the Group's investment in the Tasly Fund and investment in the Shaoxing Fund were pledged to secure other financial liability of the Group (Note 27).

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December 2025	2024
	RMB'000	RMB'000
Prepayments to suppliers and service providers	8,210	13,411
Value added tax recoverable	3,819	3,939
Prepayments for purchase of property, plant and equipment	1,301	1,029
Rental deposits	3,488	3,375
Other deposits	677	1,140
Advances to employees	991	706
Others	254	108
	18,740	23,708
Analysed as:		
Non-current	6,402	5,180
Current	12,338	18,528
	18,740	23,708

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20. MATERIALS FOR RESEARCH AND DEVELOPMENT PROJECT

Materials for research and development project mainly include reagent and consumable materials for research and development purposes. No impairment was recognised during the year ended 31 December 2025 (year ended 31 December 2024: nil).

21. PLEDGED BANK DEPOSITS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Pledged bank deposits for construction in Shanghai (Note i)	–	648
Restricted bank deposits (Note ii)	–	4,933
	–	5,581

Notes:

- i. The pledged bank deposits as of 31 December 2024 are related to the construction in Shanghai, which are required to be maintained as warranty and can be used only to settle future claims, if any.
- ii. Restricted bank deposits are related to the Group's litigation with two suppliers, which has been released from restriction due to the conclusion of the litigation subsequent to 31 December 2024.

As at 31 December 2024, the pledged bank deposits carried a fixed interest rate of 0.10% per annum. All such pledged deposits were fully released during the year ended 31 December 2025.

22. BANK BALANCES AND CASH

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Cash on hand	300	–
Bank balances	54,158	46,957
	54,458	46,957
Bank balances and cash denominated in:		
RMB	41,595	29,049
HK\$	12,732	298
US\$	131	17,610
	54,458	46,957

Bank balances carry interest at market rates which range from 0.01% to 0.1% (31 December 2024: 0.01% to 4.15%) per annum as at 31 December 2025.

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23. CONTRACT LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Provision of cell cryopreservation services	581	1,274
Provision of technical services	907	1,266
Current	1,372	1,729
Non-current	116	811
	1,488	2,540

As at 1 January 2024, contract liabilities were amounted to RMB1,984,000.

Income relating to cell cryopreservation services is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for consideration relating to the cell cryopreservation services at the time of the initial sales transaction and is released over the service period.

Technical services are mainly cell immune technology development and related detection service. Income relating to technical services is recognised at a point in time when the service is completed.

Income from cell cryopreservation services and technical services that was included in the contract liabilities balance at the beginning of the year was RMB1,052,000 for the year ended 31 December 2025 (year ended 31 December 2024: RMB710,000).

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at year end and the expected timing of recognising income are as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within one year	1,372	1,729
Within a period of more than one year but not exceeding two years	116	695
Within a period of more than two years but not exceeding five years	–	116
	1,488	2,540

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24. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	35,225	33,609
Payables for acquisition of property, plant and equipment	61,925	74,932
Accrued salaries and other allowances	8,872	8,797
Payables for acquisition of intangible assets	2,281	1,947
Payables for service expense	17,578	12,207
Others	1,132	433
	127,013	131,925

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	15,165	16,855
1 year to 2 years	7,460	11,674
2 years to 3 years	10,735	5,080
More than 3 years	1,865	–
	35,225	33,609

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25. LEASE LIABILITIES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	25,650	27,445
Within a period of more than one year but not exceeding two years	22,910	20,009
Within a period of more than two years but not exceeding five years	45,141	47,400
Within a period of more than five years	9,743	21,608
	103,444	116,462
Less: Amounts due for settlement within one year shown under current liabilities	(25,650)	(27,445)
Amounts due for settlement after one year shown under non-current liabilities	77,794	89,017

The incremental borrowing rates applied by the relevant group entities range from 3.00% to 6.48% (31 December 2024: 5.22% to 6.48%) per annum for lease liabilities as at 31 December 2025.

The liquidity risk with regard to the Group's lease liabilities is set out in Note 32.

