



**GenScript  
BioTechCorp.**

# 2025 Annual Report

Make people and nature healthier  
through biotechnology

**GENSCRIPT BIOTECH CORPORATION**  
(Incorporated in the Cayman Islands with limited liability)  
Stock code: 1548



This annual report is printed on environmental-friendly paper

GenScript Biotech Corporation is a well-recognised biotechnology company. The Company's mission is to "**Make People and Nature Healthier through Biotechnology**".

The Group has established three major platforms including (i) GenScript Life Science Group, a life-science services and products platform that offers comprehensive solutions and products to global research communities; (ii) ProBio, offering end-to-end CRDMO services from drug discovery to commercialization with proactive strategies, professional solutions and efficient processes in CGT, antibody and recombinant protein drug, aiming to accelerate drug development for customers; and (iii) Bestzyme, an industrial synthetic biology products platform. GenScript Life Science Group provides a comprehensive range of offerings, including DNA synthesis, RNA synthesis, peptide synthesis, protein production, reagent antibody development, and life science instruments and consumables. ProBio is dedicated to empowering biologics and CGT innovators with end-to-end solutions. Bestzyme uses advanced protein engineering technology to develop and produce innovative industrial enzymes, and to provide solutions for biofuel, food and beverage, distilling, starch, household care, textile, animal feed industries, and functional proteins.

The Group also holds significant investments in Legend, which is a fully integrated cell therapy company.

With strong R&D capabilities and a highly effective sales and marketing team, the Company continues to deliver sustained growth.



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# CORPORATE PROFILE

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GenScript Biotech Corporation is a well-recognised biotechnology company. Based on our proprietary DNA synthesis technology and the other technology and know-how on life-science research and application, we have well established three major platforms including (i) GenScript Life Science Group, a life-science services and products platform that offers comprehensive solutions and products to global research communities; (ii) ProBio, offering end-to-end CRDMO services from drug discovery to commercialization with proactive strategies, professional solutions and efficient processes in CGT, antibody and recombinant protein drug, aiming to accelerate drug development for customers; and (iii) Bestzyme, an industrial synthetic biology products platform. These internally developed platforms have collectively demonstrated robust growth, transitioning from R&D to commercial delivery during the Reporting Period. We aim to build a global enablement platform powering discovery, development, and commercialization across research, advanced therapies, and industrial biotech. Our strategy is designed to compound growth across three high-velocity markets, while leveraging shared infrastructure, data, and capabilities to create operating benefits over time.

Additionally, the Group holds significant investments in Legend, a fully integrated cell therapy company.

The Group's business operations span over 100 countries and regions worldwide with 6,165 team members as at 31 December 2025.

GenScript Life Science Group, the foundational platform of the Group's biotechnology infrastructure, providing integrated research services and products that enable biological discovery at global scale. Through proprietary integrated platforms, GenScript Life Science Group delivers a comprehensive suite of solutions spanning DNA synthesis, RNA synthesis, peptide synthesis, protein production, reagent antibody development, and life science instruments and consumables. These capabilities support scientists across pharmaceutical companies, biotechnology firms, and academic institutions accelerating the journey from research ideas to impactful biological discovery. By lowering the barriers of speed, cost, and technical complexity in early-stage research, GenScript Life Science Group plays a critical role in enabling the next generation of biologic medicines and advanced therapies worldwide.

ProBio, a subsidiary of the Group, is a well recognised global CRDMO dedicated to empowering biologics and CGT innovators with end-to-end solutions. Our integrated platforms seamlessly combine discovery, development, and manufacturing services, optimizing the development process, shortening timelines, and enhancing the success rate of biologics and CGT projects. ProBio is committed to collaborating with customers in order to shape a healthier future.

Bestzyme is a subsidiary of the Group engaged in the industrial enzyme and synbio products fields. Bestzyme uses advanced protein engineering technology to develop and produce innovative industrial enzymes, and to provide solutions for biofuel, food and beverage, distilling, starch, household care, textile, animal feed industries and functional proteins. We are also exploring new opportunities in synbio products field, aiming to unlock new possibilities from both technical and commercial perspectives.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Robin Meng (*Chairman*)  
Dr. Frank Zhang  
Dr. Li Zhu  
Ms. Sally Wang (*President*)

### Independent Non-Executive Directors

Dr. Alphonse Galdes  
Mr. Andy Cheung  
Mr. Ethan Pan  
Dr. John Quelch  
Dr. Ross Grossman  
Dr. Victor Shi

## AUDIT COMMITTEE

Mr Andy Cheung (*Chairman*)  
Dr. Alphonse Galdes  
Mr. Ethan Pan

## REMUNERATION COMMITTEE

Dr. Victor Shi (*Chairman*)  
Dr. Ross Grossman  
Ms. Sally Wang

## NOMINATION COMMITTEE

Mr. Robin Meng (*Chairman*)  
Ms. Sally Wang  
Mr. Andy Cheung  
Mr. Ethan Pan  
Dr. Victor Shi

## RISK MANAGEMENT AND ESG COMMITTEE

Dr. Frank Zhang (*Chairman*)  
Mr. Andy Cheung  
Mr. Ethan Pan

## SUB-COMMITTEE ON DATA SECURITY AND GEOPOLITICAL RESILIENCE OF THE RISK MANAGEMENT AND ESG COMMITTEE

Dr. Frank Zhang (*Chairman*)  
Dr. John Quelch  
Ms. Sherry Shao  
Dr. Kening Li

## STRATEGY COMMITTEE

Dr. Frank Zhang (*Chairman*)  
Mr. Ethan Pan  
Dr. John Quelch  
Dr. Victor Shi

## SANCTIONS RISK CONTROL COMMITTEE

Ms. Sherry Shao (*Chairwoman*)  
Dr. Eric Wang  
Dr. Kening Li

## COMPANY SECRETARY

Ms. Lam Wai Yee Sophie (*Appointed on 15 March 2026*)  
Ms. Wong Wai Ling (*Resigned on 15 March 2026*)

## AUTHORISED REPRESENTATIVES

Mr. Robin Meng  
Dr. Li Zhu

## HONG KONG LEGAL ADVISERS

C.C. Chau & Co.  
1904, 19/F  
1 Lyndhurst Tower  
1 Lyndhurst Terrace  
Central  
Hong Kong

## Corporate Information

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### AUDITOR

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

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

4th Floor, Harbour Place  
103 South Church Street, George Town  
P.O. Box 10240, Grand Cayman KY1-1002  
Cayman Islands

### PRINCIPAL PLACE OF BUSINESS IN THE U.S.

860 Centennial Avenue  
Piscataway  
NJ 08854  
U.S.

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Services (Cayman) Limited  
4th Floor, Harbour Place  
103 South Church Street  
George Town  
P.O. Box 10240, Grand Cayman KY1-1002  
Cayman Islands

### HONG KONG SHARE REGISTRAR

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

### COMPANY WEBSITES

[www.genscript.com](http://www.genscript.com)  
[www.probiocdmo.com](http://www.probiocdmo.com)  
[www.bestzyme.com](http://www.bestzyme.com)

### PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited  
– Main Board

### STOCK CODE

1548

### STOCK NAME

GENSCRIPT BIO

# FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2025 US\$'000	2024 US\$'000	Change %
<b>Continuing operations</b>			
Revenue	<b>959,526</b>	594,486	61.4
Gross profit	<b>553,204</b>	272,125	103.3
Adjusted net profit	<b>230,345</b>	59,826	285.0
Loss after income tax	<b>(532,404)</b>	(173,774)	206.4
Cash and bank balances and wealth management financial products	<b>843,093</b>	737,812	14.3

- The Group recorded significant revenue growth during the Reporting Period, mainly attributable to a substantial increase in license revenue, while other business also delivered solid growth. Revenue of the Group from continuing operations for the Reporting Period was approximately US\$959.5 million, representing an increase of 61.4% as compared to the Prior Period.
- The incremental revenue has led to a strong increase in gross profit of the Group. Gross profit of the Group from continuing operations for the Reporting Period was approximately US\$553.2 million, representing an increase of 103.3% as compared to the Prior Period.
- The adjusted net profit of the Group from continuing operations for the Reporting Period was approximately US\$230.3 million, representing an increase of 285.0% as compared to the Prior Period.
- The Group recorded net loss of approximately US\$532.4 million for the Reporting Period, whilst profit of the Group was approximately US\$2.9 billion for the Prior Period.

The loss for the Reporting Period was mainly attributable to the Group's investment in Legend Group, as detailed below:

- Share of loss from Legend Group: The Group recorded a share of loss of approximately US\$320.4 million. The adjusted net loss of Legend Group narrowed significantly from approximately US\$188.8 million for the Prior Period to approximately US\$33.1 million for the Reporting Period.
- Impairment of the investment in Legend Group: The Group recorded the impairment of approximately US\$398.1 million. Such impairment represents a non-cash accounting adjustment and has no material adverse impact on the cash position or liquidity of the Group for the Reporting Period.

During the Prior Period, the Group recognised one-time unrealised gain on deconsolidation of cell therapy business of approximately US\$3.2 billion, leading to a significant increase in the profit of the Group.

## Financial Highlights

Notes:

(1)

	Year ended 31 December	
	2025 US\$'000	2024 US\$'000
<b>Continuing operations</b>		
Net loss	<b>(532,404)</b>	(173,774)
Excluding:		
Equity-settled share-based compensation expense, net of tax	<b>13,848</b>	20,243
Impact from acquisition and fair value losses of preferred shares	<b>15,791</b>	123,581
Losses of foreign currency forward and option contracts, net of tax	<b>11</b>	691
Impairment losses of long-lived assets, net of tax	<b>–</b>	45,511
Exchange losses/(gains), net of tax	<b>10,905</b>	(1,250)
Fair value (gains)/losses of non-current financial assets, net of tax	<b>(1,861)</b>	1,660
Unrealised finance costs for equity financing activities	<b>5,584</b>	4,632
Share of loss from Legend Group and service fees for Deconsolidation	<b>320,400</b>	38,532
Impairment of the investment in Legend Group	<b>398,071</b>	–
<b>Adjusted net profit</b>	<b>230,345</b>	59,826

(2) In order to better reflect the key performance of the Group's current business and operations, the adjusted net profit is calculated on the basis of net loss, excluding: (i) equity-settled share-based compensation expense; (ii) impact from acquisition and fair value losses of preferred shares; (iii) losses of foreign currency forward and option contracts; (iv) impairment losses of long-lived assets; (v) exchange gains or losses, (vi) fair value gains or losses of non-current financial assets; (vii) unrealised finance costs for equity financing activities; (viii) share of loss from Legend Group and service fees for Deconsolidation; and (ix) impairment of the investment in Legend Group.

(3) For the adjusted net loss of Legend Group, please refer to the financial results of Legend Group for the fourth quarter and the year ended 31 December 2025. The related press release is available on the website of Legend Group at <https://investors.legendbiotech.com/press-releases>.

# FIVE-YEAR FINANCIAL SUMMARY

	For the year ended 31 December				
	2021	2022	2023	2024	2025
	US\$'000	US\$'000	(Restated) US\$'000	US\$'000	US\$'000
<b>CONTINUING OPERATIONS</b>					
Revenue	490,096	625,698	560,480	594,486	<b>959,526</b>
Gross profit	282,518	304,083	270,629	272,125	<b>553,204</b>
(Loss)/Profit after income tax	(518,327)	(427,971)	162,879	(173,774)	<b>(532,404)</b>
<b>DISCONTINUED OPERATION</b>					
(Loss)/Profit for the year	–	–	(518,000)	3,029,061	–
<b>(LOSS)/PROFIT FOR THE YEAR</b>	(518,327)	(427,971)	(355,121)	2,855,287	<b>(532,404)</b>
(Loss)/Profit attributable to owners of the Company	(358,712)	(226,851)	(95,477)	2,961,877	<b>(532,830)</b>
Non-controlling interest	(159,615)	(201,120)	(259,644)	(106,590)	<b>426</b>
<b>Basic (loss)/earnings per share (US cents)</b>	(17.67)	(10.82)	(4.53)	139.63	<b>(24.58)</b>
<b>Diluted (loss)/earnings per share (US cents)</b>	(17.67)	(10.82)	(4.53)	135.97	<b>(24.58)</b>
Non-current assets	594,808	781,433	1,034,191	4,443,291	<b>3,774,309</b>
Current assets	1,639,060	1,764,950	2,353,111	834,978	<b>1,078,968</b>
Current liabilities	674,095	815,438	844,962	781,074	<b>720,170</b>
Net current assets	964,965	949,512	1,508,149	53,904	<b>358,798</b>
Non-current liabilities	172,080	368,277	497,986	173,833	<b>168,417</b>
Net assets	1,387,693	1,362,668	2,044,354	4,323,362	<b>3,964,690</b>
Cash and cash equivalents	1,180,971	1,023,999	1,446,403	131,990	<b>142,488</b>
Inventories turnover days (day)	73	71	62	50	<b>44</b>
Trade receivables turnover days (day)	70	72	76	78	<b>73</b>
Trade payables turnover days (day)	43	47	40	47	<b>52</b>

# CHAIRMAN'S STATEMENT

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Dear fellow Shareholders,

I would like to take this opportunity to share with you the significant progress and achievements we have made over the past year, as well as our vision for the future. In an era marked by rapid technological advances and evolving healthcare needs, GenScript continues to stand at the forefront of innovation in the biotech industry.

The biotech industry in 2025 is poised to witness transformative advancements driven by cutting-edge technologies and an increased focus on sustainability and personalised medicine. A pivotal industry evolution is the accelerating application of AI technology to the R&D process, which has been leveraging generative biology to improve the efficiency of discovery and development, de-risk clinical development, and redefine the boundaries of individualised precision medicine. This technological synergy has not only showcased the advancement of biotechnology itself, but also unleashed significant therapeutic benefits for unmet needs.

2025 also marks a significant year for global collaboration in biotech innovation. The out-licensing trend within China's biotech sector is reshaping the global pharmaceutical landscape, dramatically shortening the time from drug development to commercial launch, and ultimately creating real-world value for patient communities worldwide.

For GenScript, 2025 has been an exciting, growing, and transformative year. Our GenScript Life Science Group has successfully implemented its gene-to-protein business strategy and continues to lead the global gene synthesis business, raising our business ceiling to unlock the multi-billion-dollar market ahead.

ProBio, our biologics CRDMO business, is accelerating growth with strong momentum. We have successfully capitalised on the recovery in industry demand by strategically leveraging our end-to-end capabilities – spanning discovery, CMC development, and GMP manufacturing – to drive renewed growth and capture significant market share. Concurrently, we are making strategic investment in proprietary platforms and high-potential assets. Through strategic collaborations with biotech and biopharma partners, we aim to significantly shorten R&D timelines while generating enhanced financial returns for ProBio and our business partners.

Bestzyme, our business arm engaged primarily in industrial enzyme and synbio products, has been growing while making strategic advances across multiple fronts, despite facing strong industry headwinds. Its international expansion is gaining strong momentum, demonstrating promising results in global markets. Simultaneously, we are deploying our proprietary AI-powered protein engineering engine that is significantly accelerating R&D efficiency. These strategic initiatives position us not just to compete, but to reshape the synbio industry and emerge as its innovation leader.

As we pivot to 2026, our strategic roadmap is clear and ready for rigorous execution: we will accelerate growth through three interconnected pillars: firstly, we're to further strengthen the proven gene-to-protein synergy across business lines and subsidiaries to create greater collaboration, innovation potentials, and customer value; secondly, we will expand our expertise in AI and automation to turbocharge our R&D capacity, efficiency and manufactory productivity; thirdly, we are going to upgrade our global business systems to streamline the workflow, empower local teams, enhance regional responsiveness, and drive operational excellence worldwide. We strongly believe that we're able to step up to a new level of business achievements in 2026.

## Chairman's Statement

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We are also very excited to share that Legend's CARVYKTI® franchise achieved profitability for the full year 2025. We believe the strong trajectory of CARVYKTI® sales positions Legend to deliver significant long-term value to GenScript's Shareholders. Notably, CARVYKTI® has now treated over 10,000 patients globally, offering renewed hope to patients worldwide battling multiple myeloma (MM).

Looking ahead, we stand at the forefront of extraordinary opportunities. The biotechnology landscape-shaped by breakthrough science, digital transformation, and global collaboration is evolving faster than ever. GenScript is not just well-positioned to navigate this change; we are built to lead it. Our strategic priorities remain laser-focused: accelerating innovation, expanding our global footprint with local agility, and cultivating a culture where bold ideas and diverse perspectives drive relentless progress.

I would like to extend my heartfelt gratitude to our talented team, whose passion and expertise drive our success, and sincere thanks to our Shareholders for your trust and confidence in our vision and management team.

We look forward to delivering another year of high-impact growth and strategic breakthroughs with the support of all our stakeholders.

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Sincerely yours,

**Robin Meng**

*Chairman and Executive Director*

15 March 2026

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## POSITIONING OF THE COMPANY

The Group is a well-recognised biotechnology company. Based on our proprietary DNA synthesis technology and the other technology and know-how on life-science research and application, we have well established three major platforms including:

- (i) GenScript Life Science Group, a life-science services and products platform that offers comprehensive solutions and products to global research communities;
- (ii) ProBio, offering end-to-end CRDMO services from drug discovery to commercialization with proactive strategies, professional solutions and efficient processes in CGT, antibody and recombinant protein drug, aiming to accelerate drug development for customers; and
- (iii) Bestzyme, an industrial synthetic biology products platform.

These internally developed platforms have collectively demonstrated robust growth, transitioning from R&D to commercial delivery during the Reporting Period.

Additionally, the Group holds significant investments in Legend, a fully integrated cell therapy company.

The Group's business operations extend across over 100 countries and regions globally. As of 31 December 2025, our professional workforce comprises of 6,165 team members.

GenScript Life Science Group, the foundational platform of the Group's biotechnology infrastructure, providing integrated research services and products that enable biological discovery at global scale. Through proprietary integrated platforms, GenScript Life Science Group delivers a comprehensive suite of solutions spanning DNA synthesis, RNA synthesis, peptide synthesis, protein production, reagent antibody development, and life science instruments and consumables. These capabilities support scientists across pharmaceutical companies, biotechnology firms, and academic institutions accelerating the journey from research ideas to impactful biological discovery. By lowering the barriers of speed, cost, and technical complexity in early-stage research, GenScript Life Science Group plays a critical role in enabling the next generation of biologic medicines and advanced therapies worldwide.

ProBio, a subsidiary of the Group, is a well recognised global CRDMO dedicated to empowering biologics and CGT innovators with end-to-end solutions. Our integrated platforms seamlessly combine discovery, development, and manufacturing services, optimizing the development process, shortening timelines, and enhancing the success rate of biologics and CGT projects. ProBio is committed to collaborating with customers in order to shape a healthier future.

Bestzyme is a subsidiary of the Group engaged in the industrial enzyme and synbio products. Bestzyme uses advanced protein engineering technology to develop and produce innovative industrial enzymes, and to provide solutions for biofuel, food and beverage, distilling, starch, household care, textile, animal feed industries and functional proteins. We are also exploring new opportunities in synbio products, aiming to unlock new possibilities from both technical and commercial perspectives.

## Management's Discussion and Analysis

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### BUSINESS REVIEW

The Group delivered notable revenue growth. From continuing operations, the overall revenue of the Group was approximately US\$959.5 million during the Reporting Period, representing an increase of 61.4% as compared with approximately US\$594.5 million for the Prior Period. Gross profit was approximately US\$553.2 million during the Reporting Period, representing an increase of 103.3% as compared with approximately US\$272.1 million for the Prior Period. The increase in revenue and gross profit was primarily attributable to the (i) substantial increase of license revenue, mainly derived from the sublicense revenue generated from LaNova, (ii) continuous investment in commercial promotion, combined with the global brand transformation to enhance brand awareness, particularly in Europe and the U.S. markets, (iii) rapid growth in gene-to-protein businesses driven by industry's rising demand for AI-driven drug development and multi-antibody drug development, (iv) effective harnessing of the rebound in biologics CRDMO demand and capitalizing on recovering market conditions to accelerate growth, and (v) continuous market expansion supported by the launch of innovative industrial enzyme products.

During the Reporting Period, the Group recorded net loss of approximately US\$532.4 million, whilst profit of the Group was approximately US\$2.9 billion for the Prior Period. The loss for the Reporting Period was mainly attributable to the Group's share of loss from, and impairment of, its investment in Legend Group, which amounted to approximately US\$320.4 million and US\$398.1 million, respectively. The adjusted net profit of the Group from continuing operations was approximately US\$230.3 million, representing an increase of 285.0% as compared with approximately US\$59.8 million for the Prior Period.

During the Reporting Period, the loss attributable to owners of the Company was approximately US\$532.8 million, whilst the profit attributable to owners of the Company was approximately US\$3.0 billion for the Prior Period. The turnaround from profit to loss is primarily due to the high base effect created in the Prior Period, which included a one-time unrealised gain of approximately US\$3.2 billion arising from the Deconsolidation.

During the Reporting Period, the external revenue of (i) life science service and product, (ii) biologics development services, and (iii) industrial synthetic biology products accounted for approximately 53.8%, 39.8% and 6.0% of the total revenue of the Group, respectively.

## Management's Discussion and Analysis

### Results Analysis of the Three Business Segments

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Life-science services and products US\$'000	Biologics development services US\$'000	Industrial synthetic biology products US\$'000	Life-science services and products US\$'000	Biologics development services US\$'000	Industrial synthetic biology products US\$'000
Revenue	522,129	388,686	57,952	454,947	95,021	53,685
Adjusted gross profit	267,327	258,439	22,961	237,667	14,378	22,605
Adjusted selling and distribution expenses	71,855	13,162	7,715	62,819	11,592	6,593
Adjusted administrative expenses	52,417	43,097	7,802	43,594	36,942	6,715
Adjusted R&D expenses	46,923	10,195	10,598	39,436	3,870	7,188
Provision for/(Reversal of) impairment of financial assets, net	758	(1,972)	26	1,449	5,341	1
Adjusted operating profit/(loss)	95,374	193,957	(3,180)	90,369	(43,367)	2,108

The adjusted cost and expenses exclude the impact from: (i) equity-settled share-based compensation expense, and (ii) impairment losses on long-lived assets.

#### GenScript Life Science Group – Life Science Service and Product

GenScript Life Science Group serves as the primary entry point and growth engine within the Group's broader biotechnology ecosystem. The platform integrates critical life sciences reagent building capabilities into a unified workflow architecture centered on gene-to-protein solutions, enabling customers to progress seamlessly from DNA design through protein expression, antibody discovery, and functional validation. This vertically integrated infrastructure strengthens customer retention, increases revenue per customer, and positions GenScript Life Science Group as a strategic partner in the early phases of therapeutic and biotechnology innovation.

#### Results

During the Reporting Period, revenue from GenScript Life Science Group was approximately US\$522.1 million, representing an increase of 14.8% as compared with approximately US\$454.9 million for the Prior Period. The adjusted gross profit was approximately US\$267.3 million, representing an increase of 12.5% as compared with approximately US\$237.7 million for the Prior Period. The adjusted gross profit margin was 51.2%, compared with 52.2% for the Prior Period, reflecting continued investments in automation, platform upgrades, and global capacity expansion to support long-term growth. The adjusted operating profit was approximately US\$95.4 million, representing an increase of 5.5% as compared with approximately US\$90.4 million for the Prior Period.

The increase in revenue, adjusted gross profit and adjusted operating profit was mainly attributable to: (i) continued adoption of the gene-to-protein platform, (ii) ongoing investments in automation and digitalised production workflows, and (iii) expanded engagement with global pharmaceutical and biotechnology customers. Operational efficiencies across production facilities in the U.S., Singapore and Chinese Mainland further supported improvements in scalability, turnaround time, and service reliability.

## Management's Discussion and Analysis

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### *Development Strategies*

GenScript Life Science Group's strategy focuses on strengthening its role as a core infrastructure provider for biological discovery through continued platform integration, automation, and global capacity expansion.

To capture long-term market growth, the Company intends to: (i) advance next-generation gene-to-protein platforms through sustained R&D investments in proprietary gene synthesis, protein expression and purification and assay technologies and integrated workflows, (ii) scale automation and digital manufacturing capabilities to improve reliability, quality consistency, and cost efficiency while transforming customized research services into standardized, productized solutions, (iii) expand global production capacity and operational resilience across the U.S., Singapore, and Chinese Mainland to support rising demand for rapid biological discovery and outsourced research infrastructure, and (iv) strengthen commercial reach and customer engagement through segmented marketing and sales organization, targeted initiatives, data-driven, and integrated solution offerings that increase customer lifetime value.

### **ProBio – Biologics Development Services**

ProBio provides integrated end-to-end CRDMO service offerings to accelerate biologics development and manufacturing for biopharma and biotech partners. We offer comprehensive services from drug discovery to commercialisation. Our expertise in cutting-edge modalities like viral vectors, DNA, RNA, antibodies, and proteins accelerates clients' development of transformative therapies. We help partners efficiently bring life-changing drugs to market.

### *Results*

During the Reporting Period, revenue from ProBio was approximately US\$388.7 million, representing an increase of 309.1% as compared with approximately US\$95.0 million for the Prior Period. The adjusted gross profit was approximately US\$258.4 million as compared with approximately US\$14.4 million for the Prior Period. The adjusted gross profit margin increased to 66.5% from 15.1% for the Prior Period. The adjusted operating profit was approximately US\$194.0 million, whilst the adjusted operating loss was approximately US\$43.4 million for the Prior Period.

The increase in revenue, adjusted gross profit and adjusted operating profit was attributable to the substantial increase in license revenue, mainly driven by the sublicense revenue generated from LaNova. Apart from the contribution from license revenue, the revenue derived from rendering of services and sales of products recorded double-digit growth, primarily driven by the (i) increasing demand from clients for the discovery and development of complex modalities, (ii) the increase in CMC orders, and (iii) the expansion of the global market. The adjusted gross profit and adjusted operating loss arising from services and products (exclusive of licensing) was significantly impacted by the intense competitive dynamics and persistent pricing pressures in specific regional markets, as well as the incremental costs associated with the launch of new production facilities in Chinese Mainland and the U.S..

### *Development strategies*

Our development strategy focuses on driving sustainable growth and expansion while maintaining operational excellence. The Company intends to: (i) continuously increase market penetration in North America and Europe by acquiring new customers in advanced therapeutics and strengthening relationships with existing ones, (ii) expand our manufacturing footprint in North America to satisfy clients by providing flexible service options and reduce supply chain risks, and (iii) upgrade manufacturing platforms via R&D and partnerships, and invest in quality improvement initiatives.

## Management's Discussion and Analysis

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Furthermore, the Company also intends to develop pre-clinical NME assets such as CD3 single domain antibodies and TCE against various therapeutic targets. We will explore various collaborative models such as licensing and co-development to monetize such NME assets and generate a revenue stream complementary to our fee-for-service business.

### Bestzyme – Industrial Synthetic Biology Products

Bestzyme leverages advanced protein engineering technology to develop and produce innovative industrial enzymes, and to provide solutions for biofuel, food and beverage, distilling, starch, household care, textile, animal feed industries and functional proteins. We are also exploring new opportunities in the synbio products field, aiming to unlock new possibilities from both technical and commercial perspectives.

#### *Results*

During the Reporting Period, revenue from Bestzyme was approximately US\$58.0 million, representing an increase of 7.9% as compared with approximately US\$53.7 million for the Prior Period. The adjusted gross profit remained relatively stable at approximately US\$23.0 million, as compared with approximately US\$22.6 million for the Prior Period. The adjusted gross profit margin decreased slightly to 39.6% from 42.1% for the Prior Period. The adjusted operating loss was approximately US\$3.2 million, while the adjusted operating profit was approximately US\$2.1 million for the Prior Period.

The increase in revenue and adjusted gross profit was primarily attributable to the (i) successful launch of innovative products, (ii) continuous sales growth from key accounts, and (iii) expansion into global markets. The adjusted operating loss was impacted by the increased investment in R&D and talent acquisition, aimed at strengthening the Company's intellectual property portfolio and technology capabilities in the synbio products field.

#### *Development Strategies*

The Company aims to be a leading industrial enzyme and synbio products company. The Company intends to: (i) drive enzyme business revenue growth and profit improvement through innovation and process optimisation, (ii) strengthen commercial capability to focus on key accounts and increase presence in global markets, and (iii) leverage R&D competency in synbio products to deliver more innovative products in new application areas.

### Environmental, Social and Governance

Aligned with the corporate mission to "make people and nature healthier through biotechnology", the Group has consistently prioritised ESG commitments and initiatives across its operations and value chain. During the Reporting Period, our ongoing efforts to advance ESG practices have resulted in notable breakthroughs, underscoring our dedication to sustainable growth and responsible business practices.

As a global company, the Group has actively engaged with the global sustainability community. After joining the United Nations Global Compact (UNGC) in 2023, the Group have further expanded its sustainability framework by becoming a supplier partner of the Pharmaceutical Supply Chain Initiative (PSCI) in 2025. As part of our initiatives to combat climate change, our carbon reduction targets have been validated by the Science Based Targets initiative (SBTi). During the Reporting Period, the Group has also been widely recognised by global rating agencies, including a silver medal from EcoVadis, an AA rating from MSCI ESG Ratings, an ESG "Low Risk" rating from Morningstar Sustainalytics, and inclusion in the S&P Global Sustainability Yearbook 2026 and the FTSE4Good Index Series. These milestones demonstrate the unwavering commitment of the Group to driving long-term value creation for all stakeholders.

## Management's Discussion and Analysis

### GenScript Business System

The GenScript Business System (GBS) was officially introduced and implemented in 2025 as a Group-wide program to institutionalise operational excellence and sustain long-term value creation. During the Reporting Period, 79 Kaizen projects and events were executed under GBS, covering manufacturing, commercial, and functional support. These projects have already delivered quantifiable benefits in cost reduction, process efficiency and management discipline, demonstrating the program's early success. These achievements have also established a robust foundation for elevating quality standards and deepening cross-functional collaboration. While still in its nascent stage, GBS is fostering a culture of continuous improvement and rigorous problem-solving. The Group will continue to roll out and embed GBS across all operations, further strengthening capabilities and empowering talent to deliver enduring value to clients and Shareholders of the Group.

### FINANCIAL REVIEW

	2025 US\$'000	2024 US\$'000	Change US\$'000
<b>Continuing operations</b>			
Revenue	<b>959,526</b>	594,486	365,040
Gross profit	<b>553,204</b>	272,125	281,079
Loss after income tax expense	<b>(532,404)</b>	(173,774)	(358,630)
Adjusted net profit	<b>230,345</b>	59,826	170,519
<b>Discontinued operation</b>			
Loss for the period from Legend Group, net of tax	-	(203,149)	203,149
Gain on deconsolidation of Legend Group, net of tax	-	3,232,210	(3,232,210)
(Loss)/Profit for the year	<b>(532,404)</b>	2,855,287	(3,387,691)
(Loss)/Profit attributable to owners of the Company	<b>(532,830)</b>	2,961,877	(3,494,707)
(Loss)/Earnings per share for the year ( <i>US cent</i> )			
– Basic	<b>(24.58)</b>	139.63	(164.21)
– Diluted	<b>(24.58)</b>	135.97	(160.55)
Adjusted profit and expenses:			
Gross profit	<b>556,576</b>	280,320	276,256
Selling and distribution expenses	<b>95,963</b>	83,731	12,232
Administrative expenses	<b>122,668</b>	106,883	15,785
R&D expenses	<b>69,237</b>	52,123	17,114

## Management's Discussion and Analysis

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### Revenue

In 2025, the Group recorded revenue of approximately US\$959.5 million, representing an increase of 61.4% from approximately US\$594.5 million in 2024. This was primarily attributable to the (i) substantial increase of license revenue, mainly derived from the sublicense revenue generated from LaNova, (ii) continuous investment in commercial promotion, combined with the global brand transformation to enhance brand awareness, particularly in Europe and the U.S. markets, (iii) industry's demand for AI-driven drug development and multi-antibody drug development continues to grow, driving rapid growth in gene-to-protein businesses, (iv) effective harnessing of the rebound in biologics CRDMO demand and capitalizing on recovering market conditions to accelerate growth, and (v) continuous market expansion supported by the launch of innovative industrial enzyme products.

### Gross Profit

In 2025, the Group's gross profit increased by 103.3% to approximately US\$553.2 million from approximately US\$272.1 million in 2024. The increase in gross profit was primarily attributable to the expansion of revenue, especially the license revenue in the biologics development services segment. The adjusted gross profit increased by 98.6% over the Prior Period.

### Selling and Distribution Expenses

The selling and distribution expenses increased by 12.9% to approximately US\$99.5 million in 2025 from approximately US\$88.1 million in 2024. This was mainly attributable to the (i) expansion of the commercial teams and strengthened local recruitment of experienced professionals, and (ii) continued investment in regional operations to support business development and customer engagement in key global markets. The adjusted selling and distribution expenses increased by 14.6% over the Prior Period.

### Administrative Expenses

The administrative expenses increased by 12.4% to approximately US\$128.6 million in 2025 from approximately US\$114.4 million in 2024. This was mainly attributable to (i) continued expenditures in infrastructure associated with capacity expansion and enhanced administrative functions, and (ii) the expenses incurred during the preparation phase for the new site. The adjusted administrative expenses increased by 14.8% over the Prior Period.

### R&D Expenses

The R&D expenses increased by 32.4% to approximately US\$71.2 million in 2025 from approximately US\$53.8 million in 2024. This is mainly attributable to the increase in professional recruitment and the expansion of strategic research initiatives. The adjusted R&D expenses increased by 32.8% over the Prior Period.

## Management's Discussion and Analysis

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### Unrealised Gain and Fair Value Changes of Preferred Shares

On 18 August 2021 (New York time), ProBio Cayman, an indirectly owned subsidiary of the Company, entered into a purchase agreement with certain investors, whereby ProBio Cayman sold 300,000,000 shares of ProBio Series A Preferred Shares and the ProBio Warrant exercisable for up to an aggregate of 189,393,939 ordinary shares of ProBio Cayman, the total proceeds of which was US\$150.0 million. Pursuant to the purchase agreement, ProBio Cayman issued the ProBio Warrant to the investors to purchase the ordinary shares of ProBio Cayman at a certain price per share for up to an aggregate amount of US\$125.0 million. The ProBio Warrant has expired in accordance with the terms and conditions of the purchase agreement. The ProBio Series A Preferred Shares have been purchased by the Company (through a direct wholly-owned subsidiary) pursuant to a share transfer agreement dated 28 April 2025. An unrealised non-cash gain of approximately US\$14.4 million was recognised associated with this acquisition, which was caused by the variance between the fair value of ProBio Series A Preferred Shares and the aggregate consideration. Please refer to the announcements of the Company dated 14 May 2021, 7 June 2021, 19 August 2021, 5 September 2021, 28 April 2025 and 7 May 2025 for details.

On 17 January 2023, ProBio Cayman entered into a subscription agreement with certain investors (including the Company), pursuant to which ProBio Cayman issued and sold, and the investors purchased an aggregate of 319,998,370 ProBio Series C Preferred Shares for an aggregate consideration of approximately US\$224.0 million at the applicable price. Please refer to the announcements of the Company dated 17 January 2023, 10 February 2023, and 21 April 2023 for details.

The ProBio Series A Preferred Shares, and ProBio Series C Preferred Shares are accounted for as financial liabilities measured at fair value with changes through profit or loss in accordance with relevant HKFRSs. The ProBio Series A Preferred Shares were derecognised after being purchased by the Company.

As at 31 December 2025, the fair value of the ProBio Series C Preferred Shares was assessed at approximately US\$264.4 million. During the Reporting Period, fair value losses of approximately US\$30.2 million were recorded in respect of the ProBio Series A Preferred Shares and ProBio Series C Preferred Shares due to the changes in fair values of these financial liabilities.

### Financial Liabilities at Amortised Cost

On 2 July 2022, ProBio Cayman entered into a subscription agreement with an investor, pursuant to which ProBio Cayman issued and sold and the investor purchased 57,314,000 ProBio Series B Shares at an aggregate consideration of approximately US\$37.3 million, the completion of which took place on 6 July 2022. Please refer to the announcements of the Company dated 4 July 2022 and 6 July 2022 for details.

The ProBio Series B Preferred Shares are accounted for as financial liabilities at amortised cost for liability component and other reserves for equity component.

## Management's Discussion and Analysis

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On 26 May 2023, Bestzyme Nanjing entered into a capital increase agreement with certain investors, pursuant to which the investors subscribed for the additional registered capital of Bestzyme Nanjing of RMB37,609,070 (equivalent to approximately US\$5.3 million) for a total consideration of RMB250.0 million (equivalent to approximately US\$35.2 million) to acquire approximately 10.4168% equity interest in Bestzyme Nanjing upon the closing. In connection with the Bestzyme Series A Capital Increase, the investors are entitled to the redemption right pursuant to the shareholder agreement dated 26 May 2023 entered into by, among others, the investors and Bestzyme Nanjing. Please refer to the announcements of the Company dated 28 May 2023 and 25 June 2023 for details.

The Bestzyme Series A Capital Increase is accounted for as financial liabilities at amortised cost.

As at 31 December 2025, the equity component of ProBio Series B Preferred Shares in other reserves was assessed at approximately US\$1.6 million, and the liability component was assessed at approximately US\$44.1 million with interest expenses assessed at approximately US\$2.9 million during the Reporting Period. The financial liabilities at amortised cost of the Bestzyme Series A Capital Increase was approximately US\$41.8 million with interest expenses at approximately US\$2.7 million during the Reporting Period.

### Income Tax Expense

During the Reporting Period, the income tax expense from continuing operations increased substantially to approximately US\$61.9 million from approximately US\$3.0 million for the Prior Period. The increase of tax expense was primarily attributable to the considerable taxable income resulting from increased license revenue.

### Net Loss

During the Reporting Period, from continuing operations, net loss of the Group was approximately US\$532.4 million, whilst the net loss for the Prior Period was approximately US\$173.8 million. The adjusted net profit of the Group was approximately US\$230.3 million for the Reporting Period.

### Profit from Discontinued Operation

Pursuant to the announcement of the Company dated 22 October 2024, effective from 18 October 2024, the Company has no power to unilaterally govern the financial and operating policies of the Legend Group due to the loss of power to cast the majority of votes at the general meeting of Legend Group, the Legend Group was deconsolidated from the Company then in accordance with the requirements of HKFRS 10 *Consolidated Financial Statements*. After the Deconsolidation, Legend was reclassified as an associate (as defined in the Listing Rules) and the Company subsequently accounted for the investment in Legend Group using equity method as the Company is assessed to have significant influence in Legend Group.

During the Reporting Period, no profit or loss was recognised from discontinued operation as Legend is an associate of the Company. Profit of approximately US\$3.0 billion was recorded for the Prior Period.

## Management's Discussion and Analysis

### Trade Receivables

	2025	2024
Trade receivables turnover days	73	78

The decrease in trade receivables turnover days of the Group was primarily attributed to enhanced management of trade receivables from key customers and improved collection of overdue balances. For comparability purposes, the calculation excluded the license revenue with a significantly different settlement cycle.

### Inventories

	2025	2024
Inventory turnover day	44	50

The decrease in inventory turnover days of the Group was mainly driven by on-going lean management on supply chain and improved production planning. For comparability purposes, the calculation excluded certain license related costs.

### Property, Plant and Equipment

Property, plant and equipment include buildings, machinery equipment and construction in progress. As at 31 December 2025, the property, plant and equipment of the Group amounted to approximately US\$536.8 million, representing an increase of 3.6% from approximately US\$518.0 million as at 31 December 2024. This was mainly due to the facility constructions and the acquisition of equipment to support the business expansion.

### Working Capital and Financial Resources

The Group consistently adopted a prudent financial management policy. Fund management, financing and investment activities were all undertaken and monitored by the management of the Company. Given the industry characteristics of the core business of the Group, the emphasis of routine financial control management was placed on the management of working capital, particularly the timely receipts of trade receivables and payment arrangement of trade payables.

The capital structure of the Group was constantly monitored by the Company and aimed to monitor its working capital and financial resources to maintain a solid financial position. The use of any capital instruments, including banking facilities, by each subsidiary was under the central coordination and arrangement of the Company.

As at 31 December 2025, the wealth management financial products, time deposits and cash and cash equivalents of the Group amounted to approximately US\$812.0 million (2024: approximately US\$719.9 million), and the restricted cash of the Group amounted to approximately US\$31.1 million (2024: approximately US\$17.9 million). The increase of restricted cash was mainly driven by the growth in guarantee of certain financial products and bills payable.

As at 31 December 2025, the Group had total available unutilised bank facilities of approximately US\$1.0 billion (2024: approximately US\$577.6 million), comprising unutilised general banking facilities of approximately US\$541.1 million and unutilised low-risk facilities of approximately US\$483.0 million.

## Management's Discussion and Analysis

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As at 31 December 2025, the Group's current ratio (current assets to current liabilities) was approximately 1.5 (2024: approximately 1.1), and gearing ratio (total liabilities to total assets) was approximately 18.3% (2024: approximately 18.1%).

After considering its current cash and cash flows from operating activities, as well as the credit facilities available to the Group, it is believed that the Group has sufficient capital to fund its future operations and for business expansion and general development purposes.

### Treasury Policy

The Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved. The Group invests surplus cash in the instruments issued by reputable and large-scale banks and financial institutions, only with reasonable expected return rates and controllable or predictable risks. The Group expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to necessary bank facilities.

To mitigate the risks arising from volatility of foreign exchange market and its impact on the Group's operation, the Group uses proper derivative instruments to hedge the foreign currency risks in the ordinary course of business, based on the cash flow forecast by currency.

### Cash Flow Analysis

During the Reporting Period, the Group's cash inflow from operating activities was approximately US\$325.5 million.

During the Reporting Period, the Group's cash outflow in investing activities was approximately US\$172.0 million. This was mainly due to the (i) cash paid for the purchases of property, plant and equipment and other intangible assets in the amount of approximately US\$83.9 million, (ii) net cash payment for the purchase of time deposits and wealth management financial products in the amount of approximately US\$74.6 million, and (iii) net capital invested into funds in the amount of approximately US\$7.4 million.

During the Reporting Period, the Group's cash outflow from financing activities was approximately US\$144.9 million. This was mainly due to the (i) cash paid for acquisition of preferred shares in the amount of approximately US\$225.1 million, (ii) net cash received from bank loans in the amount of approximately US\$85.7 million, (iii) payment for principal portion of lease payments in the amount of approximately US\$9.0 million, and (iv) proceeds from exercise of share options by employees in the amount of approximately US\$6.0 million.

### Capital Expenditure

During the Reporting Period, the expenditure of purchasing other intangible assets, particularly for software, was approximately US\$1.7 million, and the expenditure of constructing and purchasing property, plant and equipment amounted to approximately US\$82.2 million.

## Management's Discussion and Analysis

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### Significant Investments Held, Material Acquisitions and Disposals

#### Significant investment in the key associate

As at 31 December 2025, the Group held a significant investment in Legend Group, with a carrying amount of approximately US\$3.1 billion, representing approximately 63.0% of the Group's total assets. The Group holds approximately 47.18% equity interest in Legend.

Legend Group is principally engaged in the discovery, development, manufacturing and commercialisation of novel cell therapies for oncology and other indications.

During the Reporting Period, the Group recognised a share of loss from Legend of approximately US\$320.4 million. Following an impairment assessment performed during the Reporting Period, the Group also recognised an impairment of approximately US\$398.1 million on its investment in Legend.

The impairment primarily reflects an adjustment to the initial carrying amount of the investment, which was measured by reference to the market price of Legend ADS at the Deconsolidation Date. While the underlying business outlook and financial forecasts of Legend have not materially changed, the sustained decline in the market price of Legend ADS led to a reassessment of the recoverable amount of the equity investment in Legend. Under a prudent valuation framework, the Group has recognised this impairment to align the investment's carrying amount with the recoverable amount determined based on a value-in-use calculation.

The impairment represents a non-cash accounting adjustment and has no material adverse impact on the cash position or liquidity of the Group.

With the continued optimization of Legend's financial performance and the uptake of its lead product CARVYKTI<sup>®</sup>, the Group remains optimistic about Legend's long-term prospects and value creation potential. The Group intends to maintain its equity stake in Legend as a strategic long-term investment. Details of the financial information of Legend Group are set out in notes 11 and 18 to the financial statements in this report.

## Management's Discussion and Analysis

### Significant investments in the financial assets

As at 31 December 2025, significant investments held by the Group were as follows:

	31 December	
	2025 US\$'000	2024 US\$'000
<b>Financial assets at fair value through profit or loss</b>		
<b>Current</b>		
Wealth management financial products (a)	499,683	224,851
Listed equity investments	26	23
	<b>499,709</b>	224,874
<b>Non-current</b>		
Wealth management financial products (a)	–	65,344
Unlisted equity investments (b)	24,039	23,299
	<b>24,039</b>	88,643
<b>Total</b>	<b>523,748</b>	313,517

The majority of the wealth management financial products we purchased during the Reporting Period were issued by banks and financial institutions in the Chinese Mainland, Europe, Hong Kong and the U.S., and mainly included non-guaranteed floating-income product, the money market fund and credit linked notes with floating expected return rates ranging from 1.5% to 5.7% per annum and with maturity days between one day and about one year. These products did not guarantee the return of principals upon maturity. As at 31 December 2025, we preserved all our invested capital in these products and did not encounter any default by the issuing banks and institutions, and none of our investments was past due or impaired. The Group has redeemed those wealth management financial products at maturation and has no intention to dispose of the investments in the long term. None of our investments had been pledged to secure our borrowings as at 31 December 2025.

As part of our treasury management plan, we have purchased wealth management financial products as an auxiliary means to improve utilisation of our cash on hand in line with our cash flow forecast. We have made such purchases only when (i) we have surplus funds after we have fully considered the cash requirement of our operations for the future years and allocated accordingly, and (ii) our management has carefully assessed the risks and benefits and decided to make such purchases (including, among others, the availability of certain wealth management financial products which have high liquidity and generate finance income meeting our standards).

## Management's Discussion and Analysis

All investments were made in low-risk, liquid and sound wealth management financial products, such as capital preservation products, fixed-income products and trust products with agreed yield expectations and adequate safeguards.

Any purchase and early redemption of our investments in wealth management financial products shall be reviewed and approved by chief finance officer of the Group or other authorised personnel based on internal approval authority matrix.

(a) Information in relation to the wealth management financial products\* as at 31 December 2025 are set out as follows:

Item	Banks/Financial institutions	Product type/description	Original amount	Investment cost	Fair value as at
			RMB or US\$	US\$'000	31 December 2025 US\$'000
1.	China CITIC Bank	Non-guaranteed floating-income product	RMB66,209,459	9,420	9,501
2.	China CITIC Bank	Non-guaranteed floating-income product	RMB50,000,000	7,114	7,114
3.	CITIC Securities Company Limited	Non-guaranteed floating-income product	RMB293,320,000	41,731	41,999
4.	CITIC Securities Company Limited	Non-guaranteed floating-income product	RMB57,720,000	8,212	8,278
5.	CITIC Securities Company Limited	Non-guaranteed floating-income product	RMB375,429,807	53,413	54,949
6.	CITIC Securities Company Limited	Non-guaranteed floating-income product	RMB126,000,000	17,926	18,542
7.	CITIC Securities Company Limited	Non-guaranteed floating-income product	RMB21,700,000	3,087	3,143
8.	CITIC Securities Company Limited	Non-guaranteed floating-income product	RMB350,000,000	49,795	50,357
9.	China Merchants Bank	Non-guaranteed floating-income product	RMB30,000,000	4,268	4,281
10.	China Merchants Bank	Non-guaranteed floating-income product	RMB401,768,367	57,160	57,187
11.	China Merchants Bank	Non-guaranteed floating-income product	RMB184,318,264	26,223	26,791
12.	China Merchants Bank	Non-guaranteed floating-income product	RMB132,000,000	18,780	18,909
13.	Bank of Nanjing	Non-guaranteed floating-income product	RMB100,000,000	14,227	14,287
14.	Shanghai Pudong Development Bank Co., Ltd.	Non-guaranteed floating-income product	RMB150,000,000	21,341	21,477
15.	Shanghai Pudong Development Bank Co., Ltd.	Non-guaranteed floating-income product	RMB50,000,000	7,114	7,175
16.	CMB International Asset Management Limited	Money Market Fund	US\$13,507,596	13,508	14,058
17.	CMB International Asset Management Limited	Non-guaranteed floating-income product	US\$74,999,500	75,000	77,531
18.	JPMorgan Chase Bank	Money Market Fund	US\$38,998,600	38,999	39,071
19.	JPMorgan Chase Bank	Money Market Fund	US\$24,938,284	24,938	25,033
Total				492,256	499,683

\* The above wealth management financial products have been already aggregated based on issuing banks/financial institutions and underlying financial products.

## Management's Discussion and Analysis

(b) Information in relation to the unlisted equity instruments as at 31 December 2025 are set out as follows:

Name of investee company/fund	Principal business or investment scope	Nature of investment	Number of shares/units/ amount of investments held	Percentage of total share capital/units owned by the Group as at	Investment Cost	Fair value as at	Percentage to the Group's total assets as at	Unrealised gain/ (loss) on change in fair value for the year ended	
				31 December 2025		31 December 2025	31 December 2025	31 December 2025	
				%	US\$'000	US\$'000	%	US\$'000	
Yuanming Prudence SPC – Healthcare Fund I Segregated Portfolio	Fund investment	Investment in fund/securities	486.43	0.28	207	200	0.01	(40)	
Panacea Venture Healthcare Fund I, L.P.	Fund investment	Investment in fund/securities	Not applicable	5.54	9,384	8,503	0.17	375	
Shenzhen Emma Biotechnology Co., Ltd. <sup>1</sup> (深圳艾瑪生物科技有限公司)	Equity investment	Investment in corporation	Not applicable	3.96	1,138	1,636	0.03	–	
AffyXell Therapeutics Co., Ltd.	Equity investment	Investment in corporation	113,637.00	0.97	810	420	0.01	–	
Fund A**	Fund investment	Investment in fund/securities	Not applicable	31.99	2,776	2,289	0.05	33	
Fund B**	Fund investment	Investment in fund/securities	Not applicable	90.91	3,224	3,255	0.07	540	
7G BIOVENTURES I, L.P.	Fund investment	Investment in fund/securities	Not applicable	29.56	4,500	4,031	0.08	270	
Hanx Biopharmaceuticals (Wuhan) Co., Ltd. <sup>1</sup> (翰思艾泰生物醫藥科技(武漢)股份有限公司) (stock code: 3378)	Equity investment	Investment in corporation	1,804,020	1.32	2,993	3,705	0.08	683	
Total:						25,032	24,039	0.50	1,861

\*\* The Company is subject to strict confidentiality obligations under which the names of the funds cannot be disclosed to any third party. As at the date of this report, to the best knowledge of the Company, each of the general partners, limited partners, and their ultimate beneficial owners of Fund A and Fund B is an independent third party who is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company.

(Note) Given the value of investment in each financial asset at fair value through profit or loss does not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules, as the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules), whether on a standalone or aggregate basis, are less than 5.0% of the total assets of the Group as at 31 December 2025, the Company has not prepared any analysis on their prospects.