26. DEFERRED GOVERNMENT GRANTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current	–	46
Non-current	51,380	60,461
	51,380	60,507

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26. DEFERRED GOVERNMENT GRANTS (CONTINUED)

Movements in deferred government grants

	Government grants related to		
	Machinery RMB'000	Research and development activities RMB'000	Total RMB'000
At 1 January 2024	38,188	1,138	39,326
Government grants received	30,740	–	30,740
Release of deferred government grants to profit or loss	(8,467)	(1,092)	(9,559)
At 31 December 2024	60,461	46	60,507
Release of deferred government grants to profit or loss	(9,081)	(46)	(9,127)
At 31 December 2025	51,380	–	51,380

27. OTHER FINANCIAL LIABILITY

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Convertible bonds	–	268,097
Bonds	336,612	–
	336,612	268,097

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27. OTHER FINANCIAL LIABILITY (CONTINUED)

In February 2023, the Company issued convertible bonds to Tasly (Hong Kong) Pharmaceutical Investment Limited (“Tasly (Hong Kong)”) with the principal amount of RMB300 million (the “2023 Bonds”) which will mature in 3 years from the date of issuance (the “Maturity Date”). Tasly (Hong Kong) is controlled by Tasly Pharmaceutical Group Co., Ltd. (“Tasly Pharmaceutical”), a listed company on Shanghai Stock Exchange, both Tasly Pharmaceutical and Tasly Fund are controlled by Tasly Holding Group Co., LTD. The convertible bonds carry interests of 6% per annum and the interest will be payable annually and can convert into the shares of the Company at the option of the investor at any time commencing from six months after the issue date up to the Maturity Date at the initial conversion price of RMB4.38 (equivalent to HK\$4.81) per conversion share subject to adjustment, which has been adjusted to HK\$4.425 immediately upon the completion of the Rights Issue (defined in Note 28). If the convertible bonds are not fully converted at the Maturity Date, the Company would make up an aggregate return on the relevant principal amount of the convertible bonds of 8% per annum. The convertible bonds were secured by property, plant and equipment, financial assets at FVTPL and ordinary shares of the Company provided by Mr. Tan Zheng, a major shareholder and an Executive Director of the Company, and his close family members as set out in Notes 16, 18 and 36, respectively. The convertible bonds are designated at FVTPL.

On 30 December 2024, Tasly (Hong Kong) and an independent investor entered an agreement to transfer the convertible bonds at a consideration of RMB300,000,000, subject to certain conditions. All the conditions precedent of the transfer of the convertible bonds have been fulfilled and the convertible bonds has been transferred to the independent investor’s wholly owned subsidiary (the “Investor”) on 15 July 2025. The interest incurred before the transfer belongs to Tasly (Hong Kong) and the interest incurred after the transfer belongs to the Investor. The related parties of Tasly (Hong Kong) provided additional security in relation to the convertible bonds to the Investor. The security provided by the Group to Tasly (Hong Kong) in relation to the convertible bonds will also be transferred to the Investor.

On 31 December 2025, the Investor confirmed to the Company that it will not exercise the conversion rights till the expiration date of the convertible bonds. The surrender of the conversion right by the Investor resulted in a substantial modification, such modification is accounted for as derecognition of the original convertible bonds and recognition of a new financial liability. The new financial liability was recognised initially at fair value of RMB336,612,000 and measured subsequently at amortised cost. The difference between the carrying amount of the convertible bonds derecognised and the fair value of the new financial liability recognised is insignificant.

The movement of other financial liability is as follows:

	Other Financial Liability
	RMB'000
As 1 January 2024	326,839
Change in fair value	(58,742)
At 31 December 2024	268,097
Change in fair value	68,515
Derecognition of convertible bonds	(336,612)
Recognition of bonds	336,612
At 31 December 2025	336,612

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27. OTHER FINANCIAL LIABILITY (CONTINUED)

The fair value of convertible bonds is valued by an independent valuer using the Binomial Model as at 31 December 2024 and the key valuation assumptions and inputs to the model are as follows:

	As at 31 December 2024
Bond maturity	1.13 years
Volatility	79.44%
Stock price of the Company	RMB2.13
Risk-free interest rate	1.08%
Discount rate for the Company	44.35%

Volatility was estimated on the valuation date based on the average of historical volatilities of the Company for a period of three years.

Risk-free interest rate was estimated based on the China government bond yield curve with similar time to maturity as at the valuation date.

On 9 February 2026, the Company and the Investor entered into an agreement to issue new convertible bonds with the principal amount of RMB270 million (the "2026 Convertible Bonds") and a note with the principal amount of RMB30 million (the "Note") to the Investor to settle the 2023 Bonds. On 13 February 2026, the issuance was completed and the consideration for the subscription were applied exclusively as full and final settlement of principal amount of the 2023 Bonds. Both the 2026 Convertible Bonds and the Note have a maturity of 364 days from the date of issue. The interests of 2023 Bonds to the Investor have been repaid on 13 February 2026.

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28. SHARE CAPITAL

	Number of shares	Share capital US\$
Ordinary shares		
Ordinary shares of US\$0.001 each		
Authorised		
At 1 January 2024 and at 31 December 2024 and 2025	5,000,000,000	5,000,000
Issued and fully paid		
At 1 January 2024 and at 31 December 2024	514,584,000	514,584
Rights issue of shares (Note)	102,916,800	102,917
	617,500,800	617,501
	31 December 2025	2024
	RMB'000	RMB'000
Presented as	4,306	3,576

Note: On 13 November 2025, a total of 102,916,800 new shares were issued as a result of the completion of the rights issue at the subscription price of HK\$2.5 per rights share (the "Rights Issue") on the basis of one rights share for every five then existing ordinary shares held, resulting in an increase of the share capital of US\$102,917 (equivalent to approximately RMB730,000). The Company raised net proceeds of approximately HK\$252,373,000 (equivalent to RMB230,154,000) excluding the transaction costs amounting to approximately RMB4,485,000. The proceeds of rights issue will be utilised in the early commercialisation and clinical trials of the core product, the general working capital to support operations and the research and development expenditure in connection with other pipeline products and early-stage research projects.

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29. RETIREMENT BENEFITS PLANS

The PRC employees of the Group are members of a state-managed retirement benefits plan operated by the government of the PRC. The PRC subsidiaries of the Company are required to contribute a specified percentage of payroll costs to the retirement benefits plan to fund the employee benefits. The only obligation of the Group with respect to the retirement benefits plan is to make the specified contributions. The retirement benefits cost charged to profit or loss for the year ended 31 December 2025 amounted to RMB5,085,000 (year ended 31 December 2024: RMB5,626,000).

At 31 December 2025 and 2024, the Group had no forfeited contributions under the above retirement benefit scheme which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2025 and 2024 under such scheme which may be used by the Group to reduce the contribution payable in future years.

30. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to a written resolution of the Directors on 31 December 2019, a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") of the Company was approved. The Pre-IPO Share Option Scheme was established to encourage the participants to contribute to the Group for the long-term benefits of the Group. The maximum number of shares that may be granted under the Pre-IPO Share Option Scheme shall not exceed 37,500,000 shares, representing approximately 7.50% of the total number of shares in issue immediately upon completion of the IPO.

On 31 December 2019, the Group offered 7 senior management and 25 eligible employees (collectively, the "Grantees") and the Grantees accepted 37,500,000 share options (the "Pre-IPO Share Options") with certain service conditions. Options may be exercised at any time from vesting date to the seventh anniversary of the date of offer.

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30. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The details of the Pre-IPO Share Options granted to the senior management and employees of the Group are as follows:

Types	Date of offer	Number of shares subject to the option	Vesting proportion	Vesting period	Exercise price per share
Executive directors:					
Mr. Tan Zheng	31/12/2019	5,000,000	50%	2019.12.31-2020.12.31	50% of the global offering price (the "Offer Price")
			50%	2019.12.31-2021.12.31	50% of the Offer Price
Dr. Wang Yu (Note)	31/12/2019	23,450,000	50%	2019.12.31-2020.12.31	50% of the Offer Price
			50%	2019.12.31-2021.12.31	50% of the Offer Price
Senior managements:	31/12/2019	3,500,000	30%	2019.12.31-2020.12.31	50% of the Offer Price
			30%	2019.12.31-2021.12.31	50% of the Offer Price
			40%	2019.12.31-2022.12.31	50% of the Offer Price
Employees:	31/12/2019	2,550,000	50%	2019.12.31-2020.12.31	50% of the Offer Price
			50%	2019.12.31-2021.12.31	50% of the Offer Price
Employees:	31/12/2019	3,000,000	30%	2019.12.31-2020.12.31	50% of the Offer Price
			30%	2019.12.31-2021.12.31	50% of the Offer Price
			40%	2019.12.31-2022.12.31	50% of the Offer Price
Total		37,500,000			

Note: Dr. Wang Yu had resigned from her position of executive director with effect from 25 June 2025 and 23,450,000 options were forfeited.

Upon the completion of the Rights Issue, pursuant to the terms of the Pre-IPO Share Option Scheme, the exercise price of the Pre-IPO Share Options was adjusted from HK\$5.5 per share to HK\$5.097 per share and the number of 9,150,000 options exercisable at an exercise price of HK\$5.5 per share has become 9,872,850 at an adjusted exercise price of HK\$5.097 per share.