During the Reporting Period, the Group recorded the investment gain at approximately US\$10.2 million and a fair value gain at approximately US\$6.5 million on the financial assets at fair value through profit or loss.

Save as disclosed above, the Group did not have any other significant investments held, material acquisitions or disposals of subsidiaries and associated companies during the Reporting Period.

## Management's Discussion and Analysis

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### Bank Loans

As at 31 December 2025, the Group had short-term interest-bearing loans from Citibank, HSBC China, China Merchants Bank, Agricultural Bank of China, Bank of China, China CITIC Bank and Industrial Bank Co., Ltd, respectively, for a total amount of approximately RMB1.2 billion (equivalent to approximately US\$174.3 million), with fixed interest rates ranging from 2.1% to 2.3% per annum. These loans were used for the daily operation of subsidiaries located in the Chinese Mainland, of which approximately RMB267.4 million (equivalent to approximately US\$38.0 million) is secured by credit.

As at 31 December 2025, the Group had short-term interest-bearing loans from China Merchants Bank, Bank of China and Shanghai Pudong Development Bank Co., Ltd. in amount of approximately RMB143.3 million (equivalent to approximately US\$20.4 million) with fixed interest rates ranging from 0.65% to 1.2% per annum. Such loans were derived from discounting of bank notes.

Save as disclosed above, the Group did not have any other outstanding, unpaid bank loans and/or other borrowings.

### Provision, Contingent Liabilities and Guarantees

The Group did not have any material provision, contingent liabilities or guarantees as at 31 December 2025.

### No Material Adverse Change

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2025 and up to the date of this report.

### Charges on Group Assets

As at 31 December 2025, bank balances of approximately US\$30.8 million were pledged and utilised as follows: (i) approximately US\$12.1 million as guarantee of certain financial products, (ii) approximately US\$13.0 million as security deposits for rentals, (iii) approximately US\$4.0 million for bills payable, (iv) approximately US\$1.6 million for letters of guarantee to suppliers, and (v) approximately US\$0.1 million for credit cards' facilities.

As at 31 December 2025, the properties acquired by Genscript Jiangsu and ProBio Zhenjiang amounted to approximately RMB223.3 million (equivalent to approximately US\$31.8 million), were pledged to an affiliate of the Series B Investor of ProBio (as defined in the announcement of the Company dated 4 July 2022) so as to secure the performance of the redemption obligation of the Company and ProBio Cayman. Please refer to the announcements of the Company dated 29 June 2022 and 4 July 2022 for details.

Save as disclosed above, the Group did not have any other material charges over its assets as at 31 December 2025.

### Significant Subsequent Events

After the Reporting Period and up to the date of this report, the Group had no significant subsequent events which need to be disclosed under the Listing Rules.

## Management's Discussion and Analysis

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### Future Plans for Material Investments or Capital Assets

To reinforce GenScript Life Science Group's leadership in biological discovery infrastructure, the Group plans to continue expanding its global manufacturing footprint in the U.S., Singapore, and Chinese Mainland. Planned investments include expansion of gene-to-plasmid and gene-to-protein production capabilities, deployment of advanced automation technologies and workstations, and continued upgrades to manufacturing workstations and digital production systems. These investments are expected to enhance service reliability, accelerate turnaround times, and support scalable growth across the Group's research services and product portfolio.

For ProBio, while the Group successfully launched GMP Plasmid and adeno-associated viruses (AAV) capabilities at its Hopewell facility in 2025, we remain deeply committed to the U.S. market, with further investments underway – including GMP LVV capabilities scheduled to launch in 2026. These strategic expansions will solidify the ProBio's position as a global leader in CGT and provide flexible and resilient services to global CGT clients. In parallel, ProBio continues to advance innovation in mRNA and LVV technologies supporting in vivo CAR-T applications, with a particular focus on targeted lipid nanoparticle (LNP) delivery systems and retargeted LVV platform. We are also exploring partnership models to enable global customer access to IITs in China. ProBio will further expand its biologics GMP manufacturing capacity in China, supporting the rising global manufacturing need for antibody and protein drugs. ProBio will continuously invest in asset out-licensing or NME model, leveraging our strong capabilities and comprehensive technology platforms with solid track-record in antibody drug discovery, engineering and manufacturing. We've successfully developed and patented a rare and highly demanded cluster of differentiation CD3 single-domain antibody (VHH) with cynomolgus monkey cross reactivity, allowing for accelerated construction of TCE molecules.

For Bestzyme, the Group plans to further optimise our manufacturing facilities and scale up production capacity in Chinese Mainland. To support future business growth, we will steadily expand enzyme production capacity while establishing new capabilities for innovative products such as sweet protein. Additionally, we are expanding and renovating our laboratories to meet the rising demand from AI-driven innovation.

The Group also plans to invest in upgrading supply chain and IT infrastructures as well as other supporting functions to improve operating efficiency and accommodate the strong business growth.

Save as disclosed above, there was no other specific plan for material investments or capital assets as at 31 December 2025.

The Group has sufficient resources in the form of cash and cash equivalents, time deposits and other financial assets to support the planned capital investments.

## Management's Discussion and Analysis

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### RISK MANAGEMENT

#### Foreign Exchange Risk

The Group conducts business in several countries and regions and transacts in multiple foreign currencies. The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimising its cash outflow position of non-U.S. dollars. Since January 2019, the Group has engaged in a series of forward and option contracts to manage the Group's currency risk, which are usually placed and adjusted quarterly. The Group may choose not to hedge certain foreign exchange exposures due to immateriality, prohibitive economic cost of hedging particular exposures, or limited availability of appropriate hedging instruments. The Group currently focuses on the management of our exposure to foreign exchange risk in relation to RMB, aiming to control foreign exchange risk to an acceptable level by ensuring that the Group will only consider hedging operational flows. The Group attempts to limit counterparty risk by executing foreign exchange contracts with only reputable financial institutions and banks.

As at 31 December 2025, the Group had no outstanding foreign currency forward or option contracts (as at 31 December 2024: approximately US\$8.2 million in respect of U.S. dollar against RMB of notional principal). The management of the Company will continue to evaluate the Group's foreign exchange risk management procedures and take actions as appropriate to minimise the Group's exposure whenever necessary.

The foreign currency forward and option contracts are derivatives and are recorded at fair market value. The changes in fair value of them were recognised in the consolidated statement of profit or loss. All of the foreign currency forward and option contracts were settled within one year.

#### Cash Flow and Fair Value Interest Rate Risk

As at 31 December 2025, other than bank balances with variable interest rates and time deposits with fixed interest rates, the Group has financial products of approximately US\$492.3 million related to fair value interest rate risk.

The sensitivity analysis for fair value interest rate risk is prepared on the exposure to financial assets at the end of the Reporting Period. If the interest rates had been 50 basis points higher or lower and all other variables were held constant, our pre-tax loss would have been approximately US\$2.5 million lower or higher for the Reporting Period.

The Group is also exposed to fair value interest rate risk in relation to lease liabilities and cash flow interest rate risk in relation to variable-rate bank loans. The Company currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk. The Directors consider that the exposure of fair value interest rate risk arising from variable-rate bank loans is insignificant, therefore no sensitivity analysis on such risk has been prepared.

#### Credit Risk

The carrying amounts of cash and cash equivalents, trade and other receivables and other current assets are the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problems.

## Management's Discussion and Analysis

In respect of trade and other receivables, individual credit rating is performed on customers and counterparties. These evaluations focus on the counterparty's business performance, including but not limited to, financing activities, financial position, market economic environment, and past history of payment punctuality. Prepayment requirement is determined and credit limit is granted based on the credit rating and historical contracting amount, which will be reviewed quarterly. Monitoring procedures have been implemented to ensure that follow-up actions will be taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual transaction and account's revenue volume, outstanding balances, long-time past due invoices and payment records monthly to ensure that adequate impairment losses are made for irrecoverable amounts.

### Risks Related to Geopolitical Factors, International Trade Agreements, Tariffs and Import/Export Regulations, and Export Control and Sanctions

In recent years, there have been more uncertainties arising from geopolitical factors, including unilateral limitation of market access, renegotiation of international trade agreements, tariffs and export control and sanctions. In order to mitigate these risks, the Group has diversified its global manufacturing footprint and supply chain partners.

(i) **Change in tariff, export & import regulations**

US-China trade tension remains palpable. Recently, both China and the U.S. imposed new tariff on goods from the other. If additional burdens or restrictions were imposed on international trade that negatively affect the ability of both countries to import and export goods and services, this may lead to a decline in material supply and demand of the Group's services. In order to mitigate this, the Group has diversified and enhanced its global service capacities.

(ii) **Export controls and economic sanctions**

As the international trade environment, especially in the U.S. and Europe grows increasingly tightened, additional regulatory burdens may be imposed on the Group due to sanctions, import and export controls, and other trade control laws and regulations. We have been closely monitoring such changes in jurisdictions where we operate or have sales, and adjusting and improving our policies to remain compliant and to mitigate potential compliance risks.

To mitigate aforesaid risks, effective from 5 February 2025, the Board has established the Sub-Committee on Data Security and Geopolitical Resilience as a sub-committee of the Risk Management and ESG Committee for the purpose of, among others, supporting the Board in reviewing the effectiveness of the Company's risk management in respect of geopolitical risks, data security and privacy risks and other relevant risks. The Group is aware of and has continuously kept monitoring the latest development of the trend and adopted appropriate measures accordingly.

### IMPORTANT EVENTS

As at 31 December 2025, Nanjing ProBio Biotech Co., Limited\* (南京蓬勃生物科技有限公司) and ProBio Zhenjiang had received payments of approximately US\$283.6 million (after withholding taxes) under the LaNova License Agreement with LaNova. These payments comprise: (i) an upfront payment, (ii) milestone payments for the milestones achieved; and (iii) a sublicense revenue in connection with the sublicense of anti-PD-1 single domain antibody licensed under the License Agreement, which has been incorporated into LM-299, an investigational PD-1/VEGF bispecific antibody developed by LaNova that has obtained investigational new drug (IND) clearance. Please refer to the announcements of the Company dated 15 November 2024, 30 June 2025 and 14 October 2025 for further details.

## Management's Discussion and Analysis

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### PROSPECTS

The global biotechnology industry is entering a period of accelerated innovation, driven by rapid advancements in CGT, antibody therapeutics, and AI-enabled drug discovery. As therapeutic pipelines expand and biological complexity increases, demand for reliable discovery infrastructure and scalable research platforms continues to rise. AI and machine learning are accelerating drug discovery, optimizing clinical trials, and enabling precision medicine, while co-development models between biotech companies and CRDMOs are fostering collaboration and innovation. Investments in infrastructure, such as plasmid and viral vector production, are enhancing supply chain resilience to meet the rising demand for gene therapies. Furthermore, synbio products unlocking new opportunities in industrial applications, ranging from agriculture to sustainable manufacturing. Despite geopolitical and economic challenges, the biotech industry is expanding its global footprint. With ground-breaking scientific achievements and market-driven strategies, 2025 marks a pivotal year for the biotech sector, setting the stage for long-term growth and innovation.

Within this evolving landscape, GenScript Life Science Group is positioned as a critical enabling platform for early-stage biological discovery. Since its establishment in 2002, the Group has supported more than 250,000 customers across over 100 countries, contributing to scientific progress in vaccines, antibody therapeutics, CGT, diagnostics, and agricultural biotechnology. Looking ahead, GenScript Life Science Group will continue to strengthen its leadership through deeper integration of its gene-to-protein platform, expansion of global production capabilities, customizes service to product transformation and ongoing investments in automation, AI-driven discovery technologies, and digital manufacturing systems. By combining platform integration, operational scale, and a global customer base, GenScript Life Science Group is well positioned to expand its addressable market and reinforce its role as a key infrastructure partner supporting the next generation of life science innovation.

Biotech funding began to return to the U.S. and European CRDMO markets in 2024, and in 2025, China emerged as an innovation hub, with increasing collaborations between Chinese biotechnology companies and multinational corporations. This recovery boosted our 2025 sales, particularly in the antibody drug CRDMO segment, and we anticipate continued growth into 2026. Additionally, 2025 marks a significant year for the CAR-T industry, with the rapid clinical development of in-vivo CAR-T technology. We are confident that our in-vivo service offerings will be a key driver for our CGT CRDMO business in the coming years. With new capacity now operational in the U.S. and key milestones achieved, ProBio is strategically positioned to capitalise on the returning funding momentum in the industry by strengthening our presence and deepening client partnerships with access to IIT clinical trials in China. Simultaneously, we view the vibrant licensing activity in the Asia-Pacific region as a key catalyst for providing a resilient growth pathway. Our diversified capabilities and global platform uniquely enable us to navigate regional uncertainties while bolstering our confidence in sustainable growth.

After years of dedicated efforts in product optimisation and production efficiency improvements, Bestzyme has emerged as one of the industry's leading innovators. In addition to our enzyme products, we are developing synbio products to explore potential business opportunities in new areas. We believe synbio products will serve more industrial applications with health and environmental benefits.

The Company retains a substantial interest in Legend following its deconsolidation. We anticipate holding our investment in Legend for the long term, as we believe Legend's operations will generate greater value for the Company and its Shareholders in the future.

## Management's Discussion and Analysis

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### DEVELOPMENT STRATEGIES

The Group remains steadfast in its commitment to a three-pronged growth strategy focused on strategic capital allocation, efficiency improvement, and proactive risk management.

For GenScript Life Science Group, we are aligning investments with long-term industry trends, particularly the integration of automation, AI, and streamlined gene-to-protein workflows. Our dedication to expanding R&D investments and accelerating AI-driven innovation is complemented by advancing digital transformation initiatives and adopting lean management practices to drive operational efficiency, scalability, and adaptability. GenScript Life Science Group is positioned to expand global capacity, ensuring the delivery of high-quality products and services with greater reliability and faster turnaround times. We aim to unlock additional value from customers' in-house demands through product transformation and integrated solutions. By enhancing marketing and commercial capabilities, we seek to strengthen our market presence, align with broader business objectives, and cement our role as a key infrastructure partner across the life sciences innovation lifecycle.

ProBio is committed to integrity, innovation, and customer-centricity. Our comprehensive strategy includes expanding commercial resources and manufacturing capacity in the North American market to meet growing demand. We are dedicated to continuously advancing technical capabilities through innovation, ensuring we stay at the forefront of biologics and CGT development and manufacturing. We will enhance the global quality management system to uphold the highest standards of quality and regulatory compliance. Furthermore, we will leverage our innovation capabilities to explore new licensing and collaboration opportunities with partners in the biotech and biopharma industries. We also maintain rigorous data integrity governance and information security practices to safeguard our customers' intellectual property and trade secrets, reinforcing trust and reliability.

We are committed to transforming Bestzyme into a leading provider of industrial enzyme and synbio products by investing in R&D, expanding target markets, and optimizing production efficiency. Looking ahead, the Group will harness molecular biotechnology, large-scale industrial fermentation, metabolic engineering, and AI-driven protein discovery capabilities to further strengthen Bestzyme's competitiveness and leadership in the synbio products.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 6,165 employees, of which approximately 11% were engaged in R&D roles. The Group had entered into employment contracts covering positions, employment conditions and terms, compensation, responsibilities for breach of contractual obligations, and reason for termination with its employees. The remuneration package of the Group's employees includes basic salary, subsidies, other employee benefits, short-term and long-term incentives, which are determined with reference to their capability, responsibility, performance, and other general factors.

## Management's Discussion and Analysis

During the Reporting Period, the Group's total expenses (excluding equity-settled share-based compensation expense) on the remuneration of employees (including the Directors and the Chief Executive) was approximately US\$300.3 million, representing approximately 44.5% of the total revenue (excluding license revenue) of the Group, which was mainly attributable to the Group's belief in this necessary long-term investment in our talents pool. This investment has demonstrated the Group's desires and resolutions to continue to strengthen its talent uplifting strategy. This talent uplifting strategy not only involves the recruitment of experienced professional and managerial personnel to fulfill the front-line posts of R&D, commercial and production functions, but also systematically increases the overall salary and benefits packages to sustain the stability of the employees to drive for long-term commitment and performance improvement as well. The Group's remuneration policy and structure for remuneration of the Directors and Senior Management of the Group are based on the Group's operating results, individual performance and comparable market statistics and are reviewed by the Remuneration Committee periodically.

The remuneration of the independent non-executive Director is recommended by the Remuneration Committee and is decided by the Board, while the remuneration of the executive Directors and Senior Management of the Group is determined by the Remuneration Committee, having regard to their merit, qualifications and competence, the Group's operating results and comparable market statistics.

The Company adopted the Pre-IPO Share Option Scheme on 15 July 2015 and the Post-IPO Share Option Scheme on 7 December 2015 (as amended on 21 June 2024). The Company adopted the 2019 RSU Scheme on 22 March 2019 (as amended on 21 June 2024 and 15 December 2025) and the 2021 RSU Scheme on 23 August 2021 (as amended on 26 May 2022, 21 June 2024 and 15 December 2025). The details of the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme, the 2019 RSU Scheme and the 2021 RSU Scheme are set out in the section headed "Share Schemes".

On 3 August 2021, the shareholders of ProBio Cayman approved and adopted the ProBio RSU Scheme.

The purpose of the Share Option Schemes and the RSU Schemes is to enable the Group to grant options or share awards to selected participants as incentives or rewards for their contributions. The Directors consider that the Share Option Schemes and the RSU Schemes, with its broad basis of participation, will enable the Group to reward its employees, Directors, and other selected participants for their contributions.

The Group invests in continuing education and training programmes for its employees with a view to constantly upgrading their skills and knowledge and providing the employees with an environment that encourages them to develop their career with the Group. The Group has arranged continuous on-the-job training for its employees. These training courses cover a broad spectrum, including technical know-how of various business segments, environmental, health and safety management systems, and mandatory training required by applicable laws and regulations.

In accordance with relevant regulations on social insurances or other benefits, the Group makes contribution to these statutory and supplementary insurances and benefits for its employees.

# DIRECTORS AND SENIOR MANAGEMENT

## DIRECTORS

As at the date of this annual report, the Board consists of ten Directors, comprising four executive Directors and six independent non-executive Directors. The following table sets out certain information concerning our Directors:

Name	Age	Position	Date of Appointment
<b>Executive Directors</b>			
Robin Meng	57	Chairman and executive Director	24 August 2015
Frank Zhang	61	Executive Director	17 December 2022
Li Zhu	76	Executive Director	22 November 2020
Sally Wang	57	Executive Director and president	21 May 2015
<b>Independent non-executive Directors</b>			
Alphonse Galdes	73	Independent non-executive Director	12 September 2024
Andy Cheung	66	Independent non-executive Director	12 April 2024
Ethan Pan	57	Independent non-executive Director	26 November 2018
John Quelch	74	Independent non-executive Director	14 November 2024
Ross Grossman	75	Independent non-executive Director	11 March 2025
Victor Shi	58	Independent non-executive Director	12 April 2024

### Executive Directors

**Mr. Robin Meng (孟建革)**, aged 57, is the chairman and an executive Director of the Company. He was appointed as an executive Director of the Company on 24 August 2015 and was appointed as the chairman of the Board with effect from 22 November 2020. He is primarily responsible for the development, positioning, and strategy planning of the Group. He was appointed as the vice president of finance of the Group in April 2010 when he joined the Group, was the vice president of investor relations from 1 December 2017 to 31 December 2019 and was the secretary of the Board from 1 January 2020 to 22 November 2020. Mr. Meng is currently a director of Probio Technology I Limited, ProBio Cayman, Probio Technology (BVI) Limited, Probio Technology HK Limited and Nanjing Bestzyme Bio-Engineering Co., Ltd.<sup>†</sup> (南京百斯傑生物工程有限公 司). He is the chairman of the Nomination Committee.

## Directors and Senior Management

Mr. Meng has over 30 years of experience in finance and accounting. Prior to joining the Group, from July 1990 to October 1997, Mr. Meng worked at CCCC Guangzhou Dredging Co., Ltd.<sup>†</sup> (中交廣州航道局有限公司). From January 1999 to May 2000, Mr. Meng worked as the national finance manager at Guangdong Whirlpool Home Appliance Group<sup>†</sup> (廣東惠而浦家電集團). From May 2000 to July 2004, Mr. Meng worked at Schering-Plough China<sup>†</sup> (先靈葆雅中國公司) as a branch finance manager and the accounting and IT manager in the head office. From September 2004 to December 2007, Mr. Meng worked as the Asia finance controller of Saint Gobain Grains and Powder Division. From March 2008 to March 2010, Mr. Meng worked as the chief financial officer of Quay Magnesium. Mr. Meng is currently a director of Legend.

Mr. Meng graduated from Changsha Communications Institute<sup>†</sup> (長沙交通學院) (currently known as Changsha University of Science Technology<sup>†</sup> (長沙理工大學)) in the PRC with a Bachelor of Engineering degree in July 1990. He obtained a master of finance degree from Queen's University at Kingston, Canada in October 2022.

**Dr. Frank Zhang (章方良)**, aged 61, is the co-founder and an executive Director of the Company. He was appointed as a Director on 21 May 2015. Between 2015 to 2022, he served in various director roles, including executive Director and chairman, and non-executive Director. He was reappointed as a non-executive Director on 2 May 2022, and subsequently redesignated as an executive Director on 17 December 2022. As our executive Director, he is primarily responsible for the overall strategic development and planning, the risk management, and the investments, mergers and acquisitions of the Group. He is one of the founders and a director of GS Corp. Dr. Zhang is currently a director of the following members of the Group: GenScript Bioscience (BVI) Limited, Genscript USA Incorporated, GenScript USA Holding, Inc., CustomArray, Inc., GenScript (Hong Kong) Limited, GenScript Biotech (Singapore) Pte. Ltd., GenScript Biotech (Netherlands) B.V., GenScript Biotech (Spain), S.L. Bestzyme, Bestzyme Biotech Limited, Bestzyme USA Inc., Bestzyme Biotech HK Limited, Bestzyme Hongkong Limited, Bestzyme Biotech Inc., Yangtze Investment (BVI) Limited, Yangtze Investment USA, Inc., Yangtze Holdings (BVI) Limited, Yangtze Investment (HK) Limited, Curegene Biotech Corporation, Curegene Biotech (BVI) Limited, Curegene Biotech (HK) Limited, ProBio Cayman and Nanjing Bestzyme Bio-Engineering Co., Ltd.<sup>†</sup> (南京百斯傑生物工程有限公同). Dr. Zhang is the chairman of the Risk Management and ESG Committee, the Sub-committee on Data Security and Geopolitical Resilience, and our Strategy Committee. Dr. Zhang is a director of StarLand Capital Inc. since 8 August 2024.

Dr. Zhang has over 20 years of experience in the biotechnology industry. Prior to joining the Group, from 1995 to 2002, he worked as a postdoctoral research fellow and an associate principal scientist at Schering-Plough. Dr. Zhang worked in the tumour biology department during his postdoctoral research at Schering-Plough. After Dr. Zhang's postdoctoral studies, he was recruited to the department of central nervous system and cardiovascular system at Schering-Plough. He became one of the project leaders focusing on G-protein coupled receptors and led a group of scientists to discover the drug target for a billion-dollar drug. As a result of this discovery, Dr. Zhang won a Presidential Award at Schering-Plough in 2001. From 2002 to August 2020, Dr. Zhang worked as the chief executive officer of the Company, where he was involved in a variety of key biotechnological research projects and provided guidance and directions to those biotechnological research projects. He has been a director and chairman of Legend since August 2022.

Dr. Zhang obtained a Bachelor of Engineering degree from Chengdu College of Geology<sup>†</sup> (成都地質學院) (currently known as Chengdu University of Technology<sup>†</sup> (成都理工大學)) in the PRC in July 1984 and a Master of Science degree from Nanjing University<sup>†</sup> (南京大學) in the PRC in July 1987. He also obtained a Doctor of Philosophy degree from Duke University in the U.S. in September 1995.

## Directors and Senior Management

**Dr. Li Zhu (朱力)**, aged 76, is an executive Director of the Company. He is primarily responsible for strategy planning of the Company. Dr. Zhu was the vice president of strategy of the Group from March 2010 to February 2017, the chief strategy officer of the Company from February 2017 to July 2019, and a consultant for the Company from 16 July 2019 to 21 November 2020. He was appointed as an executive Director with effect from 22 November 2020. Upon his appointment as executive Director, he resumed his role as the chief strategy officer of the Company until 30 April 2025. Dr. Zhu is currently a director of the following members of the Group: GenScript Diagnostics Corporation, GenScript Diagnostics (BVI) Inc., GenScript Diagnostics HK Limited, Probio Technology I Limited, Probio Technology (BVI) Limited, Probio Technology HK Limited and ProBio Inc.. Dr. Zhu was appointed as chairman of the board of directors of ProBio Cayman with effect from 1 December 2024.

Before joining the Group, Dr. Zhu worked at Clontech Laboratories, Inc. in California, USA as a director of molecular biology from January 1990 to March 2000, where he pioneered the commercialisation of yeast two-hybrid system and a series of other advanced molecular biology techniques. Dr. Zhu founded Genetastix Corporation, Inc. and acted as the president and chief executive officer from May 2000 to December 2005. Genetastix Corporation, Inc. is a biotech company with a focus in creating a human antibody library in yeast and applying the genetic method in screening such antibody. Dr. Zhu then worked at biotech companies in China, serving as vice president of research at Cathay Biotech, Inc. from July 2006 to December 2008, and as vice president of HUYA Biomedical Technology (Shanghai) Co., Limited\* (滙亞生物醫藥技術(上海)有限公司) from January 2009 to December 2009. Dr. Zhu was a director of Legend from November 2020 to January 2026. Dr. Zhu was appointed as an independent director of Adagene Inc., the shares of which are listed on the Nasdaq Global Select Market (stock code: ADAG) with effect from August 2023.