As at 31 December 2025, 9,872,850 options have been vested and are exercisable (31 December 2024: 35,930,000).

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31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to equity holders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities as disclosed in Note 25 and other financial liability as disclosed in Note 27, net of bank balances and cash, and equity attributable to owners of the Group, comprising share capital and reserves.

The Directors review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through new share issues as well as the issue of new debts.

32. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Amortised cost	58,877	57,261
Financial assets at FVTPL	100,109	10,536
	158,986	67,797
Financial liabilities		
Amortised cost	454,960	123,128
Financial liability at FVTPL	–	268,097
	454,960	391,225

Financial risk management objectives and policies

The Group's major financial instruments include deposits and other receivables, amounts due from related parties, pledged bank deposits, bank balances and cash, financial assets at FVTPL, trade and other payables, other borrowings and other financial liability. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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32. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

As at the end of the reporting period, the Group had the following monetary items, which are bank balances, deposits and other receivables, trade and other payables denominated in currencies other than RMB.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Assets		
HK\$	12,732	298
US\$	131	17,610
Liabilities		
HK\$	8,872	8,414

Sensitivity analysis

The Group was primarily subject to foreign currency risk from the movement of the exchange rates between RMB against HK\$ and US\$. At the end of the reporting period, if the exchange rate of RMB had been weakened against HK\$ and US\$ by 5% and all other variables were held constant, the Group's post-tax loss would decrease (increase) as follows. For a 5% strengthening of RMB against HK\$ and US\$, there would be an opposite impact on the post-tax loss for the year.

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
HK\$	193	(406)
US\$	7	881

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk

The Group's fair value interest rate risk relates primarily to pledged bank deposits (Note 21), fixed-rate lease liabilities (Note 25) and other financial liability (Note 27). The Group is also exposed to cash flow interest risk in relation to variable-rate bank balances (Note 22) which carry prevailing market interests. The Group currently does not have a specified policy to manage its interest rate risk but will closely monitor their interest rate risk exposure in the future.

No sensitivity analysis on interest rate risk is presented as the management considers the sensitivity on interest rate risk on bank balances is insignificant.

(iii) Other price risk

The Group invested in certain funds for investing in investees operating in bio-science industry sector as detailed in Note 18. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. Sensitivity analyses for those investments with fair value measurement were disclosed in Note 33.

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position (including bank balances and cash, pledged bank deposits, deposits and other receivables). The Group does not hold any collaterals or other credit enhancement to cover its credit risks associated with its financial assets.

In order to minimise the credit risk, the Group monitors the exposure to credit risk on an on-going basis. The Group performed impairment assessment for each individual debt under ECL model at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Watch list	Debtor frequently usually repays after due dates but settle the amounts in full	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Bank balances and pledged bank deposits

The Group's bank balances and cash and pledged bank deposits are placed with state-owned banks or commercial banks with high credit ratings in the Mainland China and Hong Kong with aggregate gross carrying amounts RMB54,458,000 as at 31 December 2025 (31 December 2024: RMB52,538,000). Therefore, the credit risks on bank balances are limited.

The Group has concentration risk with approximately 73.59% and 22.75% of the Group's bank balances and cash placed with bank A and bank C at 31 December 2025 (31 December 2024: 56.64% and 28.88% of the Group's bank balances placed with bank B and bank C).

Amounts due from related parties, deposits and other receivables

The Group assessed the ECL for its amounts due from related parties, deposits and other receivables individually based on internal credit rating which, in the opinion of the Directors, there is no significant increase in credit risk since initial recognition. ECL is estimated based on historical observed default rates of debtors and forward-looking information that is available without undue cost or effort. No loss allowance was recognised for amounts due from related parties, deposits and other receivables with gross carrying amounts of RMB4,419,000 as at 31 December 2025 (31 December 2024: RMB4,723,000), as the counterparties involved are considered with limited credit risk and the ECL involved is not material.

Other than the concentration of credit risks of bank balances mentioned above, the Group does not have any other significant concentration of credit risk.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on financing from shareholders and other institution as significant sources of liquidity. The Group also monitors and maintains levels of bank balances and cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group had net current liabilities of RMB319,262,000 as at 31 December 2025 (31 December 2024: net current liabilities of RMB342,712,000). The Directors closely monitor the cash flows of the Group and would arrange the financing, when necessary, to ensure the Group has sufficient funds to enable the Group to meet its financial obligations in the foreseeable future.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Interest rates %	On demand RMB'000	Within 180 days RMB'000	181 days to 365 days RMB'000	1-5 years RMB'000	>5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025								
Trade and other payables	-	-	118,141	-	-	-	118,141	118,141
Lease liabilities	3.00-6.48	-	13,971	12,369	80,671	13,642	120,653	103,444
Other financial liability	43.40	-	354,000	-	-	-	354,000	336,612
Other borrowings	4.50	207	-	-	-	-	207	207
		207	486,112	12,369	80,671	13,642	593,001	558,404

	Interest rates %	On demand RMB'000	Within 180 days RMB'000	181 days to 365 days RMB'000	1-5 years RMB'000	>5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024								
Trade and other payables	-	-	123,128	-	-	-	123,128	123,128
Lease liabilities	5.22-6.48	-	16,569	11,554	80,443	31,232	139,798	116,462
Other financial liability	44.35	-	-	-	372,000	-	372,000	268,097
		-	139,697	11,554	452,443	31,232	634,926	507,687

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements and works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

	NOTES	Fair value as at 31/12/2025 RMB'000	Fair value as at 31/12/2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable input to fair value
Financial assets at FVTPL							
Investment in the Tasly Fund	18	-	-	Level 3	Set out in Note 18	Set out in Note 18	Set out in Note 18
Investment in the Shaoxing Fund	18	-	-	Level 3	Set out in Note 18	Set out in Note 18	Set out in Note 18
Investment in the certificate of deposits	18	-	10,536	Level 2	Redemption value quoted by financial institutions	N/A	N/A
Investment in the structured bank deposits	18	100,109	-	Level 2	Discounted cash flow at a discount rate that reflects the credit risk of issuers	N/A	N/A
Financial liability							
Other financial liability	27	N/A	268,097	Level 3	Set out in Note 27	Volatility and discount rate	Note i

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

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

Note:

- i. A slight increase in the volatility used in isolation would result in a slight increase in the fair value of convertible bonds, and vice versa. If the volatility was 5.00% higher or lower while holding all other variables constant, the fair value of convertible bonds would increase by RMB2,291,000 or decrease by RMB6,153,000 as at 31 December 2024.

A slight increase in the discount rate used in isolation would result in a slight decrease in the fair value of convertible bonds, and vice versa. If the discount rate was 1.00% higher or lower while holding all other variables constant, the fair value of convertible bonds would decrease by RMB153,000 or increase by RMB157,000 as at 31 December 2024.

Details of reconciliation of Level 3 fair value measurement for the financial assets at FVTPL are set out in Note 18. Details of reconciliation of Level 3 fair value measurement for the financial liability at FVTPL are set out in Note 27.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position of the Group approximate their respective fair values.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities	Other borrowings	Other financial liability	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	130,334	–	326,839	457,173
Financing cash flows	(20,588)	–	–	(20,588)
Interest expenses recognised	7,493	–	–	7,493
Fair value changes	–	–	(58,742)	(58,742)
Early termination of leases	(777)	–	–	(777)
At 31 December 2024	116,462	–	268,097	384,559
Financing cash flows	(26,701)	(254)	–	(26,955)
Interest expenses recognised	6,346	461	–	6,807
Fair value changes	–	–	68,515	68,515
Modification of leases	7,337	–	–	7,337
At 31 December 2025	103,444	207	336,612	440,263

35. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2025, the Group remeasured the lease liabilities of RMB7,337,000 due to a lease modification and made a corresponding adjustment of RMB7,337,000 to the right-of-use assets.

During the year ended 31 December 2024, the Group derecognised right-of-use assets and lease liabilities of RMB754,000 and RMB777,000 respectively for an early termination of a lease.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36. RELATED PARTY TRANSACTIONS

- a. Names and relationship with related parties are as follows:

Names	Relationship
Tasly Pharmaceutical and its subsidiaries	Entity controls Tasly (Hong Kong), which has significant influence to the Company
Mr. Tan Zheng	An Executive Director and a major shareholder of the Company
Dr. Wang Yu (Note)	An Executive Director

Note: Dr. Wang Yu had resigned from her position of executive director with effect from 25 June 2025.

- b. As at December 31 2025, the Group had the following balances with related parties:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Amounts due from related parties:		
Mr. Tan Zheng	-	60
Dr. Wang Yu	-	40
	-	100

Note: Dr. Wang Yu had resigned from her position of executive director with effect from 25 June 2025.