Dr. Zhu obtained a Bachelor of Science of Biology degree from the East China Normal University\* (華東師範大學) in June 1982 and a Doctor of Philosophy in molecular biology and immunology from Stanford University in July 1989.

**Ms. Sally Wang (王燁)**, aged 57, is the co-founder, an executive Director and the president of the Company. She was appointed as a Director on 21 May 2015 and has been redesignated as an executive Director on 24 August 2015 and is primarily responsible for the Group's strategies and overall operational management. She is one of the founders and a director of GS Corp. Ms. Wang is currently a director of the following members of the Group: GenScript Bioscience (BVI) Limited, GenScript (Hong Kong) Limited, Genscript USA Incorporated, Bestzyme, Bestzyme Biotech Limited, Bestzyme Biotech USA Inc., Bestzyme Hongkong Limited, Bestzyme Biotech Inc., Nanjing Bestzyme Bio-Engineering Co., Ltd.\* (南京百斯傑生物工程(有限)公司), CustomArray, Inc., Probio Technology I Limited, ProBio Cayman, Probio Technology (BVI) Limited, Probio Technology HK Limited and Probio Technology (Netherlands) B.V.. Ms. Wang is the partner of Nanjing Genbest Enterprise Management Center (Limited Partnership)\* (南京金百企業管理(有限合夥)中心). Ms. Wang is the trustee and president of Ren-Shiu Foundation, Inc. She is a member of the Remuneration Committee and the Nomination Committee.

She joined the Group in August 2002 and served as the sales account manager until January 2005. In the Group, she worked as the sales and marketing director from February 2005 to August 2009, vice-president of operations from September 2009 to August 2011, and executive vice-president of operations from September 2011 to March 2014. She has been the chief operating officer of the Group in April 2014 until her redesignation as the president in December 2017. Prior to joining the Group, she worked as the environmental monitoring engineer at Shenzhen Futian Environment Protection Surveillance Station\* (深圳市福田區環境保護監測站) from July 1993 to July 2000. Ms. Wang has been a director of Legend since August 2022.

## Directors and Senior Management

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Ms. Wang obtained a Bachelor of Science in Microbiology and a Master of Science degree from Wuhan University<sup>†</sup> (武漢大學) in the PRC in July 1990 and in August 1993, respectively. She also obtained a Master of Science in Computer Sciences degree from Bridgeport University in the U.S. in December 2003. She obtained an Executive Master of Business Administration degree from the China Europe International Business School<sup>†</sup> (中歐國際工商學院) in the PRC in August 2014.

### Independent Non-executive Directors

**Dr. Alphonse Galdes**, aged 73, was appointed as an independent non-executive Director on 12 September 2024. He is now a member of the Audit Committee.

Dr. Galdes possesses broad experience in drug discovery and biopharmaceutical CMC development. Dr. Galdes has worked as a director at Galdes Consulting LLC. since 2022, where he provides consulting services on overall, R&D, and CMC strategy for biopharmaceutical clients. Over the course of 27 years from 1995 to 2022, Dr. Galdes progressed towards senior executive positions at Biogen Inc. (NASDAQ: BIIB), most recently as executive vice president of Pharmaceutical Operations and Technology Division and a member of the executive team between 2019 and 2022. Dr. Galdes's other prior responsibilities with Biogen include his service as interim senior vice president of the Biotherapeutic and Medicinal Sciences Division between 2016 and 2017, senior vice president of Asset Development and Portfolio Management Division and Pharmaceutical Operations and Technology Division jointly between 2015 and 2019 and senior vice president of Technical Development Pharmaceutical Operations and Technology Division between 2010 and 2015.

Prior to joining Biogen in 1995, Dr. Galdes was a senior director of drug discovery and director of biology at Ohmeda Pharmaceuticals (now part of Baxter HealthCare) from 1992 to 1995, Senior Scientist of Healthcare Research & Development of the BOC Group from 1984 to 1992, and a research associate at the Department of Biological Chemistry at Harvard Medical School from 1979 to 1984.

Dr. Galdes earned a bachelor's degree in chemistry and biology and a master's degree in biochemistry from the University of Malta, Malta, in June 1973 and June 1975 respectively, and a doctorate in biochemistry from the University of Oxford, the United Kingdom, in January 1979, where he was awarded Rhodes Scholarship to The Queen's College in 1975.

**Mr. Andy Cheung (張耀樑)**, aged 66, was appointed as an independent non-executive Director on 12 April 2024. Mr. Cheung is a chairman of the Audit Committee, a member of the Nomination Committee and the Risk Management and ESG Committee.

Mr. Cheung has over 30 years of professional accounting and auditing experience. He has been a member of Hong Kong Institute of Certified Public Accountants since October 1986 and was a member of its disciplinary panel from January 2015 to December 2020.

Mr. Cheung is currently serving as a director in various public companies in Hong Kong and the U.S.. Mr. Cheung has been an independent non-executive director and chairman of the audit committee of Hua Medicine, a company the shares of which are listed on the Stock Exchange (stock code: 2552) since January 2023. In addition, Mr. Cheung has been an independent non-executive director and chairman of the audit committee of CanSino Biologics Inc., a company the shares of which are listed on the Stock Exchange (stock code: 6185) and the Shanghai Stock Exchange (stock code: 688185), since February 2024. He is also an independent director and the chairman of the audit committee of Adagene Inc., a company the shares of which are listed on Nasdaq Stock Market (stock code: ADAG), since February 2021. From October 2020 to August 2024, Mr. Cheung served as an independent non-executive director of JW (Cayman) Therapeutics Co. Ltd., a company the shares of which are listed on the Stock Exchange (stock code: 2126).

## Directors and Senior Management

From July 2018 to June 2020, Mr. Cheung was the deputy area managing partner of Ernst & Young in Asia Pacific, overseeing its business operations, finance, IT and risk management functions. During the same period, Mr. Cheung was a member of each of the Ernst & Young Asia Pacific's Area Operating Executives, Ernst & Young's Global Accounts Committee and Ernst & Young's Global Markets and Investment Committee. From July 2013 to June 2018, Mr. Cheung was Ernst & Young's assurance managing partner in Greater China, managing its audit, financial accounting advisory, forensic and climate changes and sustainability services. During that period, he was also a member of Ernst & Young Greater China's leadership team. Mr. Cheung's other prior responsibilities with Ernst & Young include his service as the chief operating officer of Ernst & Young Hua Ming LLP from July 2011 to June 2013, an assurance partner of Ernst & Young China from July 2010 to June 2011 and the area chief financial officer of Ernst & Young Asia Pacific from July 2009 to June 2010. Prior to joining Ernst & Young in September 2006, Mr. Cheung was an assurance partner with PricewaterhouseCoopers Zhong Tian LLP and an assurance partner with Arthur Andersen in China and Hong Kong successively.

Mr. Cheung obtained a bachelor's degree in accounting and finance from the University of Lancaster in the United Kingdom in June 1982, and a master's degree in accounting and finance from London School of Economics in the United Kingdom in August 1983.

**Mr. Ethan Pan (潘九安)**, aged 57, was appointed as an independent non-executive Director of the Company on 26 November 2018. Mr. Pan is the member of the Audit Committee, the Nomination Committee, the Risk Management and ESG Committee and the Strategy Committee.

Mr. Pan has over 25 years of experience in human resources and management across various industries, including education, kitchen electrical appliances, office automated facilities, textile and garment. He was the chief executive officer of Ningbo Liangzhixin Culture Media Co., Ltd.<sup>†</sup> (寧波良知行文化傳媒有限公司) from January 2021 to December 2024. From May 2020 to December 2020, he served as the chief executive officer of Shanghai FastLink Door Co., Limited<sup>†</sup> (上海快聯門業有限公司). From 2018 to 2020, he served as the chief human resources officer of Shanghai Lingjiao Enterprise Management Consulting Co. Ltd<sup>†</sup> (上海領教企業管理諮詢有限公司). From 2010 to 2013 and from 2003 to 2010, he served as the corporate group director of human resources of each of K-Boxing Men's Wear (Shanghai) Co. Ltd.<sup>†</sup> (勁霸男裝(上海)有限公司) and Ningbo Fotile Kitchen Appliances Co. Ltd.<sup>†</sup> (寧波方太廚具有限公司), respectively. From 1994 to 2002, he was the deputy manager, manager, and senior manager of Minolta Industries (HK) Limited (美能達實業(香港)有限公司).

Mr. Pan obtained his bachelor degree in law from Central South University of Technology<sup>†</sup> (中南工業大學) (now known as Central South University<sup>†</sup> (中南大學)) in 1991. He obtained his qualification as a lawyer in the PRC in 1994. He also obtained the national manager qualification<sup>†</sup> (國家一級經理人資格) from Shanghai Jiao Tong University Center for Quality Management<sup>†</sup> (上海交通大學卓越管理中心) in 2016. He further obtained the certificate of chief human resources officer from Renmin University<sup>†</sup> (中國人民大學) in 2018.

## Directors and Senior Management

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**Dr. John Quelch**, aged 74, was appointed as an independent non-executive Director on 14 November 2024. He is a member of the Strategy Committee and the Sub-Committee on Data Security and Geopolitical Resilience.

Dr. Quelch is an administrator and business school leader with more than four decades of experience in higher education, and is a renowned scholar on global strategy and branding, corporate governance, corporate sustainability, and customer behavior, especially in healthcare. Dr. Quelch has served as the executive vice chancellor of Duke Kunshan University in Kunshan, China since December 2023. From January 2023 to December 2023, he served as the Leonard M. Miller University Professor at the University of Miami Herbert Business School. From July 2017 to December 2022, he also served as dean of Miami Herbert Business School, and the University of Miami's vice provost for executive education. Prior to that, Dr. Quelch was the Charles Edward Wilson Professor of Business Administration at Harvard Business School from February 2013 to June 2017. He also held a joint appointment as professor of health policy and management at the Harvard T.H. Chan School of Public Health of Harvard University. From February 2011 to January 2013, Dr. Quelch worked at China Europe International Business School as dean, vice president and distinguished professor. From July 2001 to January 2011, he served as a senior associate dean and professor at Harvard Business School. From July 1998 to June 2001, Dr. Quelch served as the dean of London Business School. Dr. Quelch initially joined Harvard Business School in 1979, holding a number of positions over the years until 1998, including Sebastian S. Kresge Professor of Marketing and co-chair of the marketing department.

Dr. Quelch has been a director of Smithfield Foods (NASDAQ: SFD) since January 2025. He served as a director of Mynd.ai, Inc. (NYSE: MYND), a company the shares of which are listed on the New York Stock Exchange, from December 2023 to February 2026. He served as a director of Amerant Bancorp Inc. (NYSE: AMTB), a company the shares of which are listed on New York Stock Exchange, from April 2022 to May 2024. He served as a director of Relativity Acquisition Corp from March 2022 to March 2024. Relativity Acquisition Corp is a special purpose acquisition corporation whose units were formerly listed on the Nasdaq Stock Market with ticker symbol RACY between February 2022 and May 2024. He served as a director of Industrial Human Capital, Inc. between October 2021 and November 2024. Industrial Human Capital, Inc. was a special purpose acquisition corporation whose units were formerly listed on the New York Stock Exchange with ticker symbol AXHU between 14 October 2021 and 30 November 2022.

His other prior directorships at publicly listed companies included Aramark Corporation (NYSE: ARMK) between 2016 and 2020, Gentiva Health Services Inc. (NASDAQ: GTIV) between 2006 and 2009, Pepsi Bottling Group (now identified as PepsiCo, Inc.) (NASDAQ: PEP) between 2005 and 2010, and Reebok International Limited (NYSE: RBK) between 1985 and 1997. In 2013, Dr. Quelch retired from the board of WPP plc (LSE: WPP, NYSE: WPP), a leading marketing services company, after 25 years of service.

Dr. Quelch received a bachelor's degree in arts from University of Oxford, the United Kingdom in July 1972, a master's degree in business administration from the Wharton School, University of Pennsylvania, the U.S., in June 1974, a master's degree in nutrition science from Harvard University, the U.S., in June 1978, and a doctorate in business administration from Harvard University, the U.S., in June 1977.

## Directors and Senior Management

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**Dr. Ross Grossman**, aged 75, was appointed as a non-executive Director on 12 September 2024 and was redesignated to an independent non-executive Director on 11 March 2025. He is now a member of the Remuneration Committee.

Dr. Grossman has over 35 years of experience in human resources leadership and consultancy gained from his previous service in senior and executive positions at multinational financial services, pharmaceutical and biotechnology companies in the U.S.. He held various human resources leadership roles at Prudential Financial, Inc. between 1979 and 1998. From 1998 to 2000, he was the chief human resources officer and a member of the Executive Committee for the U.S. pharmaceutical business of Novartis Pharmaceuticals Corporation and served on the Novartis Global HR Leadership Team. Between 2000 and 2002, he joined UBS AG (formerly Paine Webber) as the senior vice president of human resources of the Private Client Group. Between 2002 and 2013, he led the building and formulation of human resources infrastructure, process and strategy at Regeneron Pharmaceuticals, where he retired in December 2013 but rejoined in 2015 and retired again in 2016. Dr. Grossman founded Stony Point Consulting, LLC in 2014, serving as the president, which position he currently holds.

Dr. Grossman earned a bachelor's degree in English from California State University, the U.S., in 1972, a master's degree in English and American Literature from Claremont Graduate University, the U.S. in 1973, a doctorate in English from Claremont Graduate University, the U.S. in 1976 and a master's degree in business administration (with a Finance and Marketing concentration) from the University of California, Los Angeles, the U.S. in 1979.

Dr. Grossman is currently the chairman of the board of trustees and a member of the executive committee of the Keck Graduate Institute in Claremont, California, one of the Claremont Colleges and a graduate university in the U.S. focused on the intersection of business and biotechnology after having served on the board of trustees since 2013. He has also served on the board of trustees and the executive committee of the Center for Excellence in Education in McLean, Virginia, since 2016, which encourages the best young scientists to focus their education and careers on the science, technology, engineering and mathematics (STEM) disciplines.

**Dr. Victor Shi (施晨陽)**, aged 58, was appointed as an independent non-executive Director on 12 April 2024. He is currently the chairman of the Remuneration Committee and a member of the Nomination Committee and the Strategy Committee.

Dr. Shi has over 30 years of experience in life science R&D, sales and marketing, business development and investment. Since January 2017, Dr. Shi has been the managing partner of Serica Partners, a China-based venture fund focused on the investment in IVD and medical devices in China. Dr. Shi has been the chairperson of careLYFE Co., Ltd.<sup>†</sup> (蘇州凱愛健康科技有限公司), a company dedicated to innovating medical technologies such as new cancer oncology biomarkers, precision diagnosis, and internet medical services, since December 2017.

Dr. Shi previously served as an executive director and the chief executive officer of Adicon International Limited, a leading independent clinical laboratory in China, from October 2018 to April 2019, and from April 2019 to May 2020, respectively. From February 2017 to March 2019, Dr. Shi served as director and chief executive officer of NuProbe Global, Inc., a liquid biopsy technology company which he co-founded. He was the president of Asia Pacific of QIAGEN N.V., a leading company focused on IVD and life science research tools whose shares are listed on NASDAQ (stock code: QGEN) and the Frankfurt Stock Exchange (stock code: QIA) respectively, from October 2005 to February 2015. Prior to joining QIAGEN N.V., Dr. Shi held senior positions at Bridge Pharmaceuticals, GenoSpectra Inc. (renamed as Panomics Inc. since February 2006) and A.M. Pappas & Associates, and served as a faculty member at the School of Medicine of National University of Singapore.

## Directors and Senior Management

Dr. Shi was a founding director of BayHelix Group, a global association of Chinese life science business executives, and was elected its chairman from January 2017 to January 2019. Dr. Shi has been a member on the Biotech Advisory Panel of Hong Kong Stock Exchange since April 2018.

Dr. Shi obtained his doctoral degree in biophysics and master's degree in science from the University of Rochester in New York, the U.S. in April 1991 and January 1989 respectively, and a bachelor's degree in science from University of Science and Technology of China, the PRC in July 1986.

### SENIOR MANAGEMENT

The following table sets out certain information concerning our Senior Management as at the date of this annual report:

Name	Age	Year of Joining the Group	Date of Appointment
Robin Meng	(see above)	(see above)	(see above)
Frank Zhang	(see above)	(see above)	(see above)
Li Zhu	(see above)	(see above)	(see above)
Sally Wang	(see above)	(see above)	(see above)
Sherry Shao	45	1 July 2005	Appointed as the chief operating officer of the Company on 8 July 2021 and appointed as a rotating chief executive officer of the Company with effect from 1 January 2023

**Mr. Robin Meng (孟建革)**, is the chairman and an executive Director. Please refer to the previous section headed "Executive Directors" for the biography of Mr. Meng.

**Dr. Frank Zhang (章方良)**, is an executive Director. Please refer to the previous section headed "Executive Directors" for the biography of Dr. Zhang.

**Dr. Li Zhu (朱力)**, is an executive Director. Please refer to the previous section headed "Executive Directors" for the biography of Dr. Zhu.

**Ms. Sally Wang (王燁)**, is the co-founder, an executive Director and the president of the Company. Please refer to the previous section headed "Executive Directors" for the biography of Ms. Wang.

## Directors and Senior Management

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**Ms. Sherry Shao (邵焯慧)**, aged 45, has been appointed as a rotating chief executive officer of the Company with effect from 1 January 2023 and she has been on duty on yearly basis with effect from such date, subject to rotation on yearly basis. She was appointed as the chief operating officer of the Company on 8 July 2021. She is primarily responsible for the supporting functions of the Company, including human resources, supply chain, engineering and instrument, IT, quality and environmental, health and safety functions. She is the chairwoman of the Sanctions Risk Control Committee and a member of the Sub-Committee on Data Security and Geopolitical Resilience.

Ms. Shao has nearly 20 years of management experience in the life-science and biologics development industry. Ms. Shao joined the Group in July 2005. From July 2005 to April 2017, Ms. Shao served in a number of positions at the Group, including a group leader of antibody department, a manager of antibody development and a vice president of reagent service production center. From April 2017 to April 2019, Ms. Shao worked as the deputy general manager of the reagent service business unit. From April 2019 to August 2020, Ms. Shao served as the president of GenScript Life Science Group. From August 2020 to February 2021, she worked as the president of European division. From February 2021 to July 2021, she worked as China President. She was appointed as the chief operating officer of the Company in July 2021.

Ms. Shao obtained her Bachelor of Science degree in biology from Nanjing Normal University<sup>†</sup> (南京師範大學) in the PRC in June 2002 and a Master of Science degree in Preventive Veterinary from Yangzhou University<sup>†</sup> (揚州大學) in the PRC in June 2005.

# REPORT OF THE DIRECTORS

The Board is pleased to present the report of the Directors together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## CORPORATE INFORMATION AND GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 21 May 2015 as an exempted company with limited liability under the laws of the Cayman Islands. The Shares were listed on the Main Board of the Stock Exchange on 30 December 2015.

## PRINCIPAL ACTIVITIES

The Group is a well-recognised biotechnology company. Based on our proprietary DNA synthesis technology and the other technology and know-how on life-science research and application, we have well established three major platforms, including: GenScript Life Science Group, a life-science services and products platform that offers comprehensive solutions and products to global research communities; ProBio, offering end-to-end CRDMO services from drug discovery to commercialisation with proactive strategies, professional solutions and efficient processes in CGT, antibody and recombinant protein drug, aiming to accelerate drug development for customers; and Bestzyme, an industrial synthetic biology products platform that develops and produces industrial enzymes and provides solutions for biofuel, food and beverage, distilling, starch, household care, textile, animal feed industries and functional proteins. Our customers are primarily located in North America, Europe, the PRC and other Asia Pacific regions. The analysis of the principal activities of the Company's principal subsidiaries are set out in note 1 to the financial statements.

## RESULTS AND APPROPRIATIONS

The consolidated results of the Group for the year ended 31 December 2025 are set out on pages 110 and 112 of this annual report.

## FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board did not recommend the payment of final dividend for the year ended 31 December 2025.

## CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of Shareholders to attend and vote at the forthcoming AGM to be held on Friday, 5 June 2026, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026 (both dates inclusive), during which period no transfer of shares will be registered. All transfer documents, accompanied by the relevant share certificates, shall 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, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 1 June 2026.

## FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 7 of this annual report. This summary does not form part of the audited consolidated financial statements.

## Report of the Directors

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### MAJOR CUSTOMERS AND SUPPLIERS

#### Major Customers

The revenue attributable to the top five customers of 2025 accounted for 34.2% of the Company's operating income for the year ended 31 December 2025. The revenue from the largest single customer accounted for 29.6% of the Company's operating income for the year ended 31 December 2025.

#### Major Suppliers

In 2025, purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

During the Reporting Period, to the knowledge of the Directors, none of the Directors or any of their close associates or any Shareholders (who to the knowledge of the Directors own more than 5.0% of the Company's issued share capital (excluding Treasury Shares)) had an interest in any of the Company's top five customers or suppliers.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant, and equipment of the Group during the Reporting Period are set out in note 14 to the financial statements in this annual report.

### SHARE CAPITAL

As of 31 December 2025, 2,186,378,520 ordinary shares were issued. Details of movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 32 to the financial statements in this annual report.

### RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 115 to 116 and 232 in this annual report.

### DISTRIBUTABLE RESERVES

As of 31 December 2025, the Company's distributable reserves were US\$2,844.8 million (as of 31 December 2024: 3,554.9 million).

### DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this annual report were:

#### Executive Directors

Mr. Robin Meng (*Chairman*)

Dr. Frank Zhang

Dr. Li Zhu

Ms. Sally Wang

#### Non-executive Director

Mr. Larry Wang (*Resigned on 29 May 2025*)

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### Independent Non-executive Directors

Dr. Alphonse Galdes

Mr. Andy Cheung

Mr. Ethan Pan

Dr. John Quelch

Dr. Ross Grossman (*Re-designated from a non-executive Director to an independent non-executive Director on 11 March 2025*)

Dr. Victor Shi

Mr. Edward Dai (*Retired on 29 May 2025*)

Pursuant to the *Articles*, each of Dr. Frank Zhang, Mr. Robin Meng, Dr. Li Zhu and Dr. Victor Shi will retire at the AGM and, being eligible, Dr. Frank Zhang, Mr. Robin Meng, Dr. Li Zhu and Dr. Victor Shi will offer themselves for re-election.

Biographical details of the Directors to be re-elected at the AGM will be set out in the circular dated 13 April 2026 to the Shareholders.

### DIRECTORS' PROFILES

Biographical details of Directors and Senior Management of the Company are set out on pages 32 to 40 in this annual report.

### DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into service contracts with the Company for a fixed term of three years commencing on 17 December 2025 for Dr. Frank Zhang, that on 1 December 2024 for Mr. Robin Meng and Ms. Sally Wang, and that on 22 November 2023 for Dr. Li Zhu. Their appointments can be terminated before the expiration of the term by not less than six months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has signed appointment letters with the Company for a term of three years. The effective date of the appointment of Mr. Ethan Pan is 26 November 2024, that on 12 April 2024 for Mr. Andy Cheung and Dr. Victor Shi, that on 12 September 2024 for Dr. Alphonse Galdes, and that on 14 November 2024 for Dr. John Quelch. The appointment letter for Dr. Ross Grossman as a non-executive Director took effect on 12 September 2024 and was amended to redesignate him as an independent non-executive Director, effective from 11 March 2025. Their appointments are subject to termination in accordance with their respective terms.

Save as disclosed herein, none of the Directors has entered into any service contract with the Group that is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Neither of the Company nor any of its subsidiaries entered into, whether directly or indirectly, any transactions, arrangements and contracts of significance in which a Director had a material interest, which were related to the Company's business, and/or which subsisted during and up to the end of the Reporting Period.

## Report of the Directors

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### 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.

### PERMITTED INDEMNITY PROVISION

The *Articles* provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which they may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto. A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company had taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers during the Reporting Period.

### EQUITY-LINKED AGREEMENTS

Save for the Share Option Schemes and RSU Schemes of the Company as set out in this annual report, no equity-linked agreements were entered into by the Group or existed during the year ended 31 December 2025.

### SHARE SCHEMES

The Company has adopted the Pre-IPO Share Option Scheme, the Post-IPO Share Option Scheme, the 2019 RSU Scheme and the 2021 RSU Scheme.

#### Grant of Share Options and/or Share Awards by the Company During the Reporting Period

No further options have been granted pursuant to the Pre-IPO Share Option Scheme since the Listing. During the Reporting Period, no options have been granted under the Post-IPO Share Option Scheme. The Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme expired on 30 December 2015 and 7 December 2025, respectively.

During the Reporting Period, grants totaling 1,435,814 RSUs were made under the 2019 RSU Scheme on three dates: 624,540 RSUs on 11 June 2025, 774,960 RSUs on 19 September 2025 and 36,314 RSUs on 15 December 2025. Please refer to our announcements dated 11 June 2025, 21 September 2025 and 16 December 2025, respectively, for details. Regarding settlement, these RSUs will be satisfied by the existing Shares arising from previously lapsed Share Awards pursuant to the 2019 RSU Scheme. Save as disclosed, no other RSUs have been granted under the 2019 RSU Scheme during the Reporting Period.

During the Reporting Period, grants totaling 9,755,385 RSUs were made under the 2021 RSU Scheme on two dates: 6,777,120 RSUs on 11 June 2025 and 2,978,265 RSUs on 15 December 2025. Of these total grants, 69,828 RSUs and 72,627 RSUs on the respective dates were granted to certain Service Providers. Please refer to our announcements dated 11 June 2025 and 16 December 2025 for details. Regarding settlement, 306,616 RSUs and 34,263 RSUs granted on 11 June 2025 and 15 December 2025, respectively, were not accepted by the relevant grantees. The remaining 6,470,504 RSUs and 2,944,002 RSUs granted on the respective dates will be satisfied by the issuance of new Shares within the Scheme Mandate Limit and the Service Provider Sublimit. Save as disclosed, no other RSUs have been granted under the 2021 RSU Scheme during the Reporting Period.

## Report of the Directors

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The Stock Exchange had granted conditional listing approval for the new Shares underlying the share option(s) and/or award(s) within the Scheme Mandate Limit and the Service Provider Sublimit which may be granted pursuant to the Share Schemes, subject to fulfillment of all other conditions of the respective Share Schemes of the Company.

As at 31 December 2025, no grant has been made to (i) any related entity participant or service provider with options and awards granted in excess of 0.1% of the Company's issued Shares over the 12-month period, and (ii) any other participant with options and awards granted in excess of the 1% individual limit, as such terms are used in the Listing Rules.

### Number of Options and Share Awards Available for Grant

As at 1 January 2025, 211,642,174 Shares remained available for grant within the Scheme Mandate Limit under all share schemes adopted by the Company, and among which, 21,208,811 Shares are available for future grant under the Service Provider Sublimit of the 2019 RSU Scheme and 2021 RSU Scheme adopted by the Company.

As at 31 December 2025, 202,529,105 Shares remained available for grant under all share schemes adopted by the Company, and among which, 21,066,356 Shares are available for future grant under the Service Provider Sublimit of the 2019 RSU Scheme and 2021 RSU Scheme adopted by the Company.

The number of Shares that may be issued in respect of Share Awards (i.e. 9,414,506 RSUs) granted under the share schemes of the Company during the Reporting Period is divided by the weighted average number of shares (i.e. 2,167,322,403) of the relevant class in issue for the Reporting Period is approximately 0.43%.

### Share Schemes of the Subsidiaries of the Company

On 3 August 2021, the shareholders of ProBio Cayman approved and adopted the ProBio RSU Scheme. On 16 June 2022, Bestzyme Nanjing adopted the Bestzyme ESOP. Neither the ProBio RSU Scheme nor the Bestzyme ESOP is subject to the provisions of Chapter 17 of the Listing Rules, as neither ProBio Cayman nor Bestzyme Nanjing is a principal subsidiary of the Company under Rule 17.14.

### Administration of the Share Schemes

In accordance with the terms of the Shares Schemes, the Board is authorized to make decisions in respect of the administration of the Share Schemes, including but not limited to (i) interpreting and construing the provisions of the Share Schemes, (ii) determining the persons entitled to share options or Share Awards, and (iii) determining the conditions of the grant in relation to such share options or Share Awards and making appropriate adjustments to the terms of the grant.

## Report of the Directors

### SHARE OPTION SCHEMES

#### Summary of the Share Option Schemes

Details	Pre-IPO Share Option Scheme	Post-IPO Share Option Scheme
1. Purpose	To recognise and acknowledge the contributions that the eligible participants have or may have made to the Group and to provide the eligible participants with an opportunity to have a personal stake in the Company with a view to (i) attracting skilled and experienced personnel; (ii) incentivising them to remain with the Group; and (iii) motivating them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.	To provide eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage eligible participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Post-IPO Share Option Scheme will provide the Company with a flexible means of retaining, incentivising, compensating, or providing benefits to certain eligible participants.
2. Participants	Directors, employees, or consultants of any member of the Group.	Directors and employees of any member of the Group.
3. The total number of shares available for issue	<p>Save for the options which have been granted before the Listing date, no further options will be granted under the Pre-IPO Share Option Scheme on or after the Listing date.</p> <p>No outstanding Shares are available for issue under the Pre-IPO Share Option Scheme as of the date of this annual report.</p>	<p>The maximum number of Shares which may be issued in respect of all options and awards involving issue of new Shares that may be granted pursuant to the Post-IPO Share Option Scheme and any other share schemes adopted by the Company shall not exceed the Scheme Mandate Limit (i.e. 212,768,651 Shares).</p> <p>The total number of Shares available for issue under the Post-IPO Share Option Scheme was 25,394,294 (being the number of the Shares underlying the outstanding options granted under the Post-IPO Share Option Scheme before its termination), representing approximately 1.16% of the issued Shares of the Company (i.e. 2,188,076,343 Shares) (excluding Treasury Shares) as of the date of this report.</p>

## Report of the Directors

Details	Pre-IPO Share Option Scheme	Post-IPO Share Option Scheme
4. Maximum entitlement of each participant	-	<p>The total number of Shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme and any other share schemes of the Company to each eligible participant in any 12-month period shall not exceed 1% of the Shares in issue, unless be separately approved by the Shareholders in accordance with the requirements of the Listing Rules and the provisions of the Post-IPO Share Option Scheme.</p> <p>The total number of Shares issued and to be issued in respect of all options and awards granted under the Share Option Scheme and any other share schemes of the Company to a substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates in any 12-month period (or such other period as may from time to time be specified by the Stock Exchange) shall not exceed 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue, unless be separately approved by the Shareholders in accordance with the requirements of the Listing Rules and the provisions of the Post-IPO Share Option Scheme.</p>
5. The period within which the option may be exercised by the grantee	<p>The period shall be determined by the Board and notified to each grantee in the notice of grant, or where applicable, any period for the exercise of an option which shall not exceed 10 years from the offer date of the option.</p>	<p>The period of time to be notified by the Board to each grantee at the time of making an offer, which shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant option.</p>

## Report of the Directors

Details	Pre-IPO Share Option Scheme	Post-IPO Share Option Scheme
6. Vesting Period	An option is subject to performance or other vesting conditions as set forth in the notice of grant to the grantees.	Vesting shall only occur upon satisfaction (or where applicable, waiver by the Board) of the conditions set forth in the notice of grant issued to the eligible participants, unless otherwise permitted, and shall be subject to a vesting period as determined by the Board, which shall be at least 12 months commencing from (and including) the date of grant.
7. Time of acceptance and the amount payable on acceptance of option	On acceptance of the offer of the option, the participant shall execute and return an acceptance letter in accordance with the terms and conditions set by the Company.	An option shall remain open for acceptance by the participant concerned for a period of 21 days from the date of the offer. HK\$1.00 is payable by the grantee to the Company on acceptance of the offer of the option.
8. Basis of determining the exercise price	The exercise price shall be determined by the Board at its own discretion and set out in the relevant notices of grant.	The exercise price shall be such price determined by the Board at its absolute discretion and notified to the eligible participant in the offer at the time of the offer and shall be no less than the higher of: <ol style="list-style-type: none"> <li>1. the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and</li> <li>2. the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant.</li> </ol>
9. Remaining life of the scheme	The Pre-IPO Share Option Scheme expired on 30 December 2015.	It was valid and effective for a period of ten years commencing on 7 December 2015, and expired on 7 December 2025.

## Report of the Directors

### Pre-IPO Share Option Scheme

The Company adopted the Pre-IPO Share Option Scheme by a resolution of the then sole shareholder of the Company on 15 July 2015. No further share options are granted under the Pre-IPO Share Option Scheme after the Listing. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules, as the Pre-IPO Share Option Scheme will not involve the grant of options to subscribe for new Shares of the Company.

Set out below are details of the movements in the share options granted under the Pre-IPO Share Option Scheme during the Reporting Period:

Category/ Name of Grantee	Date of Grant	Vesting Period	Exercise Period	Exercise Price per Share US\$	Number of share options					Outstanding as at 31 December 2025
					Outstanding as at 1 January 2025	Granted during the Year	Cancelled during the Year	Lapsed during the Year	Exercised during the Year <sup>(Note 1)</sup>	
<b>Directors</b>										
Robin Meng	30 January 2015	30 January 2016– 31 July 2025 31 January 2017– 31 July 2025 30 January 2018– 31 July 2025 30 January 2019– 31 July 2025 30 January 2020– 31 July 2025	30 January 2016– 31 July 2025	0.077	1,043,320	-	-	-	1,043,320	-
Sally Wang	20 March 2014	31 December 2014– 31 July 2025 31 December 2015– 31 July 2025 31 December 2016– 31 July 2025	31 December 2014 – 31 July 2025	0.062	25,008,000	-	-	-	25,008,000	-
<b>Other employees</b>										
Employees	17 October 2005 – 30 March 2015	17 October 2008– 31 December 2025	17 October 2008– 31 December 2025	0.003–0.103	194,332	-	-	-	194,332	-
Total					26,245,652	-	-	-	26,245,652	-

Notes:

- (1) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$11.18.
- (2) For further details of the Pre-IPO Share Option Scheme, please refer to Appendix V “Statutory and General Information” of the prospectus of the Company and note 33 to the financial statements in this annual report.

## Report of the Directors

### Post-IPO Share Option Scheme

The Company approved and adopted the Post-IPO Share Option Scheme by written resolutions of its then sole shareholder on 7 December 2015. The Post-IPO Share Option Scheme was subsequently amended on 21 June 2024. The Post-IPO Share Option Scheme is subject to the requirements under Chapter 17 of the Listing Rules.

No share options were granted under the Post-IPO Share Option Scheme during the Reporting Period.

Set out below are details of the movements in the share options granted under the Post-IPO Share Option Scheme during the Reporting Period:

Category/ Name of Grantee	Date of Grant	Vesting Period	Exercise Period	Exercise Price per Share HK\$	Closing Price per Share immediately before the date of grant HK\$	Number of share options					Outstanding as at 31 December 2025
						Outstanding as at 1 January 2025	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Exercised during the Reporting Period <sup>(Note 3)</sup>	
<b>Directors</b>											
Li Zhu	11 October 2017	31 December 2019– 10 October 2027 31 December 2020– 10 October 2027 31 December 2021– 10 October 2027 31 December 2022– 10 October 2027 31 December 2023– 10 October 2027	31 December 2019– 10 October 2027	8.33	8.07	634,000	-	-	-	-	634,000
Ethan Pan	1 September 2020	1 September 2020– 31 August 2025 25 November 2020– 31 August 2025 1 September 2021– 31 August 2025 25 November 2021– 31 August 2025 1 September 2022– 31 August 2025	1 September 2020– 31 August 2030	15.00	14.98	270,000	-	-	-	-	270,000
<b>Former Director</b>											
Edward Dai (Retired on 29 May 2025 <sup>(Note 3)</sup> )	1 September 2020	1 September 2020– 31 August 2025 1 September 2021– 31 August 2025 1 September 2022– 31 August 2025	1 September 2020– 31 August 2030	15.00	14.98	58,000	-	-	58,000	-	-
<b>Chief Executive</b>											
Sherry Shao	25 April 2017	25 April 2021– 24 April 2027 25 April 2024– 24 April 2027	25 April 2021– 24 April 2027	3.512	3.45	2,000,000	-	-	-	-	2,000,000

## Report of the Directors

Category/ Name of Grantee	Date of Grant	Vesting Period	Exercise Period	Exercise Price per Share HK\$	Closing Price per Share immediately before the date of grant HK\$	Number of share options					Outstanding as at 31 December 2025	
						Outstanding as at 1 January 2025	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Exercised during the Reporting Period <sup>(Note 1)</sup>		
<b>Other employees</b>												
Employees	22 June 2016 <sup>(Note 4)</sup>	22 June 2016– 21 June 2026	22 June 2016– 21 June 2026	1.204	1.21	7,672,000	–	–	–	5,000,000	2,672,000	
	23 September 2016	23 September 2017– 22 September 2026	23 September 2017– 22 September 2026	2.406	2.30	2,732,000	–	–	–	370,000	2,362,000	
	25 April 2017	25 April 2019– 24 April 2027	25 April 2019– 24 April 2027	3.512	3.45	7,829,950	–	–	–	1,899,950	5,930,000	
	11 October 2017	25 July 2018– 10 October 2027	25 July 2018– 10 October 2027	8.33	8.07	2,853,000	–	–	–	789,000	2,064,000	
	20 November 2017	31 December 2019– 19 November 2027	31 December 2019– 19 November 2027	9.35	8.91	1,955,000	–	–	–	340,000	1,615,000	
	4 May 2018	1 January 2019– 3 May 2028	1 January 2019– 3 May 2028	26.46	26.65	3,505,476	–	–	622,619	–	2,882,857	
	29 November 2018	29 November 2019– 28 November 2028	29 November 2019– 28 November 2028	14.04	14.32	126,000	–	–	–	–	126,000	
	19 July 2019	19 July 2020– 18 July 2029	19 July 2020– 18 July 2029	18.30	17.86	1,926,000	–	–	140,000	–	1,786,000	
	29 November 2019	29 November 2020– 28 November 2029	29 November 2020– 28 November 2029	19.132	19.54	2,204,000	–	–	880,000	–	1,324,000	
	29 April 2020	29 April 2021– 28 April 2030	29 April 2021– 28 April 2030	13.84	13.698	1,960,500	–	–	–	380,000	1,580,500	
	28 December 2020	28 December 2021– 27 December 2030	28 December 2021– 27 December 2030	12.10	11.36	750,000	–	–	80,000	320,000	350,000	
	31 March 2021	31 March 2022– 30 March 2031	31 March 2022– 30 March 2031	13.892	14.04	100,000	–	–	40,000	60,000	–	
	31 May 2021	31 May 2022– 30 May 2031	31 May 2022– 30 May 2031	30.45	27.35	184,937	–	–	–	–	184,937	
<b>Total</b>						<b>36,760,863</b>	<b>–</b>	<b>–</b>	<b>1,820,619</b>	<b>9,158,950</b>	<b>25,781,294</b>	

Notes:

- (1) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$13.25.
- (2) For further details of the Post-IPO Share Option Scheme, please refer to Appendix III “Summary of the Principal Terms of the Share Option Scheme” of the circular of the Company dated 22 April 2024 and note 33 to the financial statements in this annual report.
- (3) Mr. Edward Dai retired as a Director with effect from the conclusion of the annual general meeting held on 29 May 2025. Pursuant to Post-IPO Share Option Scheme, 58,000 unexercised share options granted to him were lapsed on 29 May 2025.
- (4) The movements of the share options include the share options granted to a former rotating chief executive officer (off-duty) of the Company.

## Report of the Directors

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### RSU SCHEMES

#### 2019 RSU Scheme

The Company adopted the 2019 RSU Scheme on 22 March 2019, and subsequently amended the scheme on 21 June 2024 and 15 December 2025. The 2019 RSU Scheme is subject to the requirements under Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the 2019 RSU Scheme.

(a) **Purpose of the 2019 RSU Scheme**

The purposes of the 2019 RSU Scheme are (i) to provide the selected participants with the opportunity to acquire proprietary interests in the Company, (ii) to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole, and (iii) to provide the Company with a flexible means of retaining, incentivising, compensating or providing benefits to the selected participants.

(b) **Eligible participants**

The eligible participants under the 2019 RSU Scheme include (i) any director or employee of the Company or any of its subsidiaries, (ii) any related entity participants (as defined in Chapter 17 of the Listing Rules), and (iii) any Service Providers.

(c) **The total number of Shares available for issue**

The total number of Shares which may be issued in respect of all awards involving issue of new Shares that may be granted pursuant to the 2019 RSU Scheme and any other share schemes adopted by the Company shall not exceed the Scheme Mandate Limit (i.e. 212,768,651 Shares). The total number of Shares available for issue under the 2019 RSU Scheme (including the RSUs granted but unvested and the RSUs available for future grants, and excluding Treasury Shares) was 202,739,381 Shares, representing approximately 9.27% of the issued Shares of the Company (excluding Treasury Shares) (i.e. 2,188,076,343 Shares) as of the date of this annual report.

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**(d) Maximum entitlement of each selected participant**

The total number of Shares issued and to be issued in respect of all options and awards granted under the 2019 RSU Scheme and any other share schemes of the Company to each selected participant in any 12-month period shall not exceed 1% of the Shares in issue, unless be separately approved by the Shareholders in accordance with the requirements of the Listing Rules.

Where any grant of the award to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all options and awards involving issue of new Shares granted under the 2019 RSU Scheme and any other share schemes of the Company to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue as at the date of grant, such further grant of award shall be approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules and the provisions of the 2019 RSU Scheme.

Where any grant of the award to an independent non-executive Director or a substantial Shareholder of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all options and awards involving issue of new Shares granted under the 2019 RSU Scheme and any other share schemes of the Company to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue as at the date of grant, such further grant of award shall be approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules and the provisions of the 2019 RSU Scheme.

**(e) Vesting period**

Vesting shall only occur upon satisfaction (or where applicable, waiver by the Board) of the conditions set forth in the notice of award issued to the selected participants, unless otherwise permitted, and shall be subject to a vesting period as determined by the Board, which shall be at least 12 months commencing from the date of grant.

**(f) Time of acceptance and the amount payable on acceptance of award**

A selected participant may accept the grant of an award within 21 calendar days after the delivery of the relevant notice.

A selected participant is not required to pay any grant price or make any other payment to the Company to accept an award granted.

## Report of the Directors

### (g) Remaining life of the 2019 RSU Scheme

The 2019 RSU Scheme will initially be valid and effective for a period of ten years commencing on the adoption date of the 2019 RSU Scheme.

The Company and the Trustee entered into a trust deed in respect of the appointment of the Trustee for the administration of the 2019 RSU Scheme. Pursuant to the 2019 RSU Scheme, the Shares that may be offered by the Company to any selected participant will be satisfied by (i) existing Shares to be acquired by the Company or the Trustee on the market; (ii) authorised and unissued Shares, Treasury Shares (subject to applicable laws); and (iii) new Shares to be allotted and issued by the Company directly to the selected participants; and/or (iv) new Shares to be allotted and issued to the Trustee by the Company. The shares should be held by the Trustee in accordance with the Listing Rules and the trust deed until the end of the relevant vesting date and be transferred to the grantees upon satisfaction of the relevant vesting conditions as may be specified by the Board at the time of making the grant of RSUs.

For more details of the 2019 RSU Scheme, please refer to the Company's circular dated 22 April 2024 and the announcement dated 16 December 2025.

Set out below are details of the movements of the RSUs granted under the 2019 RSU Scheme during the Reporting Period:

Category/ Name of Grantee	Date of Grant	Vesting Period (subject to other conditions in the 2019 RSU Scheme)	Closing Price per Share Immediately Before the Date of Grant HK\$	Number of shares				
				Outstanding as at 1 January 2025	Granted during the Reporting Period <sup>(Note 1)</sup>	Lapsed during the Reporting Period	Vested during the Reporting Period <sup>(Note 2)</sup>	Outstanding as at 31 December 2025
<b>Directors</b>								
Robin Meng	28 December 2020	In five equal installments annually between 28 December 2021 and 28 December 2025	11.36	80,000	-	-	80,000 <sup>(Note 3)</sup>	-
Li Zhu	28 December 2020	In five equal installments annually between 28 December 2021 and 28 December 2025	11.36	40,000	-	-	40,000 <sup>(Note 4)</sup>	-
	31 May 2021	In five equal installments annually between 31 May 2022 and 31 May 2026	27.35	40,000	-	-	20,000	20,000
	11 June 2025 <sup>(Note 5)</sup>	In three batches with the last batch vested on 31 August 2028	16.80	-	23,276	-	-	23,276

Report of the  
Directors

Category/ Name of Grantee	Date of Grant	Vesting Period (subject to other conditions in the 2019 RSU Scheme)	Closing Price per Share Immediately Before the Date of Grant HK\$	Number of shares				
				Outstanding as at 1 January 2025	Granted during the Reporting Period <sup>(Note 1)</sup>	Lapsed during the Reporting Period	Vested during the Reporting Period <sup>(Note 2)</sup>	Outstanding as at 31 December 2025
	19 September 2025 <sup>(Note 5)</sup>	In three batches with the last batch vested on 30 November 2028	17.24	-	683,788	-	-	683,788
Sally Wang	31 May 2021	In five equal installments annually between 31 May 2022 and 31 May 2026	27.35	120,000	-	-	60,000	60,000
Ethan Pan	18 January 2023	In three batches with the last batch vested on 17 December 2025	27.00	5,480	-	-	5,480	-
John Quelch	15 December 2025	In three batches with the last batch vested on 31 March 2029	13.5	-	18,157	-	-	18,157
Ross Grossman	15 December 2025	In three batches with the last batch vested on 31 March 2029	13.5	-	18,157	-	-	18,157
<b>Former Director</b> Edward Dai <i>(Retired on 29 May 2025)</i> <sup>(Note 6)</sup>	18 January 2023	In three batches with the last batch vested on 17 December 2025	27.00	5,480	-	5,480	-	-
<b>Chief Executive</b> Sherry Shao	3 April 2023	20% of the RSUs will be vested on 3 April 2024 and the remaining RSUs will be vested on an annual basis equally between 31 March 2025 and 31 March 2028	16.80	215,519	-	-	53,879	161,640
	1 June 2023	In five batches annually between 1 June 2024 and 31 May 2028	17.32	2,516,555	-	-	629,138	1,887,417
	12 June 2024	In five batches annually between 31 August 2025 and 31 August 2029	9.10	1,174,263	-	-	234,852	939,411

## Report of the Directors

Category/ Name of Grantee	Date of Grant	Vesting Period (subject to other conditions in the 2019 RSU Scheme)	Closing Price per Share Immediately Before the Date of Grant HK\$	Number of shares				
				Outstanding as at 1 January 2025	Granted during the Reporting Period <sup>(Note 1)</sup>	Lapsed during the Reporting Period	Vested during the Reporting Period <sup>(Note 2)</sup>	Outstanding as at 31 December 2025
	11 June 2025 <sup>(Note 7)</sup>	In five batches annually between 31 August 2026 and 31 August 2030	16.80	-	601,264	-	-	601,264
<b>Other Employees</b>								
Employees	29 April 2020	In two to five annual installments with the last batch on 29 April 2025	13.698	80,000	-	-	80,000	-
	28 December 2020	In one to five annual installments with the last batch on 28 December 2025	11.36	133,645	-	99,645	34,000	-
	10 January 2022 <sup>(Note 8)</sup>	In five installments annually between 10 January 2023 and 10 January 2027	31.15	98,617	-	98,617	-	-
	22 March 2022 <sup>(Note 8)</sup>	In five installments annually between 22 March 2023 and 22 March 2027	25.10	325,858	-	325,858	-	-
	3 April 2023 <sup>(Note 8)</sup>	20% of the RSUs will be vested on 3 April 2024 and that the remaining shares will be vested on an annual basis equally between 31 March 2025 and 31 March 2028	16.80	586,356	-	586,356	-	-
	1 June 2023 <sup>(Note 8)</sup>	In two to five batches on an annual basis between 1 June 2024 and 31 May 2028	17.32	2,528,755	-	2,528,755	-	-
	12 June 2024 <sup>(Note 8)</sup>	In two batches on an annual basis between 31 August 2025 and 31 August 2026	9.10	45,538	-	45,538	-	-
	19 September 2025 <sup>(Note 8)</sup>	In three batches with the last batch vested on 30 November 2028	17.24	-	91,172	-	-	91,172
Total <sup>(Note 10)</sup>				7,996,066	1,435,814	3,690,249	1,237,349	4,504,282

## Report of the Directors

Category/ Name of Grantee	Date of Grant	Vesting Period (subject to other conditions in the 2019 RSU Scheme)	Closing Price per Share Immediately Before the Date of Grant HK\$	Number of shares				
				Outstanding as at 1 January 2025	Granted during the Reporting Period <sup>(Note 1)</sup>	Lapsed during the Reporting Period	Vested during the Reporting Period <sup>(Note 2)</sup>	Outstanding as at 31 December 2025
Five highest paid employees	31 May 2021	In five equal installments annually between 31 May 2022 and 31 May 2026	27.35	120,000	-	-	60,000	60,000
	3 April 2023	20% of the RSUs will be vested on 3 April 2024 and the remaining RSUs will be vested on an annual basis equally between 31 March 2025 and 31 March 2028	16.8	215,519	-	-	53,879	161,640
	1 June 2023	In two to five batches on an annual basis between 1 June 2024 and 31 May 2028	17.32	2,516,555	-	-	629,138	1,887,417
	12 June 2024	In five batches annually between 31 August 2025 and 31 August 2029	9.1	1,174,263	-	-	234,852	939,411
Total (Five Highest Paid Employees)				4,026,337	-	-	977,869	3,048,468

Notes:

- (1) The consideration of the RSUs granted by the Company to the grantees during the Reporting Period is nil. For the fair value of the Share Awards granted during the Reporting Period at the grant date and the accounting standard and policy adopted, please refer to notes 2.4 and 34 to the financial statements of this annual report.
- (2) The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested was HK\$13.57.
- (3) 80,000 RSUs vested on 28 December 2025 and the Shares underlying such RSUs were transferred to Mr. Robin Meng on 5 January 2026.
- (4) 40,000 RSUs vested on 28 December 2025 and the Shares underlying such RSUs were transferred to Dr. Li Zhu on 5 January 2026.
- (5) The vesting of the RSUs granted to Dr. Li Zhu on 11 June 2025 and 19 September 2025 is conditional upon the achievement of certain performance targets, including without limitation, Dr. Li Zhu having met certain key performance criteria.
- (6) On 29 May 2025, Mr. Edward Dai retired as a Director with effect from the conclusion of the annual general meeting held on 29 May 2025. Accordingly, a total of 5,480 unvested RSUs granted to him under the 2019 RSU Scheme were lapsed on 29 May 2025.
- (7) The vesting of the RSUs granted to Ms. Sherry Shao on 11 June 2025 is conditional upon the achievement of certain performance targets, including without limitation, Ms. Sherry Shao having met certain key performance criteria.
- (8) The movements of the shares include the RSUs granted to a former rotating chief executive officer (off-duty) of the Company.
- (9) The vesting of the RSUs granted to certain employee grantees on 19 September 2025 is conditional upon the achievement of certain performance targets, including without limitation, the employee grantees having met their respective key performance criteria.
- (10) No RSUs were cancelled during the Reporting Period.