- c. During the reporting period, the Group had the following transactions with related parties:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Providing of technical service:		
Tasly Pharmaceutical	-	513

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36. RELATED PARTY TRANSACTIONS (CONTINUED)

d. Other borrowings

Category	As at	Drawdown	Interest	Repayment	As at
	1 January	during the	accrued	during the	31 December
	2025	year	during the	year	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Tan Zheng and his close family member	-	14,914	207	(14,914)	207

Other borrowings carry interest at fixed rates of 4.5% with a term of one year.

e. Compensation of key management personnel

The emoluments of key management during the year are as follows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other allowances	4,800	8,130
Retirement benefits	141	137
	4,941	8,267

f. Guarantees provided by related parties

As disclosed in Note 27, other financial liability as at 31 December 2025 and 2024 was secured by Mr. Tan Zheng and his close family members. Details of the information are as follows:

Type of pledge	Quantity		Fair value	
	31 December	31 December	31 December	31 December
	2025	2024	2025	2024
			RMB'000	RMB'000
Tan Zheng LTD Ordinary shares of the Company	19,285,714	19,285,714	56,507	44,357
Tan Yueyue LTD Ordinary shares of the Company	6,714,286	6,714,286	19,673	15,443

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries at 31 December 2025 are as follows:

Name of subsidiaries	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Equity interests attributable to the Company 31 December				Principal activities
			2025		2024		
			Directly	Indirectly	Directly	Indirectly	
Hamiyang Ltd.	British Virgin Island	Registered capital of US\$50,000 and fully paid share capital of US\$1	100%	-	100%	-	Investment holding
JY Research Holdings Limited	Hong Kong	Issued and fully paid share capital of HK\$1	-	100%	-	100%	Investment holding
Ankang Ruihe Biomedical Technology (Beijing) Co Ltd* (安康瑞和生物醫藥技術(北京)有限公司) (Note a)	PRC	Registered capital of HK\$1,000,000,000 and paid-in capital of HK\$648,664,000	-	100%	-	100%	Investment holding
Beijing Yongtai (Note b)	PRC	Registered capital of RMB600,000,000 and paid-in capital of RMB514,700,000	-	100%	-	100%	Biomedical technology development
Shanghai Yongtai Immunobiological Products Co Ltd* (上海永泰免疫生物製品有限公司) (Note b)	PRC	Registered capital of RMB300,000,000 and paid-in capital of RMB25,720,000	-	100%	-	100%	Inactive
Beijing Weixiao (Note b)	PRC	Registered capital of RMB26,000,000 and paid-in capital of RMB5,000,000	-	70%	-	70%	Biomedical technology development
Guangzhou Yongrui Immunobiological Technology Co Ltd* (廣州永瑞免疫生物製品科技有限公司) (Note c)	PRC	Registered capital of RMB10,000,000 and paid-in capital of nil	-	N/A	-	100%	Inactive
Yongtai Ruike	PRC	Registered capital of RMB50,000,000 and paid-in capital of RMB100,000	-	100%	-	100%	Biomedical technology development

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of subsidiaries	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Equity interests attributable to the Company				Principal activities
			31 December 2025		2024		
			Directly	Indirectly	Directly	Indirectly	
Shanghai Yongtai Ruike Immunobiological Technology Co Ltd* (上海永泰瑞科生物製品科技有限公司) (Note b)	PRC	Registered capital of RMB10,000,000 and paid-in capital of nil	-	-	-	-	Inactive
Zhejiang Yongrui Immunobiological Technology Co Ltd* (浙江永瑞生物製品科技有限公司) (Note b)	PRC	Registered capital of RMB30,000,000 and paid-in capital of RMB11,000,000	-	100%	-	100%	Inactive
Beijing Taiyong Kang'an Technology Co., Ltd* (北京泰永康安科技有限公司) (Note b)	PRC	Registered capital of RMB10,000,000 and paid-in capital of nil	-	100%	-	100%	Biomedical Services

Notes:

- The entity is a wholly foreign owned enterprise established in the PRC with limited liability.
 - These entities were established in the PRC with limited liability.
 - Guangzhou Yongrui Immunobiological Technology Co., Ltd. was deregistered in August 2024.
- * English names are for identification purpose only.

None of the subsidiaries had issued any debt securities during the year or at the end of the year (31 December 2024: none).