## Report of the Directors

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### 2021 RSU Scheme

The Company adopted the 2021 RSU Scheme on 23 August 2021, and subsequently amended it on 26 May 2022, 21 June 2024 and 15 December 2025. The 2021 RSU Scheme is subject to the requirements under Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the 2021 RSU Scheme.

(a) **Purpose of the 2021 RSU Scheme**

The purposes of the 2021 RSU Scheme are (i) to provide the selected participants with the opportunity to acquire proprietary interests in the Company, (ii) to encourage the selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole, and (iii) to provide the Company with a flexible means of retaining, incentivising, compensating or providing benefits to the selected participants.

(b) **Eligible participants**

The eligible participants under the 2021 RSU Scheme include (i) any director or employee of the Company or any of its subsidiaries, (ii) any related entity participants (as defined in Chapter 17 of the Listing Rules), and (iii) any Service Providers.

(c) **The total number of Shares available for issue**

The total number of Shares which may be issued in respect of all awards involving issue of new Shares that may be granted pursuant to the 2021 RSU Scheme and any other share schemes adopted by the Company shall not exceed the Scheme Mandate Limit (i.e. 212,768,651 Shares). The total number of Shares available for issue under the 2021 RSU Scheme (including the RSUs granted but unvested and the RSUs available for future grants, and excluding Treasury Shares) was 220,673,542 Shares, representing approximately 10.09% of the issued Shares of the Company (excluding Treasury Shares) (i.e. 2,188,076,343 Shares) as of the date of this annual report. For avoidance of doubt, the 220,673,542 Shares exclude 1,093,751 Shares which have been issued under the Scheme Mandate Limit but have not yet been allotted to the relevant grantees.

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**(d) Maximum entitlement of each selected participant**

The total number of Shares issued and to be issued in respect of all options and awards granted under the 2021 RSU Scheme and any other share schemes of the Company to each selected participant in any 12-month period shall not exceed 1% of the Shares in issue, unless be separately approved by the Shareholders in accordance with the requirements of the Listing Rules.

Where any grant of the award to a Director (other than an independent non-executive Director) or chief executive of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all options and awards involving issue of new Shares granted under the 2021 RSU Scheme and any other share schemes of the Company to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue as at the date of grant, such further grant of award shall be approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules and the provisions of the 2021 RSU Scheme.

Where any grant of the award to an independent non-executive Director or a substantial Shareholder of the Company (or any of their associates) would result in the number of Shares issued and to be issued in respect of all options and awards involving issue of new Shares granted under the 2021 RSU Scheme and any other share schemes of the Company to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the Shares in issue as at the date of grant, such further grant of award shall be approved by the Shareholders in general meeting in accordance with the requirements of the Listing Rules and the provisions of the 2021 RSU Scheme.

**(e) Vesting period**

Vesting shall only occur upon satisfaction (or where applicable, waiver by the Board) of the conditions set forth in the notice of award issued to the selected participants, unless otherwise permitted, and shall be subject to a vesting period as determined by the Board, which shall be at least 12 months commencing from the date of grant.

**(f) Time of acceptance and the amount payable on acceptance of award**

A selected participant may accept the grant of an award within 21 calendar days after the delivery of the relevant notice.

A selected participant is not required to pay any grant price or make any other payment to the Company to accept an award granted.

## Report of the Directors

### (g) Remaining life of the 2021 RSU Scheme

The 2021 RSU Scheme will initially be valid and effective for a period of ten years commencing on the adoption date of the 2021 RSU Scheme.

The Company and the Trustee entered into a trust deed in respect of the appointment of the Trustee for the administration of the 2021 RSU Scheme. Pursuant to the 2021 RSU Scheme, the Shares that may be offered by the Company to any selected participant will be satisfied by (i) existing Shares to be acquired by the Company or the Trustee on the market; (ii) authorised and unissued Shares, Treasury Shares (subject to applicable laws); and (iii) new Shares to be allotted and issued by the Company directly to the selected participants; and/or (iv) new Shares to be allotted and issued to the Trustee by the Company. Certain Shares underlying the RSUs should be held by the Trustee in accordance with the Listing Rules and the trust deed until the end of the relevant vesting date and be transferred to the grantees upon satisfaction of the relevant vesting conditions as may be specified by the Board at the time of making the grant of RSUs.

For more details of the 2021 RSU Scheme, please refer to the Company's circular dated 22 April 2024 and the announcement dated 16 December 2025.

Set out below are details of the movements of the RSUs granted under the 2021 RSU Scheme during the Reporting Period:

Category/ Name of Grantee	Date of Grant	Vesting Period (subject to other conditions in the 2021 RSU Scheme)	Closing Price per Share Immediately Before the Date of Grant HK\$	Number of shares				
				Outstanding as at 1 January 2025	Granted during the Reporting Period <sup>(Note 1)</sup>	Lapsed during the Reporting Period	Vested during the Reporting Period <sup>(Note 2)</sup>	Outstanding as at 31 December 2025
<b>Directors</b>								
Ross Grossman	19 November 2024	In three installments annually between 30 November 2025 and 30 November 2027	10.66	21,905	–	–	6,571	15,334
John Quelch	19 November 2024	In three installments annually between 30 November 2025 and 30 November 2027	10.66	21,905	–	–	6,571	15,334
<b>Chief executive</b>								
Sherry Shao	22 March 2022	In five installments annually between 22 March 2023 and 22 March 2027	25.10	65,683	–	–	35,729	29,954

## Report of the Directors

Category/ Name of Grantee	Date of Grant	Vesting Period (subject to other conditions in the 2021 RSU Scheme)	Closing Price per Share Immediately Before the Date of Grant HK\$	Number of shares				
				Outstanding as at 1 January 2025	Granted during the Reporting Period <sup>(Note 1)</sup>	Lapsed during the Reporting Period	Vested during the Reporting Period <sup>(Note 2)</sup>	Outstanding as at 31 December 2025
<b>Other employees</b>								
Employees	22 March 2022	In two to five annual installments with the last batch on 22 March 2027	25.10	492,644	–	70,415	422,229	–
	26 May 2022	In two or three annual installments with the last batch on 26 May 2025	20.65	623,258	–	45,816	577,442	–
	2 September 2022	In two or three annual installments with the last batch on 2 September 2025	24.80	59,875	–	4,366	55,509	–
	18 January 2023	In one to three batches with the last batch on 17 December 2025	27.00	862,464	–	164,794	697,670	–
	3 April 2023	In two to five batches with the first batch on 3 April 2024 and the remaining RSUs will be vested on an annual basis between 31 March 2025 and 31 March 2028	16.80	633,444	–	313,094	236,149	84,201
	1 June 2023	In two to five batches on an annual basis between 1 June 2024 and 31 May 2028	17.32	3,101,952	–	824,681	1,240,065	1,037,206
	24 August 2023	In two to three batches on an annual basis between 31 August 2024 and 31 August 2026	17.98	34,163	–	361	20,564	13,238
	28 November 2023	In three batches on an annual basis on 30 November 2024, 30 November 2025 and 30 November 2026	22.75	44,042	–	11,211	15,615	17,216
	13 March 2024	In one to three batches on an annual basis between 31 March 2025 and 31 March 2027	15.70	127,665	–	–	38,299	89,366
	12 June 2024	In two to five batches on an annual basis between 31 August 2025 and 31 August 2029	9.10	11,163,820	–	1,038,548	3,092,223	7,033,049

## Report of the Directors

Category/ Name of Grantee	Date of Grant	Vesting Period (subject to other conditions in the 2021 RSU Scheme)	Closing Price per Share Immediately Before the Date of Grant HK\$	Number of shares				
				Outstanding as at 1 January 2025	Granted during the Reporting Period <sup>(Note 1)</sup>	Lapsed during the Reporting Period	Vested during the Reporting Period <sup>(Note 2)</sup>	Outstanding as at 31 December 2025
	19 August 2024	In three batches on an annual basis between 31 August 2025 and 31 August 2027	12.80	244,121	–	63,068	54,312	126,741
	19 November 2024	In three batches on an annual basis between 30 November 2025 and 30 November 2027	10.66	770,492	–	168,504	195,048	406,940
	11 June 2025 <sup>(Note 3)</sup>	In two to five batches on an annual basis between 31 August 2026 and 31 August 2030	16.80	–	6,707,292	376,481	–	6,330,811
	15 December 2025 <sup>(Note 3)</sup>	In two to five batches on an annual basis between 31 March 2027 and 31 March 2031	13.5	–	2,905,638	34,263	–	2,871,375
<b>Service Providers</b>	1 June 2023	In three batches on an annual basis between 1 June 2024 and 31 May 2026	17.32	148,898	–	–	74,336	74,562
	13 March 2024	In one to three batches on an annual basis between 31 March 2025 and 31 March 2027	15.7	316,933	–	–	165,936	150,997
	12 June 2024	In one to three batches on an annual basis between 31 August 2025 and 31 August 2027	9.10	39,991	–	–	17,530	22,461
	8 July 2024	In one to three batches on an annual basis between 31 August 2025 and 31 August 2027	9.19	68,054	–	–	52,137	15,917
	11 June 2025 <sup>(Note 4)</sup>	In one to three batches on an annual basis between 31 August 2026 and 31 August 2028	16.80	–	69,828	–	–	69,828
	15 December 2025 <sup>(Note 5)</sup>	In one batch on 31 March 2027	13.5	–	72,627	–	–	72,627
<b>Total<sup>(Note 6)</sup></b>				18,841,309	9,755,385	3,115,602	7,003,935	18,477,157

## Report of the Directors

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Notes:

- (1) The consideration of the Share Awards granted during the Reporting Period is nil.
- (2) The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested was HK\$14.88.
- (3) The vesting of certain RSUs granted to certain employee grantees on 11 June 2025 and 15 December 2025 is conditional upon the achievement of certain performance targets, including, without limitation, the employee grantees having met their respective key performance criteria. There is no performance target attached to the portion of the RSUs granted to a senior manager on 11 June 2025. Having considered that such RSUs constitute a part of the fixed annual remuneration which was determined by the Remuneration Committee and the Board after taking into account the past performance and contribution of the senior manager, the Remuneration Committee and the Board believe that without performance target, such grant could align the interests of the grantee with that of the Company and the Shareholders, provide incentive to the grantee to devote to the future continuous competitiveness, results of operation and growth of the Company, and reinforce his commitment to long-term services of the Company, which is in line with the purpose of the 2021 RSU Scheme.
- (4) The service provider grantees are two individual consultants engaged by the Company: one to provide technical R&D services, and the other to provide advisory and consulting services in relation to strategic development and operational management. There is no performance target attached to the RSUs granted to the service provider grantees on 11 June 2025.
- (5) The service provider grantee is an individual consultant engaged by the Company to provide technical R&D services. There is no performance target attached to the RSUs granted to the service provider grantee on 15 December 2025.
- (6) No RSU was cancelled during the Reporting Period.

### REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals during the Reporting Period are set out in note 8 and note 9 to the financial statements in this annual report.

### CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

On 16 January 2026, Mr. Robin Meng was appointed as a director of the board of Legend, with an initial term until the conclusion of Legend's 2026 annual general meeting.

On 16 January 2026, Dr. Li Zhu resigned from the board of Legend.

On 2 February 2026, Dr. John Quelch resigned from the board of Mynd.ai, Inc (NYSE. MYND).

Save as disclosed above, there has been no change in any information relating to the Directors or the Chief Executive after the date of the Interim Report 2025 that is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules (which information is required to be disclosed under Rule 13.51B(1) of the Listing Rules).

## Report of the Directors

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

As of 31 December 2025, the interests and short positions of the Directors and the Chief Executive in the Shares (or any of its associated corporations, within the meaning of Part XV of the SFO), and their interests in any debentures of the Company (or any of its associated corporations, within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, which they were taken or deemed to have taken 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 contained in Appendix C3 to the Listing Rules, are set out as follows:

#### Long Positions in the Shares and Underlying Shares as at 31 December 2025

Category/Name of Director and Chief Executive	Capacities/Nature of interest	Number of Shares/ underlying Shares held/interested	Approximate Percentage of Shareholding (%)
<b>Directors</b>			
Robin Meng	Beneficial owner <sup>(Note 1)</sup>	358,795	0.02
Frank Zhang	Interest in controlled corporation <sup>(Note 2)</sup> , parties acting in concert <sup>(Note 6)</sup> , founder of a discretionary trust <sup>(Note 3)</sup> and interest of spouse <sup>(Note 2)</sup>	801,563,753	36.66
Li Zhu	Beneficial owner <sup>(Note 4)</sup>	2,420,730	0.11
Sally Wang	Interest in controlled corporation <sup>(Note 5)</sup> , parties acting in concert <sup>(Note 6)</sup> , beneficial owner <sup>(Note 7)</sup> , founder of a discretionary trust and trustee <sup>(Note 8)</sup>	801,563,753	36.66
Ethan Pan	Beneficial owner <sup>(Note 9)</sup>	284,929	0.01
John Quelch	Beneficial owner <sup>(Note 10)</sup>	40,062	0.002
Ross Grossman	Beneficial owner <sup>(Note 11)</sup>	40,028	0.002
<b>Chief Executive</b>			
Sherry Shao	Beneficial owner <sup>(Note 12)</sup>	6,838,459	0.31

\* The percentage has been calculated based on 2,186,378,520 Shares in issue as at 31 December 2025.

## Report of the Directors

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Notes:

- (1) As at 31 December 2025, Robin Meng held 358,795 Shares as beneficial owner.
- (2) As at 31 December 2025, Frank Zhang held approximately 10.70% of the entire issued share capital of GS Corp. Pursuant to the GS Corp Shareholder Voting Agreement (as referred to in Note 6 below) and by virtue of the SFO, Frank Zhang was deemed to be interested in all the Shares held by GS Corp. On 16 June 2025, the Fang Liang Zhang 2023 Grantor Retained Annuity Trust, with Weihong Jin as the initial trustee, transferred 2,394,935 shares of GS Corp underlying 4,253,415 Shares to Frank Zhang. On the same day, the Zhang Trust (as referred to in Note 3 below) transferred 2,563,800 shares of GS Corp underlying 4,553,320 Shares to Frank Zhang. On 16 June 2025, the Weihong Jin 2023 Grantor Retained Annuity Trust, of which Weihong Jin, the spouse of Frank Zhang, is the initial trustee and Frank Zhang became the trustee since 31 May 2025, and the Jin 2024 Trust of which Weihong Jin is the initial trustee, transferred 2,394,935 shares and 5,918,130 shares of GS Corp underlying 4,253,415 Shares and 10,510,624 Shares to Weihong Jin respectively. On the same day, Weihong Jin transferred 15,000,000 shares of GS Corp underlying 26,640,064 Shares to the Jin 2025 Trust, of which Weihong Jin is the initial trustee.
- (3) On 12 October 2017, Frank Zhang set up the Zhang Trust, an irrevocable discretionary family trust, with his three children and their respective living issue as beneficiaries. Weihong Jin is the trustee of the Zhang Trust. As at 31 December 2025, the Zhang Trust (through its trustee) held approximately 20.36% of the entire issued share capital of GS Corp.
- (4) As at 31 December 2025, Li Zhu held 727,064 underlying Shares in respect of the RSUs granted to him under the 2019 RSU Scheme and 634,000 underlying Shares in respect of the options conditionally granted to him under the Post-IPO Share Option Scheme and 1,059,666 Shares as beneficial owner.
- (5) As at 31 December 2025, Sally Wang held approximately 4.15% of the entire issued share capital of GS Corp. Pursuant to the GS Corp Shareholder Voting Agreement (as referred to in Note 6 below). By virtue of the SFO, Sally Wang was deemed to be interested in all the Shares held by GS Corp.
- (6) On 14 August 2008, Frank Zhang, Sally Wang and Larry Wang (resigned as a Director on 29 May 2025) entered into the GS Corp Shareholder Voting Agreement, creating a concert party group under Section 317 of the SFO. Pursuant to the GS Corp Shareholder Voting Agreement, Frank Zhang, Sally Wang and Larry Wang agreed to vote unanimously in the shareholder meetings of GS Corp and, contemporaneously, proxies were conferred by Larry Wang and Sally Wang to Frank Zhang authorising Frank Zhang to vote and exercise all voting and related rights attached to the shares that each of Larry Wang and Sally Wang beneficially owned in GS Corp, which held 799,999,123 Shares as of 31 December 2025. Under section 318 of the SFO, Frank Zhang was deemed to be interested in 926,630 Shares and 638,000 Shares, which were beneficially owned by Sally Wang and Larry Wang, or in which they were deemed to be interested, as at the Latest Practicable Date. On 29 May 2015, Yongmei WU (“Karen Wu”) signed a proxy agreement whereby she conferred all her voting and related rights in relation to all the shares that she owned in GS Corp, representing 22.66% of the issued share capital of GS Corp to Frank Zhang.
- (7) As at 31 December 2025, Sally Wang held 60,000 underlying Shares in respect of the RSUs granted to her under the 2019 RSU Scheme and 228,630 Shares as beneficial owner.
- (8) On 5 October 2017, Sally Wang set up the Wang Trust, an irrevocable discretionary family trust, with her spouse, her son and his living issue as beneficiaries. Zhiyong Hu, the spouse of Sally Wang, is the trustee of the Wang Trust. As at 31 December 2025, the Wang Trust (through its trustee) held approximately 8.06% of the entire issued share capital of GS Corp. On 21 December 2021, Sally Wang transferred 638,000 Shares to Ren-Shiu Foundation Inc., of which Sally Wang is the trustee.
- (9) As at 31 December 2025, Ethan Pan held 270,000 underlying Shares in respect of the options granted to him under the Post-IPO Share Option Scheme and 14,929 Shares as beneficial owner.
- (10) As at 31 December 2025, John Quelch held 18,157 underlying Shares in respect of the RSUs granted to him under the 2019 RSU Scheme, 15,334 underlying Shares in respect of the RSUs granted to him under the 2021 RSU Scheme and 6,571 Shares as beneficial owner.
- (11) As at 31 December 2025, Ross Grossman held 18,157 underlying Shares in respect of the RSUs granted to him under the 2019 RSU Scheme and 15,334 underlying Shares in respect of the RSUs granted to him under the 2021 RSU Scheme and 6,537 Shares as beneficial owner.
- (12) As at 31 December 2025, Sherry Shao held 3,589,732 underlying Shares in respect of the RSUs granted to her under the 2019 RSU Scheme, 29,954 underlying Shares in respect of the RSUs granted to her under the 2021 RSU Scheme, 2,000,000 underlying Shares in respect of the options granted to her under the Post-IPO Share Option Scheme and 1,218,773 Shares as beneficial owner.

## Report of the Directors

### Interests in the Ordinary Shares and Underlying Shares of Associated Corporations of the Company as of 31 December 2025

Legend <sup>(Note 1)</sup>

Name of Director	Capacities/Nature of interest	Number of Ordinary Shares/underlying Shares held/interested	Approximate Percentage of Shareholding <sup>(Note 2)</sup> (%)
Frank Zhang	Interest of controlled corporation <sup>(Note 3)</sup> and other <sup>(Note 4)</sup>	175,155,492	47.35
Sally Wang	Interest of controlled corporation <sup>(Note 5)</sup> and beneficial owner <sup>(Note 5)</sup>	174,497,572	47.18
Li Zhu	Interest in spouse <sup>(Note 6)</sup>	9,200	0.002
Ross Grossman	Beneficial Owner <sup>(Note 7)</sup>	7,086	0.002

Notes:

- (1) The Company beneficially owned 174,497,556 ordinary shares of Legend, representing approximately 47.18% of the outstanding share capital of Legend as of 31 December 2025.
- (2) The approximate percentage of shareholding was calculated on basis of the outstanding share capital of Legend as at 31 December 2025, which was 369,886,369 ordinary shares.
- (3) As a controlling shareholder of the Company, Frank Zhang was deemed to be interested in an aggregate of 174,497,556 ordinary shares of Legend through the Company under the SFO.
- (4) Frank Zhang has voting power over 657,936 ordinary shares of Legend pursuant to an irrevocable proxy, which became effective upon the exercise of the stock option pursuant to which such ordinary shares of Legend were issued and will terminate with respect to any such ordinary shares sold by their registered owner in a public market sale.
- (5) As a Controlling Shareholder, Sally Wang was deemed to be interested in an aggregate of 174,497,556 ordinary shares of Legend through the Company under the SFO. As at 31 December 2025, Sally Wang held 8 ADS (the equivalent of 16 shares of Legend) as beneficial owner.
- (6) As at 31 December 2025, Fanny Wan, Li Zhu's spouse, held 4,600 ADS (the equivalent of 9,200 shares of Legend). By virtue of the SFO, Li Zhu was deemed to be interested in all the ordinary shares of Legend held by Fanny Wan under the SFO.
- (7) As at 31 December 2025, Ross Grossman held 5,410 ordinary shares of Legend and 1,676 underlying shares of restricted shares under the 2020 restricted shares plan adopted by Legend on 26 May 2020.

Save as disclosed above, as at 31 December 2025, none of the Directors or the Chief Executive had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that (i) was recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise (ii) was required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Report of the Directors

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Share Option Schemes" and "RSU Schemes", no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouses or children under 18 years of age, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouses or children under 18 years of age, to acquire such rights in any other body corporate at any time during the Reporting Period.

### SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As of 31 December 2025, within the knowledge of the Directors, the following persons (other than the Directors or the Chief Executive) had an interest or a short position in the Shares or underlying Shares that would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO:

#### Long Positions in the Shares as at 31 December 2025

Name	Capacity/Nature of Interest	Number of Shares/ underlying Shares held/interested	Approximate Percentage of Shareholding* (%)
GS Corp <sup>(Note 1)</sup>	Beneficial owner	799,999,123	36.59
Larry Wang ( <i>resigned as a Director on 29 May 2025</i> ) <sup>(Note 2)</sup>	Interest in controlled corporation <sup>(Note 1)</sup> , parties acting in concert and interest in spouse <sup>(Note 6)</sup>	801,563,753	36.66
Weihong Jin <sup>(Note 3)</sup>	Interest in controlled corporation, parties acting in concert and trustee	801,563,753	36.66
Zhiyong Hu <sup>(Note 4)</sup>	Interest in controlled corporation, parties acting in concert and trustee	801,563,753	36.66
Lili Huang <sup>(Note 6)</sup>	Beneficial owner and interest in spouse	638,000	0.03
GNS Holdings Limited <sup>(Note 7)</sup>	Beneficial owner	164,770,965	7.54
Hillhouse Management V, Ltd. <sup>(Note 7)</sup>	Interest in controlled corporation	173,348,965	7.93
Hillhouse Management, Ltd. <sup>(Note 7)</sup>	Investment manager	173,348,965	7.93
Hillhouse Fund V, L.P. <sup>(Note 7)</sup>	Interest in controlled corporation	173,348,965	7.93

\* The percentage has been calculated based on 2,186,378,520 total Shares in issue as at 31 December 2025.

## Report of the Directors

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Notes:

- (1) As at 31 December 2025, GS Corp is a company incorporated in the State of Delaware in the U.S. and owned as to approximately 10.70%, 20.36%, 2.58%, 3.28%, 3.33%, 22.76%, 5.82%, 3.99%, 3.72%, 3.72%, 5.41%, 4.15%, 8.06%, 1.05%, and 1.07%, by Frank Zhang, the Zhang Trust (as referred to in Note 3 below), Weihong Jin, the Jin 2024 Trust, the Jin 2025 Trust, Larry Wang, Karen Wu, the Wu 2017 Trust, the Wu 2020 Separate Trust A, the Wu 2020 Separate Trust L, the Wu 2024 Trust (as referred to in Note 5 below), Sally Wang, the Wang Trust (as referred to in Note 4 below), Yingjun Mu and Charity B-Community Foundation of New Jersey, respectively.
- (2) Larry Wang is the spouse of Lili Huang. By virtue of the SFO, Larry Wang was deemed to be interested in all the Shares in which Lili Huang was interested.
- (3) On 12 October 2017, Frank Zhang set up the Zhang Trust, an irrevocable discretionary family trust, with his three children and their respective living issue as beneficiaries. Weihong Jin, the spouse of Frank Zhang, served as the trustee of the Zhang Trust. As at 31 December 2025, the Zhang Trust (through its trustee), held approximately 20.36% of the entire issued share capital of GS Corp and was deemed to be interested in, all the Shares held by GS Corp under the SFO. As at 31 December 2025, Weihong Jin, Jin 2024 Trust, and Jin 2025 Trust held approximately 2.58%, 3.28% and 3.33% of the entire issued share capital of GS Corp respectively.
- (4) On 5 October 2017, Sally Wang set up the Wang Trust, an irrevocable discretionary family trust, with her spouse, her son and his living issue as beneficiaries. Zhiyong Hu, the spouse of Sally Wang, served as the trustee of the Wang Trust. As at 31 December 2025, Zhiyong Hu, in his capacity as the trustee of the Wang Trust, held approximately 8.06% of the entire issued share capital of GS Corp and was deemed to be interested in all the Shares held by GS Corp under the SFO.
- (5) On 17 December 2017, Karen Wu set up the Wu 2017 Trust. On 28 October 2020, Karen Wu set up the Wu 2020 Separate Trust A and the Wu 2020 Separate Trust L. On 31 October 2022, Karen Wu set up the Wu 2022 Trust and served as the initial trustee. On 31 October 2023, Karen Wu set up the Wu 2023 Trust. On 30 October 2024, Karen Wu set up the Wu 2024 Trust. On 17 November 2025, the Wu 2022 Trust, the Wu 2023 Trust and the Wu 2024 Trust transferred 8,318,547 shares, 1,326,303 shares and 14,638,001 shares of GS Corp underlying 14,773,775 Shares, 2,355,520 Shares, and 25,997,152 Shares to Karen Wu respectively.
- (6) As at 31 December 2025, Lili Huang held 638,000 Shares as beneficial owner. In addition, since Lili Huang is the spouse of Larry Wang, Lili Huang was deemed to be interested in all the Shares in which Larry Wang was interested under the SFO.
- (7) The entire issued share capital of GNS Holdings Limited is wholly owned by Hillhouse Investment Management V, Ltd. As at 31 December 2025, 173,348,965 Shares are held by GNS Holdings Limited and GNS II Holdings Limited, being wholly-owned subsidiaries of Hillhouse Investment Management V, Ltd., which in turn is wholly owned by Hillhouse Fund V, L.P.. Hillhouse Investment Management, Ltd. is the sole investment manager of Hillhouse Fund V, L.P..

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept pursuant to Section 336 of the SFO.

### TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares.

### PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of Treasury Shares).

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## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the *Articles* or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

## NON-COMPETING UNDERTAKINGS

The Controlling Shareholders of the Company, namely Frank Zhang, Larry Wang, Sally Wang and GS Corp, or any of them, have signed the Deed of Non-competition dated 7 December 2015, pursuant to which, each of our Controlling Shareholders shall, and shall procure that their respective close associates and/or companies controlled by them (other than the Group) (i) not, directly or indirectly, either on its own account or in conjunction with or on behalf of any person, firm, or company, among other things, carry on, participate, or be interested or engage in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee, or otherwise, and whether for profit, reward, or otherwise) any activity or business that competes or is likely to compete, directly or indirectly, with the business of the Group referred to in the Prospectus and any other business from time to time conducted, carried on, or contemplated to be carried on by any member of the Group or in which any member of the Group is engaged or has invested, or which any member of the Group has otherwise publicly announced its intention to enter into, engage in, or invest in (whether as principal or agent and whether undertaken directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement), (ii) provide all information requested by the Company that is necessary for an annual review by our independent non-executive Directors of its compliance with the Deed of Non-competition and the enforcement of the Deed of Non-competition, (iii) procure the Company to disclose decisions on matters reviewed by our independent non-executive Directors relating to the compliance and enforcement of the Deed of Non-competition, either through the annual report or by way of announcement(s) to the public, and (iv) make an annual declaration on compliance with its undertaking under the Deed of Non-competition in the annual reports of the Company as our independent non-executive Directors think fit and/or as required by the relevant requirements under the Listing Rules. Details of the Deed of Non-competition are set out in the section headed “Relationship with Controlling Shareholders” of the Prospectus.

The Company has received the annual confirmation of the Controlling Shareholders in respect of their compliance with the non-competition undertakings under the Deed of Non-competition during the year ended 31 December 2025.

The independent non-executive Directors also reviewed the Controlling Shareholders’ compliance with the non-competition undertakings. The independent non-executive Directors confirmed that the Controlling Shareholders were not in breach of the non-competition undertakings during the year ended 31 December 2025.

## DIRECTORS’ INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, as at 31 December 2025, no executive Director, non-executive Director or any of their close associates had any interests in any business that competed or was likely to compete, either directly or indirectly, with the business of the Group under Rule 8.10(2) of the Listing Rules.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Company had no connected transactions or continuing connected transactions that were required to be disclosed pursuant to the provisions under Chapter 14A of the Listing Rules.

## Report of the Directors

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### CHARITABLE DONATIONS

During the year ended 31 December 2025, the Group donated US\$47,000 to non-profit organisations for charitable and community purposes.

### MATERIAL LEGAL PROCEEDINGS

As of 31 December 2025, the Group was not involved in any material litigation or arbitration, and no material litigation or claim was pending or threatened against the Group as far as the Directors were aware of.

### REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed this annual report and the financial statements of the Group for the year ended 31 December 2025 prepared in accordance with the HKFRS Accounting Standards and was of the opinion that such annual results had been prepared in accordance with the relevant accounting standards, laws and regulations, and that adequate disclosures have been made in accordance with the requirements of the Listing Rules.

### COMPLIANCE WITH THE CG CODE

The Company is committed to maintaining the highest standards of corporate governance practices. The Company has applied the principles set out in the CG Code. During the Reporting Period, the Company has complied with the applicable code provisions of the CG Code. For details, please refer to the Corporate Governance Report on pages 75 to 102 in this annual report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained a sufficient public float of more than 25% of the Company's issued share capital as required under the Listing Rules as of the date of this annual report.

Report of the  
Directors

Shareholding Ownership as at 31 December 2025<sup>(Note 1)</sup>

Name/Category of Shareholders	Number of Shares <sup>(Note 2)</sup>	Approximate % of the Shares in issue
<b>(a) Shareholders who are not members of “the public” under the Listing Rules</b>		
GS Corp <sup>(Note 3)</sup>	799,999,123	36.59
Robin Meng <sup>(Note 4)</sup>	358,795	0.02
Li Zhu <sup>(Note 4)</sup>	1,059,666	0.05
Sally Wang <sup>(Note 4)</sup>	228,630	0.01
Ethan Pan <sup>(Note 4)</sup>	14,929	0.00
John Quelch <sup>(Note 4)</sup>	6,571	0.00
Ross Grossman <sup>(Note 4)</sup>	6,537	0.00
Sherry Shao <sup>(Note 5)</sup>	1,218,773	0.06
Lili Huang <sup>(Note 6)</sup>	638,000	0.03
Ren-Shiu Foundation Inc. <sup>(Note 7)</sup>	638,000	0.03
Any other persons excluded from the definition of “the public”	0	0.00
<b>(b) Shareholders who are members of “the public” under the Listing Rules</b>		
Person(s) has/have disclosed their interest pursuant to Part XV of the SFO		
– GNS Holdings Limited	164,770,965	7.54
– GNS II Holdings Limited	8,578,000	0.39
Computershare Hong Kong Trustees Limited (“CS Trustees”) <sup>(Note 8)</sup>	3,770,779 <sup>(Note 10)</sup>	0.17
Computershare Hong Kong Nominees Limited (“CS Nominees”) <sup>(Note 9)</sup>	22,105,442 <sup>(Note 11)</sup>	1.01
Any other members of “the public”	1,182,984,310 <sup>(Note 12)</sup>	54.11
<b>Total</b>	<b>2,186,378,520</b>	<b>100.00</b>

## Report of the Directors

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### Notes:

1. This table is compiled based on the information disclosed in the Disclosure of Interests Notices (the “**DI notices**”) filed under Part XV of the SFO and other relevant information received by the Company up to the date of this annual report and on the assumption that all such information disclosed in the DI notices or received by the Company is accurate and complete. For the purpose of this table, the number of Shares held by the Directors and the Chief Executive only reflects their actual issued Shares beneficially owned and excludes their deemed interests in Shares and underlying Shares (such as unvested awarded Shares and unexercised share options) which are otherwise required to be included in the DI notices under Part XV of the SFO. For details of the Directors’ and Chief Executive’s full interests in Shares and underlying Shares, please refer to the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures” in this annual report.
2. As at 31 December 2025, the Company’s share capital comprised of 2,186,378,520 Shares, all being ordinary shares representing 100% of the Company’s issued share capital. All Shares rank *pari passu* with one another and carry the same voting rights.
3. GS Corp is one of the Controlling Shareholders.
4. Robin Meng, Li Zhu and Sally Wang are the executive Directors. Ethan Pan, John Quelch and Ross Grossman are the independent non-executive Directors.
5. Sherry Shao is the Chief Executive.
6. Lili Huang is the spouse of Larry Wang, who is one of the Controlling Shareholders.
7. Ren-Shiu Foundation Inc. is a close associate of Sally Wang, who is an executive Director and one of the Controlling Shareholders.
8. CS Trustees holds awarded Shares in the capacity of the trustee of the RSU Schemes.
9. CS Nominees holds, in its nominee capacity, the awarded Shares which were granted to the relevant grantees under the Share Schemes and which have vested and been transferred into the nominee accounts opened and maintained by CS Nominees for the benefit of such grantees.
10. This represents the interests in unvested awarded Shares held by CS Trustees under the RSU Schemes, and for which no grantees have been assigned to such Shares. It excludes 90,761 Shares underlying the RSUs vested on 28 December 2025, which were transferred to the relevant grantees on 5 January 2026.
11. This represents the Shares issued upon the exercise of options and the vested awarded Shares held by CS Nominees under the Share Schemes, excluding those granted to the Directors and/or the Chief Executive.
12. This is the balancing figure between the total number of Shares in issue and the sum of Shares held by all specific Shareholders or groups of Shareholders as listed in this table.

## CONSULTING PROFESSIONAL TAX ADVISERS

The Company’s Shareholders are recommended to consult professional advisers if they are in any doubt as to the tax implications of the purchasing, holding, disposing, buying, and selling of the Company’s Shares or exercising any rights concerned.

## AUDITOR

Ernst & Young, *Certified Public Accountants and Registered Public Interest Entity Auditor*, was appointed as the auditor to audit the financial statements prepared in accordance with the HKFRS Accounting Standards for the year ended 31 December 2025. Ernst & Young shall retire at the forthcoming AGM and is eligible and has offered itself for re-election. The resolution regarding the re-appointment of Ernst & Young as the auditor of the Company will be proposed at the forthcoming AGM. The Company did not change its auditor in the last three years.

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## **BUSINESS REVIEW PURSUANT TO SCHEDULE 5 OF THE COMPANIES ORDINANCE (CHAPTER 622 OF THE LAWS OF HONG KONG)**

A fair review of the business of the Company and a discussion and analysis of the Group's performance during the Reporting Period and the material factors underlying its results and financial position are provided in the section headed "Management Discussion and Analysis" from pages 10 to 31 of this annual report.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the Group include commercial, operational and financial risks.

### **Commercial Risks**

The Group is facing keen competition with other life-science research and application services and products providers. To maintain the Group's competitiveness, the management uses cost leadership strategy as well as diversifies its business strategies to outperform other competitors.

### **Operational Risks**

The Group is exposed to operational risks associated with each business segment of the Group. To manage the operational risks, the Senior Management regularly reviews the Group's operations to ensure that the Group's risks of losses, whether financial or otherwise, resulting from fraud, errors, omissions and other operational and compliance matters, are adequately managed. The Senior Management is also responsible for overseeing the implementation of the Group's risk management policies and procedures and shall report any irregularities to the Directors and seek directions. The Group emphasises ethical values and prevention of fraud and bribery. In this regard, the Directors consider that the Group's operational risks are effectively mitigated.

### **Financial Risks**

The principal financial risks are set out in the note 42 to the financial statements in this report headed "Financial Risk Management Objectives and Policies".

## **SIGNIFICANT SUBSEQUENT EVENTS**

As at 31 December 2025 and up to the date of this annual report, the Group had no significant subsequent events which need to be disclosed under the Listing Rules.

## **FINANCIAL KEY PERFORMANCE INDICATORS**

A summary of the results and assets and liabilities of the Company for the last five financial years is set out on page 7 in this annual report. This summary does not form part of the audited consolidated financial statements.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

At GenScript, we promote responsible manufacturing and operations across all aspects of our business. Our unwavering commitment to environmental stewardship is reflected in our approach to enhance energy efficiency, reduce waste, minimise water consumption, reuse consumables and packaging, and integrate low-carbon technologies into our processes. Our initiatives to improve efficiency in energy, water, and production resources focus on deploying energy-efficient systems, conducting energy audits and water risk assessments, and applying lean manufacturing principles to streamline processes.

## Report of the Directors

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To reduce waste, wastewater, and exhaust emissions, we have implemented stringent pollution controls throughout our production processes, including on-site waste disposal, improvements to wastewater treatment, and enhanced monitoring of air pollution.

As of 31 December 2025, 31% of our operational sites have been certified to ISO 14001. In accordance with regulatory requirements and the ISO 14001 standard, we have established a set of robust policies in our major manufacturing sites, including the Environmental Sustainability Policy and the Energy Management Policy, which provide a structured framework for managing key environmental priorities.

The Group will continuously optimise operations, enhance green management, and further reduce emission intensity in an effort to achieve sustainable development.

### COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licenses. The Group has implemented procedures to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. During the year under review, the Group has complied in all material respects, to the best of our knowledge, with the SFO, the Listing Rules, and other relevant rules and regulations.

### RELATIONSHIPS WITH EMPLOYEES

The Group encouraged the employees to enhance their competitiveness and ability to innovate new services and products. This raised the momentum in the R&D as well as marketing efforts to increase the revenue of the Group. Through solidifying its business foundation and adjusting its operation directives, the Group is striving to forge ahead under adverse conditions to allow us to achieve new progress in terms of production and operation under a positive and hardworking work culture.

### RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

We had established a highly diversified customer base, including pharmaceutical and biotech companies, colleges and universities, research institutes, government bodies (including government testing and diagnostic centers), and distributors. The Group strives to “Scripting Possibilities” by offering life-science research and application services and products for conducting fundamental life-science research, translational biomedical research, and early stage pharmaceutical development. Our synbio products are used by industry users, such as those in the feed, food, grain processing and home care industries. In 2025, we expanded the range of our services and products and developed new customer accounts. The total number of customers has increased by approximately 18.6% compared to the total number of customers in 2024.

Owing to our vast array of services and products, we procure a wide variety of raw materials from a large number of suppliers for our business segments. As of 31 December 2025, we had a total of approximately 923 suppliers of different raw materials for our production that are mostly located in the Chinese Mainland. In 2025, we maintained sound relationships with our suppliers such that we could meet business challenges and comply with regulatory requirements, thereby deriving cost effectiveness and reaping long-term business benefits.

By order of the Board

**Robin Meng**

*Chairman and Executive Director*

Hong Kong,  
15 March 2026

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report as set out in the annual report of the Company for the year ended 31 December 2025.

## CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders, employees, and other stakeholders and to enhance corporate value and accountability. The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules (as in effect from time to time) as its own code of corporate governance.

The Company has complied with all the applicable code provisions as set out in the CG Code during the year ended 31 December 2025 and up to the date of this annual report.

The Company will continue to review its corporate governance practices to ensure compliance with the CG Code and aims to enhance overall governance to keep up with international and local best practices.

## CORPORATE CULTURE

### Vision, Mission and Core Value

Founded in 2002 in New Jersey, U.S., GenScript has developed into a global biotechnology company providing integrated solutions across life-science research, development and manufacturing. The Company supports customers worldwide by enabling scientific innovation with reliable, scalable and high-quality platforms.

The Company's vision is to become a great company that scripts the future of life sciences, reflecting its long-term commitment to transforming scientific potential into practical, real-world applications. This vision is supported by a clear strategic focus on operational excellence, technology-enabled innovation and disciplined execution.

GenScript's mission is to make people and nature healthier through biotechnology. The Company advances this mission by delivering products and services that support fundamental research, translational science and early-stage pharmaceutical development, while maintaining high standards of quality, compliance and governance.

Since inception, GenScript Life Science Group has supported over 250,000 researchers globally. GenScript has contributed to more than 118,000 peer-reviewed scientific publications, demonstrating its sustained role within the global life-science ecosystem. In addition, the Company engages in strategic collaborations with academic and industry partners and invests in early-stage innovation through initiatives such as the Life Science Research Grant Program. In 2025, the Company awarded US\$1.6 million to 154 research teams in the form of services, reagents and products.

GenScript maintains a corporate culture focused on continuous improvement, operational discipline and long-term value creation. The Company continues to invest in automation, digitalisation and cGMP-compliant manufacturing capabilities to enhance product quality, operational efficiency and scalability. These investments are designed to support customers' evolving scientific and manufacturing requirements while strengthening the Company's competitive position.

## Corporate Governance Report

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The Company's operations are guided by the following core values:

### Customer First

We place our customers' success at the center of everything.

### Innovation

We continuously push the boundaries of what's seemingly impossible.

### Collaboration

We believe in win-win partnerships that create shared value.

### Integrity

We operate with honesty, transparency, and ethical responsibility.

### Dare to Win

We pursue bold goals with courage, commitment, and relentless drive.

### Introspection

We reflect, learn and grow to become a better version – every day.

## Strategies to Achieve our Vision

We have been improving our clients' competitiveness through providing our superior quality, fast-delivery and cost-effective services and products. Internally, we focus on optimizing our operational processes and procedures with the aim of striving for the highest quality of end-to-end delivery. Each year, we will launch a strategy-to-execution initiative to update the latest and detailed strategic guideline of the Group. The strategy for 2026 is oriented towards high-quality business growth to improve overall profitability and return on investment (ROI). Externally, we actively enhance the value of strategic collaborations with business partners with the vision to build up a healthy biotech eco-system and contribute more of our efforts to accelerate the evolution of the whole biotech and biopharma industry.

## Responsibility and quality management

Adhering to its responsibilities, the Company unremittably offers high-quality products and services. We strive to establish a quality management system for the entire product life cycle and focus on suppliers' social responsibility management to grow together with suppliers. We also continuously improve customer service quality and protect information security and customer privacy. In addition, we respect the ethics of animal experiments and ensure animal health and welfare.

## Innovation spirit

The Company aspires to drive technological advances and optimise robust upstream and downstream processes. We plan to expand in-house Process Analytical Development and Quality Control capabilities – creating an ecosystem based on continuous improvement and pushing boundaries to solve complex manufacturing challenges. We will invest efforts to continually improve in the following critical areas: (i) reduced bioburden, endotoxin, and impurity levels through manufacturing controls; (ii) increased productivity and yields enabled by continuous process development with improved media, feeding strategies, and modeling tools; (iii) novel process analytical technology, continuous and automated manufacturing process, AI and modeling tool box integrating our systems to enable real-time monitoring; and (iv) data security and integrity to global standards. We also spearhead the development of innovative delivery systems to enhance our manufacturing expertise adaptive to bespoke client requirements for biologics and CGT assets.

## Operational compliance

We believe that operational compliance is the foundation of corporate development, and integrity is an important part of our core values. The Company always adheres to the principles of honesty and business ethics, established and improved the risk control system, and continuously enhanced governance capabilities.

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## GOVERNANCE HIGHLIGHTS

### Board Structure

- Set up the Sub-Committee on Data Security and Geopolitical Resilience of the Risk Management and ESG Committee and support the Board in reviewing the effectiveness of the Group's risk management in respect of (i) geopolitical risks, (ii) data security and privacy risks, (iii) cyber security and IT system risks, and (iv) cross-border intellectual property (IP) and technology transfer risks

### Governance Process

- Launched GBS. For details, please refer to the section headed "GenScript Business System" in this annual report
- Amended the Terms of Reference of the Risk Management and ESG Committee to strengthen and enhance its responsibility in overseeing the Company's risk management
- Amended the Terms of Reference of the Nomination Committee to strengthen and enhance its responsibility in supporting the Board to improve board effectiveness, independence and diversity
- Held separate meetings between Chairman and independent non-executive Directors
- Held separate meetings between independent non-executive Directors and external auditor
- Performed annual review of the Risk Management Policy, the Connected Transaction Operation & Management Process, and the Whistleblowing and Investigation Policy

## THE BOARD

### Responsibilities of the Board

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions, and monitoring business and performance. To be more specific, the Board reserves for its decision on all major matters of the Group, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (particularly those that may involve conflict of interests), financial information, appointment of Directors, and other significant financial and operational matters.

The Board recognises that corporate governance shall be the collective responsibility of the Directors. The main corporate governance duties of the Board include:

1. to develop and review the Group's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of the Directors and Senior Management;
3. to review and monitor the Group's policies and practices on compliance with applicable legal and regulatory requirements;

## Corporate Governance Report

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4. to develop, review, and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
5. to review the Group's compliance with the CG Code and disclosure in the Corporate Governance Report.

### Roles and Responsibility of Directors

All Directors are collectively responsible for the Group's management and operations and are subject to the same duties under the applicable laws and the Listing Rules. Among other duties, Directors must (i) act in the interest of the Company and avoid any actual or potential conflict of interest; (ii) apply such degree of skill, care and diligence as may reasonably be expected of a person with such Directors' knowledge and experience; and (iii) comply with the Listing Rules and procure the Company's compliance with the Listing Rules (and other applicable laws and regulations). Each Director must take an active interest in the Company's affairs and have a general understanding of the Group's business. This includes following up on any issues that come to a Director's attention.

Directors are entitled to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Group's Senior Management independently.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

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. The independent non-executive Directors have been participating in Board meetings, taking the lead where potential conflicts of interests arise. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management and ESG Committee, the Strategy Committee and the Sub-Committee on Data Security and Geopolitical Resilience.

With regard to the code provision C.1.4 of the CG Code requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments, as well as their identities and indication of time involved, the Directors have agreed to disclose any changes to their commitments to the Company in a timely manner. The Board will determine the appropriate frequency of such disclosure.

### Delegation by the Board

To oversee particular aspects of the Company's affairs, the Board has established five Board Committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management and ESG Committee, and the Strategy Committee, along with one sub-committee – the Sub-Committee on Data Security and Geopolitical Resilience. The Board has delegated responsibilities to the Board Committees as set out in their respective terms of reference, which are regularly reviewed and updated and published on our corporate website. Details of the work carried out by each of the Board Committees are available in the respective sections of this Corporate Governance Report.

In fulfilling their functions, the Board Committees are entitled to seek independent professional advice to perform their responsibilities at the Company's expenses.

## Corporate Governance Report

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The daily management, administration, and operation of the Group are delegated to the Senior Management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to the Senior Management entering into any significant transactions.

### Board Composition

As of the date of this report, the Board comprises ten members, consisting of four executive Directors and six independent non-executive Directors. During the Reporting Period and as of the date of this annual report, the Board composition has the following changes:

#### Executive Directors:

Mr. Robin Meng (*Chairman*)  
Dr. Frank Zhang  
Dr. Li Zhu  
Ms. Sally Wang (*President*)

#### Independent non-executive Directors:

Dr. Alphonse Galdes  
Mr. Andy Cheung  
Mr. Ethan Pan  
Dr. John Quelch  
Dr. Ross Grossman  
Dr. Victor Shi

The biographies of the Directors are set out in the section headed “Directors and Senior Management” of this annual report.

### Directors’ skill matrix

The skills matrix below sets out the skills and expertise of the Board that are most relevant to the Company’s strategy, governance and business and to enabling the Board to effectively discharge its duties and responsibilities in attaining the Company’s strategic objectives and achieving sustainable and balanced development for the Group, particularly in terms of:

- Overseeing implementation of the Company’s strategies in respect of business development, financial and people management;
- Promoting robust sustainability governance and corporate responsibility practices across our business, market and communities; and
- Overseeing implementation of robust risk management framework.

## Corporate Governance Report

The following table summarises the combination of skills and experience of the Board:

Expertise & Experience	Description	Number of Directors	Coverage (% of entire Board)
Leadership	Executive leadership & strategy/directorship or senior executive experience with other listed companies	10	100
Industry knowledge and experience	Understanding of the Company's business operations, market development, competitors, technology and innovation	6	60
Global business experience and strategy	Experience in identifying strategic opportunities and threats, whilst developing and implementing plans to achieve corporate objectives	9	90
Financial literacy/auditing/business acumen	Ability to read and comprehend corporate accounts, financial materials and financial reporting or auditing requirements	3	30
Risk management and compliance	Ability and experience in implementing, managing or overseeing risk management and internal control systems for legal and regulatory compliance	3	30
People management experience	Experience at a senior level with responsibilities for people management and successful implementation of change	3	30
Environment and sustainability	Experience in sustainability strategy, ESG compliance, and reducing environmental impact	2	20
Information technology	Background of or experience in digital technology, cybersecurity, or emerging technologies	1	10

### Board and Workforce Diversity Policies

#### Board diversity

The Company believes that board diversity can enhance the performance of the Company. After taking into account the Company's own business model and specific needs and upon the recommendation of the Nomination Committee, the Board has adopted the Board Diversity Policy to ensure that in designing the Board's composition, board diversity will be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

## Corporate Governance Report

The Company aims to build and maintain a Board with a diversity of Directors, in terms of skills, professional experience, educational background, knowledge. The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure appropriateness and ascertain the progress made towards achieving those objectives. As at 31 December 2025, the Board had one female Director out of ten Directors, achieving a female representation in the Board. The Board targets to maintain at least the current level of female representation, with the ultimate goal of achieving gender parity. The Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. The Nomination Committee will review the Board Diversity Policy and its implementation from time to time.

The Nomination Committee is responsible for ensuring the diversity of the Board. The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report the implementation and effectiveness of the Board Diversity Policy on an annual basis.

An analysis of the Board's composition as at the date of this annual report based on the measurable objectives is set out below:

### Gender

Male	9 Directors
Female	1 Director

### Age group

50–59	4 Directors
60–69	2 Directors
70–79	4 Directors

### Education background

Chemistry/Biology	5 Directors
Economics/Accounting	3 Directors
Business administration	3 Directors

### Education degree

Bachelor	1 Director
Master	3 Directors
Doctorate	6 Directors

## Corporate Governance Report

### Workforce diversity

The Group has adopted the workforce diversity policy since 2024, which focuses on valuing the diversity of its employees and is committed to establishing a diverse and inclusive workplace. The policy applies to all facets of employment, including recruitment and selection, professional development and training, compensation and benefits, performance evaluation, and career advancement. The Group recognises that diversity encompasses a broad range of attributes, including race, ethnicity, gender, nationality or religion, age, disability, sexual orientation, marital status, pregnancy, family status and cultural background, as well as experience, skills and views. The Group strictly adheres to non-discriminatory employment practices and procedures. It is committed to providing a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce, free from all forms of discrimination or harassment and treat employees with respect.