38. CAPITAL COMMITMENTS

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Capital expenditure in respect of the acquisition of equipment, machineries and leasehold improvements contracted for but not provided in the consolidated financial statements	28,666	35,642

Notes to the Consolidated Financial Statements

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39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the financial position of the Company at the end of the reporting period includes:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	1,529,600	1,300,617
Amounts due from a subsidiary	75,474	73,998
	1,605,074	1,374,615
CURRENT ASSETS		
Prepayments, deposits and other receivables	7	11
Bank balances and cash	12,763	17,806
	12,770	17,817
CURRENT LIABILITIES		
Other payables	12,122	9,573
Other financial liability	336,612	268,097
	348,734	277,670
NET CURRENT LIABILITIES	(335,964)	(259,853)
TOTAL ASSETS LESS CURRENT LIABILITIES	1,269,110	1,114,762
NET ASSETS	1,269,110	1,114,762
CAPITAL AND RESERVES		
Share capital	4,306	3,576
Reserves	1,264,804	1,111,186
TOTAL EQUITY	1,269,110	1,114,762

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movements in the Company's reserves

	Share premium RMB'000	Share option reserve RMB'000	Accumulated loss RMB'000	Total RMB'000
At 1 January 2024	1,402,498	205,339	(525,776)	1,082,061
Profit and total comprehensive income for the year	–	–	29,125	29,125
At 31 December 2024	1,402,498	205,339	(496,651)	1,111,186
Loss and total comprehensive expense for the year	–	–	(75,806)	(75,806)
Rights issue of shares	233,909	–	–	233,909
Transaction costs attributable to rights issue of shares	(4,485)	–	–	(4,485)
At 31 December 2025	1,631,922	205,339	(572,457)	1,264,804

40. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in Note 3 and Note 27 in the consolidated financial statements, there is no other subsequent event subsequent to 31 December 2025.

Definitions

"6B11"	the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9
"6B11-OCIK Injection"	Injection of ovarian cancer autologous cytotoxic T lymphocyte, one of the Group's biologic product pipeline for treatment of ovarian cancer
"AGM"	the annual general meeting of the Company to be held on Thursday, 30 April 2026
"Articles of Association"	the articles of association adopted by our Company on 6 June 2020
"Audit Committee"	the audit committee of the Board
"Auditor"	Deloitte Touche Tohmatsu, the external auditor of the Company
"B cells"	a type of lymphocytes
"Beijing Weixiao"	Beijing Weixiao Biotechnology Development Limited* (北京緯曉生物技術開發有限公司), a subsidiary of the Company
"Beijing Yongtai"	Immunotech Applied Science Limited (北京永泰生物製品有限公司), a limited liability company established in the PRC on 20 November 2006 and an indirect wholly-owned subsidiary of our Company
"Board" or "Board of Directors"	the board of directors of the Company
"CAR-T cells"	chimeric antigen receptor T cells, are T cells that have been genetically engineered to produce an artificial T-cell receptor and chimeric antigen receptors that have been engineered to give T cells the new ability to target a specific protein on the surfaces of cells
"CDE"	Centre for Drug Evaluation of the NMPA
"CEO"	chief executive officer
"CG Code" or "Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China", "Mainland China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this report, Hong Kong, Macau Special Administration Region and Taiwan
"CMV"	Cytomegalovirus
"Company", "the Company" or "We"	Immunotech Biopharm Ltd (永泰生物製藥有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 11 April 2018

Definitions

“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules
“Core Product Candidate”	our “core product” as defined under Chapter 18A of the Listing Rules, namely EAL®
“CR Pharma”	China Resources Pharmaceutical Group Limited, a company listed on the Main Board of the Stock Exchange (stock code 3320)
“CRO”	contract research organisation, a company which provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
“CTO”	chief technology officer
“Director(s)”	the director(s) of the Company
“EBV”	Epstein-Barr virus, a member of the herpes virus family
“FVTPL”	Financial assets at fair value through profit or loss
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GMP”	good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimise the risks of contamination, cross contamination, confusion, and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
“Group” or “the Group”	the Company and its subsidiaries
“Guosheng Laboratory”	an R&D facility located at Guosheng Technology Park, No.1 Kangding Street, Beijing Economic-technological Development Area, Beijing, China leased by the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HLA”	human leukocyte antigen, a gene complex encoding the major MHC proteins
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

Definitions

“HPV”	human papillomavirus
“IND”	investigational new drug
“Industry Fund”	the cellular immunotherapy specialised industry fund (細胞免疫治療專項產業基金)
“Investment Fund” or “Tasly Fund”	the Company entered into the subscription agreement with Tasly Bioscience, to govern their relationship and provide for, among others, the manner of operation and management of the investment fund
“Investor”	Jiaze Global Capital Limited (嘉澤全球資本有限公司)
“Korea”	Republic of Korea
“Leadman”	Beijing Leadman Biochemistry Co., Ltd, a company incorporated in the PRC, being the landlord under the Lease Agreement
“Lease Agreement”	the formal lease agreement dated 9 October 2021 entered into between Beijing Yongtai as the tenant and Leadman as the landlord in relation to the lease of the Premises
“License Agreement”	the license agreement dated 30 December 2020 made between the Company and T-Cure in relation to the grant exclusive license to the Company to use T-Cure IP for the development, manufacturing and commercialisation of Licensed Products in the Territory pursuant to the terms of the License Agreement
“Licensed Patent Rights”	licensed patent rights of 800TCR, which is a T cell receptor (TCR) encoded by a retrovirus (including lentivirus) recognising the HERVE-E tumour antigen
“Licensed Product(s)”	tangible materials within the scope of one or more claims of the Licensed Patent Rights
“Listing” or “IPO”	the listing of the Shares on the Main Board of the Stock Exchange on 10 July 2020
“Listing Date”	10 July 2020, being the date on which the Shares were listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Lymphocytes”	a sub-type of white blood cells, such as T cells, B cells and NK cells
“Main Board”	the Main Board of the Stock Exchange
“MHC”	major histocompatibility complex, proteins found on the surfaces of cells specialised for displaying short peptide fragments on the surface of cells

Definitions

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“NDA”	new drug application
“NIH”	the U.S. Department of Health and Human Services, as represented by the National Heart, Lung, and Blood Institute, an institute or centre of the National Institutes of Health
“NK cells”	natural killer cells, a type of lymphocyte and a component of innate immune system
“NKY Medical”	Boai NKY Medical Technologies Group Ltd (博愛新開源醫療科技集團股份有限公司)
“NMPA”	National Medical Products Administration of the People’s Republic of China
“Nomination Committee”	the nomination committee of the Board
“Poly Platinum”	Poly Platinum Enterprises Limited, a business company incorporated in the BVI on 9 November 2018 and a direct wholly-owned subsidiary of Greater Bay Area Homeland Development Fund LP (大灣區共同家園發展基金有限合夥), an Independent Third Party
“Prospectus”	the prospectus issued by the Company dated 29 June 2020
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of China
“Reporting Period”	the 12-month period from 1 January 2025 to 31 December 2025
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended supplemented or otherwise modified from time to time
“Shanghai NKY”	Shanghai NKY Precision Medical Co., Ltd.* (上海新開源精準醫療有限公司)
“Shaoxing Binhai Investment Fund” or “Shaoxing Fund”	Shaoxing Yongsheng Equity Investment Partnership (LP)* (紹興永晟股權投資合夥企業(有限合夥))
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary shares with a nominal value of US\$0.001 each in the capital of the Company

Definitions

“SMO”	site management organisation, a company that provides clinical trial related services
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Framework Agreement”	the strategic cooperation agreement dated 17 September 2021 entered into, among other parties, between the Company and CR Pharma regarding their strategic cooperation
“Subscription Agreement”	the subscription agreement dated 28 October 2022 entered into among the Company, the Investor and others in relation to the subscription of the Convertible Bonds
“T cells” or “T Lymphocytes”	a type of lymphocytes produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of a T cell receptor on the cell surface
“T-Cure”	T-Cure Bioscience, Inc.
“T-Cure IP”	the know-hows, patent rights and processes that are controlled or owned by T-Cure necessary or useful to develop, manufacture or commercialise the Licensed Products
“Tasly Bioscience”	Tasly Bioscience Fund Limited
“TCR”	T cell receptor, a molecule found on the surface of T cells responsible for recognising fragments of antigen
“Territory”	the Republic of Korea, PRC, including Hong Kong and Macau, but (for the purpose of this transaction) excluding Taiwan
“TGF-β”	transforming growth factor beta, a family of proteins involved in regulating and mediating processes at the cellular level
“U.S. dollar(s)”, “USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“Yongtai Ruike”	Beijing Yongtai Ruike Biotechnology Company Ltd (北京永泰端科生物科技有限公司), a company established in the PRC with limited liability on 8 June 2018 and is a wholly-owned subsidiary of the Company

In this annual report, capitalised terms used shall have the same meanings as those defined in the Prospectus, unless the context otherwise requires.