The following table sets out the gender ratio in the workforce of the Group as at the date of this annual report:

	Female (%)	Male (%)
Senior Management	40.0	60.0
Other employees	58.7	41.3
Overall workforce	58.7	41.3

The Board is satisfied with the gender diversity of our employees and intends to preserve the Company's existing level of gender diversity in its workforce in the future. The Company will continue to ensure that gender diversity is maintained when recruiting employees at all levels.

In the future, the Group will continue its endeavor to increase female representation in its workforce and continue to focus on training talent in different gender and providing long-term development opportunities for different gender. The Board will continue, taking into account the business needs of the Group and changes from time to time that may affect the Company's business plans, to ensure gender diversity when recruiting staff at senior level, so that the qualified female senior management and potential successors may join the Board in due course to ensure gender diversity of the Board.

### Director Succession

The Board has adopted the Director Nomination Policy which sets out the approach to guide the Nomination Committee in relation to the procedures and process and criteria to select and recommend candidates for directorship and aims to ensure that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the Company.

Pursuant to the Director Nomination Policy, the Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill, and ability to commit time and effort to carry out the duties. The recommendations of the Nomination Committee will then be put to the Board for decision. The Nomination Committee should report back to the Board on its decisions or recommendations after every Nomination Committee meeting.

The Board, in accordance with the Board Diversity Policy and the Director Nomination Policy as outlined above, is actively engaged in identifying potential candidates for future appointments to complement the board skills matrix and enhance board diversity, and to ensure the Company maintains a robust pipeline of successors for leadership transitions. This approach helps ensure the continued effectiveness and stability of the Company's governance structure.

## Corporate Governance Report

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### Board Independence

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the independent non-executive Directors' independence annually with regard to all relevant factors related to the independent non-executive Directors including the following:

1. required character, integrity, expertise, experience and stability to fulfill their roles;
2. time commitment and attention to the Company's affairs;
3. commitment to their independent roles respectively pursuant to Rule 3.13 of the Listing Rules;
4. declaration of conflicts of interests in their roles as independent non-executive Directors;
5. no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgment; and
6. the chairman of the Board meets with the independent non-executive Directors regularly without the presence of the other executive Directors.

During the Reporting Period, the Board has reviewed the mechanisms established to ensure independent views and input are available to the Board and was satisfied with the implementation and effectiveness of such mechanisms.

None of the independent non-executive Directors have any personal relationship (including financial, business, family, or other material/relevant relationship) with any other Director.

### Independent Non-Executive Directors

During the year ended 31 December 2025 and up to the date of this report, the Board met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company has received the annual confirmation from each of the independent non-executive Directors in respect of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent throughout the year ended 31 December 2025 in accordance with Rule 3.13 of the Listing Rules. For the details of the Company's assessment of Dr. Ross Grossman's independence, please refer to the Company's 2024 Annual Report.

## Corporate Governance Report

### Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules, and regulations. Each of the Directors has complied with code provision C.1 of the CG Code and has participated in continuous professional development to develop and refresh their knowledge and skills for the Reporting Period as detailed in the following table. Each of the Directors has attended seminars organised by the Company or external institutions to update the knowledge of the Listing Rules and directors' duties and has read materials relevant to the Group's business. Additionally, a Director is at his or her liberty to choose to attend training programs they deem beneficial for fulfilling their responsibilities to the Company and its Shareholders. The Company will reimburse expenses and fees related to the training, up to a certain amount. Each of the Directors has provided his or her training records to the Company on a yearly basis.

During the Reporting Period, continuous professional development training was provided to the Directors on the following areas and topic:

Areas	Topics	Model of Training
Directors' duties	<ul style="list-style-type: none"> <li>Directors' Conduct, Duties and Governance Skillset under the Listing Rules and Hong Kong laws (by C.C. Chau &amp; Co.)</li> </ul>	Seminars
Listing Rules and Hong Kong law compliance	<ul style="list-style-type: none"> <li>Entities Listing on HKEx Series – updates on New Listing Rules</li> <li>Enhanced Climate-related disclosure by HKEx</li> <li>Notifiable Transactions</li> <li>Connected Transactions</li> <li>Listing Rules – Loan to Directors</li> <li>Listing Rules – Financing Transactions</li> <li>HKFRS 18 – Presentation &amp; Disclosure in Financial Statements</li> </ul>	Seminars, reading materials, and webinars

## Corporate Governance Report

Areas	Topics	Model of Training
Corporate governance and ESG	<ul style="list-style-type: none"> <li>Regulation Updates on CG Code (by C.C. Chau &amp; Co.)</li> <li>ESG Regulatory Update &amp; Climate-Related Insights</li> <li>Internal Audit Series – Establishing Effective ESG Controls</li> <li>Navigating Local &amp; International Standards and ESG Software</li> <li>Charting Sustainability Reporting in Hong Kong, HKFRS S1 &amp; S2</li> <li>HKEx – Corporate Governance Guide for Directors</li> </ul>	Seminars, reading materials, and webinars
Risk management and internal controls	<ul style="list-style-type: none"> <li>Business Conduct Guidelines</li> </ul>	Reading Materials

According to the records kept by the Company, during the Reporting Period, all the existing Directors have received continuous and professional development and training, as set out below, with an emphasis on the roles, functions, and duties of directors in listed companies:

Name of Directors	Areas			
	Directors' duties	Listing Rules and Hong Kong law compliance	Corporate governance and ESG	Risk management and internal controls
<b>Executive Directors</b>				
Robin Meng	✓		✓	
Frank Zhang	✓		✓	
Li Zhu	✓		✓	
Sally Wang	✓		✓	
<b>Independent non-executive Directors</b>				
Alphonse Galdes	✓		✓	
Andy Cheung	✓	✓	✓	✓
Ethan Pan	✓		✓	
John Quelch	✓		✓	
Ross Grossman	✓		✓	
Victor Shi	✓		✓	

## Corporate Governance Report

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### Appointment and Re-Election of Directors

Each of the executive Directors has entered into service contracts with the Company for a fixed term of three years commencing on 17 December 2025 for Dr. Frank Zhang, that on 1 December 2024 for Mr. Robin Meng and Ms. Sally Wang, and that on 22 November 2023 for Dr. Li Zhu. Their appointments can be terminated before the expiration of the term by not less than six months' notice in writing served by either party on the other.

Each of the independent non-executive Directors has signed appointment letters with the Company for a term of three years. The effective date of the appointment of Dr. Alphonse Galdes is 12 September 2024, that on 12 April 2024 for Mr. Andy Cheung, that on 26 November 2024 for Mr. Ethan Pan, that on 14 November 2024 for Dr. John Quelch, that on 11 March 2025 for Dr. Ross Grossman and that on 12 April 2024 for Dr. Victor Shi. Their appointments are subject to termination in accordance with their respective terms. The appointment letters for the appointment of each of Dr. Larry Wang and Mr. Edward Dai have been terminated by mutual consent with effect from 29 May 2025.

Save as disclosed herein, none of the Directors has entered into any service contract with the Group that is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Pursuant to the *Articles*, at each annual general meeting, one-third of the Directors shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

The procedures and process of appointment, re-election and removal of Directors are set out in the *Articles*. The Nomination Committee is responsible for reviewing the Board composition, and making recommendations to the Board on appointment, re-election, and succession planning of Directors.

### Chairman and Chief Executive Officer

The Board recognises the recommendation of the CG Code that the chairman and the chief executive officer should be separate and performed by different individuals.

The chairman of the Board is Mr. Robin Meng and the rotating chief executive officer is Ms. Sherry Shao during the Reporting Period. The chairman bears the responsibility for the effective conduct of the Board, ensures the Company establishes good corporate governance practices and procedures, and makes sure the opinions of Shareholders are communicated to the Board whilst the rotating chief executive officer bears the executive responsibility for the operations of the Group's business. The chairman and the rotating chief executive officer are not related to each other.

The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence.

## Corporate Governance Report

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### Board Evaluation

In accordance with code provision B.1.4 of the CG Code, the Company is required to conduct a formal evaluation of the board's performance at least once every two years. Since the Company has not conducted board performance evaluation during the Reporting Period, the next board performance evaluation is scheduled to be conducted in late 2026 and the findings and actions arising from the evaluation will be disclosed in the 2026 Corporate Governance Report.

### Board Meetings

The Company adopts the practice of holding Board meetings regularly. Notices of not less than 14 days are given for regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For board meetings at which the declaration, recommendation or payment of a dividend is expected to be decided or at which any announcement of the profits or losses for any year, half-year or other period is to be approved for publication, the Company publishes an announcement at least seven clear business days in advance of the date fixed for such board meetings.

For other committee meetings, a reasonable notice will be given in writing to all committee members. The meeting notice states the time and place of the meeting. The agenda and accompanying board committee papers will be provided at least three days before the date of meeting to ensure that Directors have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting.

Minutes of the Board meetings and Board committee meetings will be recorded in sufficient details for the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

During the Reporting Period, the Board held 6 meetings on 5 February 2025, 11 March 2025, 28 April 2025, 29 May 2025, 16 August 2025, and 15 December 2025 to cover the following aspects:

- (a) to consider and review the financial statements for the year ended 31 December 2024 and for the six months ended 30 June 2025 and their publication, and matters concerning corporate governance and management;
- (b) to discuss overall strategies of the Group, monitor the financial and operational performance and approve the annual and interim results of the Group;
- (c) to consider and discuss matters concerning the implementation of the Share Option Schemes and the RSU Schemes;
- (d) to consider and discuss matters concerning the Nomination Committee's recommendations regarding the composition of the board; and
- (e) to consider and discuss matters relating to sanctions, audition, nomination, remuneration, risk management and ESG-related matters, and development strategies.

## Corporate Governance Report

The attendance of the individual Directors at the Board meetings mentioned above and the general meeting is set out below:

Name of Directors	Board Meetings (Attended/Eligible to attend)	General Meeting (Attended/Eligible to attend)
Mr. Robin Meng ( <i>chairman of the Board</i> )	6/6	1/1
Dr. Frank Zhang	6/6	1/1
Dr. Li Zhu	6/6	1/1
Ms. Sally Wang	5/6	1/1
Dr. Alphonse Galdes	5/6	1/1
Mr. Andy Cheung	6/6	1/1
Mr. Ethan Pan	6/6	1/1
Dr. John Quelch	5/6	1/1
Dr. Ross Grossman	5/6	1/1
Dr. Victor Shi	6/6	1/1
Dr. Larry Wang ( <i>resigned on 29 May 2025</i> )	1/3	1/1
Mr. Edward Dai ( <i>retired on 29 May 2025</i> )	3/3	1/1

The Company's external auditor also attended the annual general meeting of the Company held on 29 May 2025.

During the Reporting Period, the chairman of the Board met with the independent non-executive Directors without the presence of the other Directors to discuss and obtain independent advice on the business operations and financial condition of the Company.

### Model Code for Securities Transactions

The Company has adopted its own Code for Securities Transaction by Directors and Specified Individuals on terms no less exacting than the required standard set out in the Model Code. Specific inquiry has been made to all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

The Model Code is also applicable to the Company's relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities. No incidents of non-compliance with the Model Code by the Directors and the relevant employees of the Company were noted by the Company during the Reporting Period.

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## BOARD COMMITTEES

### Nomination Committee

The Nomination Committee currently comprises five members, including two executive Directors, namely, Mr. Robin Meng (chairman of the Nomination Committee) and Ms. Sally Wang, and three independent non-executive Directors, namely, Mr. Andy Cheung, Mr. Ethan Pan and Dr. Victor Shi.

The Nomination Committee is responsible for reviewing the Board's structure, composition, and diversity, identifying, and recommending qualified candidates for directorships, assessing the independence of independent non-executive Directors, advising on appointments, reappointments, and succession planning for Directors; reviewing the Board Diversity Policy, developing and implementing policies for selecting and nominating Directors, and supporting the Company's regular evaluation of the Board's performance.

The written terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code and available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Nomination Committee held 3 meetings on 11 March 2025, 28 April 2025, and 29 May 2025. The specific agenda of the Nomination Committee covered the following aspects:

- (a) to review the structure, size, composition and diversity of the Board;
- (b) to review the Company's Board Diversity Policy;
- (c) to assess the independence of the independent non-executive Directors;
- (d) to make recommendation to the re-election of Directors;
- (e) to make recommendation to the appointment of new Directors and the re-designation of Directors; and
- (f) to maintain a board skills matrix and to support the Company's regular evaluation of the Board.

## Corporate Governance Report

The attendance of the individual committee members at the Nomination Committee meeting mentioned above is set out below:

<b>Name of Committee Member</b>	<b>Attended/Eligible to attend</b>
Mr. Robin Meng ( <i>chairman</i> )	3/3
Ms. Sally Wang ( <i>appointed as a member on 11 March 2025</i> )	1/2
Mr. Andy Cheung	3/3
Mr. Ethan Pan	3/3
Dr. Victor Shi	3/3
Mr. Edward Dai ( <i>retired on 29 May 2025</i> )	3/3

### Nomination Policy

The Company has adopted the Director Nomination Policy to guarantee effective selection and nomination procedures for Board appointments. The Nomination Committee nominates candidates to the Board for consideration and makes recommendations to Shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies. The Nomination Committee shall consider the candidates based on merit having regard to, including but not limited to, reputation for integrity, accomplishment or experience, commitment in respect of available time and relevant interest and diversity.

A Shareholder may propose a person for election as a Director at general meetings of the Company. For details, please refer to the "Shareholders' Rights" section below in this Corporate Governance Report and the nomination procedures available on our website.

### Remuneration Committee

The Remuneration Committee currently comprises three members, including two independent non-executive Directors, namely, Dr. Victor Shi (chairman of the Remuneration Committee) and Dr. Ross Grossman, and an executive Director, namely, Ms. Sally Wang.

The Remuneration Committee is responsible for recommending and establishing transparent policies for the Board and Senior Management remuneration, determining specific remuneration packages, approving performance-based pay and compensation for loss or termination, making recommendations to the Board on the remuneration packages of individual executive Directors and Senior Management, and overseeing share-based incentive schemes, ensuring fairness in dismissal arrangements.

The written terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code and available on the websites of the Stock Exchange and the Company.

## Corporate Governance Report

During the Reporting Period, the Remuneration Committee held 5 meetings on 11 March 2025, 28 April 2025, 29 May 2025, 16 August 2025, and 15 December 2025 to cover the following aspects:

- (a) to determine the remuneration policy and structure of Directors and Senior Management and evaluate and make adjustment to the remuneration of the Directors and Senior Management;
- (b) to assess performance of executive Directors;
- (c) to review the terms of executive Directors' service contracts;
- (d) to review the remuneration of non-executive Directors; and
- (e) to consider, discuss and approve matters concerning the implementation of the Share Option Schemes and the RSU Schemes under Chapter 17 of the Listing Rules, including but not limited to the amendment to the Share Schemes, grants of options and awards, and the terms and conditions attached to options and awards.

The attendance of the individual committee members at the Remuneration Committee meeting mentioned above is set out below:

Name of Committee Member	Attended/Eligible to attend
Dr. Victor Shi ( <i>Chairman</i> )	5/5
Dr. Ross Grossman ( <i>appointed as a member on 11 March 2025</i> )	3/4
Ms. Sally Wang	4/5
Mr. Edward Dai ( <i>retired on 29 May 2025</i> )	3/3

The key changes entailed by the amendments to the 2019 RSU Scheme are (i) to enable the usage of Treasury Shares as a flexible source for settling vested awards, (ii) to clarify that awards are structured as RSUs rather than restricted share awards, (iii) to incorporate minor administrative refinements, and (iv) to incorporate certain house-keeping amendments to ensure consistency of terms and expressions throughout the scheme.

The key changes entailed by the amendments to the 2021 RSU Scheme are (i) to enable the usage of Treasury Shares as a flexible source for settling vested awards, (ii) to clarify that awards are structured as RSUs rather than restricted share awards, (iii) to enable the Trustee to hold award shares for the U.S. participants until the relevant vesting conditions are satisfied and subsequently transfer the shares to them in accordance with the 2021 RSU Scheme, (iv) to incorporate minor administrative refinements, and (v) to incorporate certain house-keeping amendments to ensure consistency of terms and expressions throughout the scheme.

## Corporate Governance Report

The awards granted during the Reporting Period are generally subject to performance targets in which any circumstances as specified in the respective grant notice. During the Reporting Period, the awards granted to Dr. John Quelch (our independent non-executive Director) and Dr. Ross Grossman (our independent non-executive Director) were without any performance targets and not subject to clawback. Having considered that (i) the grant of the awards constitutes a part of the remuneration package of such Directors upon their appointment as a Director, (ii) the awards granted to such Directors are subject to certain vesting conditions and terms of the 2019 RSU Scheme, and (iii) the grant of the awards constitute a part of the fixed annual remuneration which was determined by the Remuneration Committee and the Board after taking into account the past performance and contribution of such senior manager, the grant of awards could align the interests of such Directors and senior manager with that of the Company and the Shareholders, which is in line with the purpose of the 2019 RSU Scheme and the 2021 RSU Scheme.

### Remuneration of Directors and Senior Management

The Company has established a formal and transparent procedure for formulating policies on the remuneration of Directors and Senior Management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2025 are set out in note 8 to the financial statements in this annual report.

The biographies of the Senior Management are disclosed in the section headed “Directors and Senior Management” in this annual report. Remuneration paid to the Senior Management members (excluding the Directors) for the year ended 31 December 2025 is within the range below:

Range of remuneration	Number of Persons
Between HK\$21,000,001 and HK\$23,000,000 (equivalent to approximately US\$2,694,094 and US\$2,950,674)	1

### Audit Committee

The Audit Committee currently comprises three members, namely, Mr. Andy Cheung (chairman of the Audit Committee), Dr. Alphonse Galdes and Mr. Ethan Pan, all being independent non-executive Directors.

The principal duties of the Audit Committee include reviewing and monitoring the Company’s financial reporting system, risk management, and internal control systems; maintaining the relations with the external auditor of the Company; and reviewing the financial information of the Company.

The written terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code and available on the websites of the Stock Exchange and the Company.

## Corporate Governance Report

During the Reporting Period, the Audit Committee held 3 meetings on 11 March 2025, 16 August 2025 and 19 December 2025. The specific agenda of the Audit Committee covered the following aspects:

- (a) to consider and review the financial statement for the year ended 31 December 2024 and for the six-month period ended 30 June 2025;
- (b) to consider and review the budget of the Company for the year 2026; and
- (c) to review audit planning, the financial reporting system, compliance procedures, internal audit function, risk management and internal control systems and procedures and re-appointment of the external auditor.

The requirements for ESG Reporting were duly noted by the Audit Committee.

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

<b>Name of Director</b>	<b>Attended/Eligible to attend</b>
Mr. Andy Cheung ( <i>Chairman</i> )	3/3
Dr. Alphonse Galdes	3/3
Mr. Ethan Pan	3/3
Mr. Edward Dai ( <i>retired on 29 May 2025</i> )	1/1

The Audit Committee met the external auditor twice on 11 March 2025 and 19 December 2025 without the presence of the executive Directors nor non-executive Directors.

### Sanctions Risk Control Committee

The Sanctions Risk Control Committee is headed by Sherry Shao (chairwoman of the Sanctions Risk Control Committee), with Mr. Eric Wang and Dr. Kening Li as members.

The principal duties of the Sanctions Risk Control Committee include monitoring the activities that may be subject to economic sanctions; providing guidance on the compliance with the relevant policies and procedures in relation to economic sanctions; providing guidance on the compliance with contractual covenants including those made in connection with the Global Offering and Listing; and ensuring the establishment of effective policies in relation to economic sanctions.

## Corporate Governance Report

During the Reporting Period, the Sanctions Risk Control Committee held 4 meetings on 8 February 2025, 10 June 2025, 15 September 2025 and 4 December 2025 to cover the following aspects:

- (a) to discuss items regarding any sanctions related risks on the Group's commercial or other business activities;
- (b) to review the activities that may be subject to economic sanctions;
- (c) to review relevant policies and procedures in relation to economic sanctions;
- (d) to review guidance on the compliance with contractual covenants; and
- (e) to review internal control policies and procedures with respect to the sanction risks.

The attendance record of each committee member of the Sanctions Risk and Control Committee meeting held by the Company is set out in the table below:

<b>Name of Committee Member</b>	<b>Attended/Eligible to attend</b>
Ms. Sherry Shao ( <i>Chairwoman</i> )	4/4
Mr. Eric Wang	4/4
Dr. Kening Li	4/4

The Sanctions Risk Control Committee has reviewed the sales of the Group for the year ended 31 December 2025 and the relevant legal opinions from the Company's legal adviser as to international sanctions laws to ensure the compliance in daily business operations of the Group.

### **Risk Management and ESG Committee**

The Risk Management and ESG Committee consists of three members, including one executive Director, namely Dr. Frank Zhang as its chairman, and two independent non-executive Directors, namely Mr. Andy Cheung and Mr. Ethan Pan.

The Risk Management and ESG Committee is responsible for formulating the Company's risk management and ESG strategies, supervising related activities and internal controls, reviewing ESG risks and opportunities, overseeing implementation and disclosures, evaluating compliance with legal requirements, and advising the Board on major risk management decisions.

The written terms of reference of the Risk Management and ESG Committee are available on the websites of the Stock Exchange and the Company.

## Corporate Governance Report

During the Reporting Period, the Risk Management and ESG Committee held 2 meetings on 29 May 2025 and 15 December 2025 to cover the following aspects:

- (a) to review and discuss the Company's ESG work report; and
- (b) to consider and review the Company's ESG planning, ESG targets and related suggestions from the ESG working group.

The attendance record of each committee member of the Risk Management and ESG Committee meeting held by the Company is set out in the table below:

<b>Name of Committee Member</b>	<b>Attended/Eligible to attend</b>
Dr. Frank Zhang ( <i>Chairman</i> )	2/2
Mr. Andy Cheung	2/2
Mr. Ethan Pan	2/2

### **Sub-Committee on Data Security and Geopolitical Resilience**

The Board has established the Sub-Committee on Data Security and Geopolitical Resilience with effect from 25 February 2025. The Sub-Committee on Data Security and Geopolitical Resilience consists of four members, including one executive Director, namely Dr. Frank Zhang as its chairman, one independent non-executive Director, namely Dr. John Quelch, and Ms. Sherry Shao and Dr. Kening Li.

The Sub-Committee on Data Security and Geopolitical Resilience assists the Risk Management and ESG Committee by overseeing and reviewing the Company's strategies and risk management effectiveness regarding geopolitical, data security, cyber security, IT system, and cross-border IP risks, while recommending mitigation measures and providing progress updates to the Risk Management and ESG Committee and Board.

The written terms of reference of the Sub-Committee on Data Security and Geopolitical Resilience are available on the websites of the Stock Exchange.

### **Strategy Committee**

The Strategy Committee consists of four members, including one executive Director, namely Dr. Frank Zhang as its chairman, and three independent non-executive Directors, namely Mr. Ethan Pan, Dr. John Quelch and Dr. Victor Shi.

The Strategy Committee is responsible for reviewing and recommending the Company's medium-to-long-term development strategies, major investment and financing plans, business reorganisations, market expansions and new product developments.

The written terms of reference of the Strategy Committee are available on the websites of the Stock Exchange and the Company.

## Corporate Governance Report

During the Reporting Period, the Strategy Committee held one meetings on 29 May 2025 to cover the following aspects:

- (a) to discuss the medium-to-long-term development strategies of the Group, and
- (b) to review and discuss the scope of the business of the subsidiaries of the Company.

The attendance record of each committee member of the Strategy Committee meeting held by the Company is set out in the table below:

Name of Committee Member	Attended/Eligible to attend
Dr. Frank Zhang ( <i>Chairman</i> )	1/1
Mr. Ethan Pan	1/1
Dr. John Quelch	1/1
Dr. Victor Shi	1/1
Mr. Edward Dai ( <i>retired on 29 May 2025</i> )	1/1

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged their responsibilities for preparing the consolidated financial statements of the Company for the year ended 31 December 2025, which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions, and prospects.

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

The statement by the independent auditor of the Company regarding their reporting responsibilities for the audit of the consolidated financial statements of the Company is set out in the independent auditor's report on pages 103 to 232 of this annual report.

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## RISK MANAGEMENT AND INTERNAL CONTROL

### Board Oversight and Responsibility

The Board acknowledges its responsibility for the Company's risk management and internal control systems. These systems are designed to safeguard Shareholders' investments and the Company's assets, and to provide reasonable – though not absolute – assurance against material misstatement, loss, or failure to achieve business objectives. The Board reviews the adequacy and effectiveness of these systems on an annual basis, supported by regular updates from management and, where necessary, independent professionals who may be engaged to conduct objective assessments and report directly to the Board.

### Three-Tier Risk Governance Structure

The Board and the management oversee the Group's overall risk profile and ensure alignment of risk appetite with strategic objectives. To ensure robust oversight, the Group operates a three-tier risk governance structure, which is the main feature of the Group's risk management and internal control systems. To enhance corporate governance and risk management effectiveness, the Group has established a collaborative mechanism comprising a number of risk management and compliance working groups and the Internal Audit Department. This cross-functional structure works synergistically to support the Board, the Audit Committee, and the Risk Management & ESG Committee in the design, formulation, implementation, and ongoing monitoring of the Company's risk management framework and internal control systems, ensuring the comprehensive identification, accurate assessment, and dynamic control of key risks. Details of the structure are as below:

- Tier 1: Business units and functions design and implement rules and processes, and identify, assess, manage, monitor and report risks within their area of responsibility. Specifically, each operating department is required to identify material risks relevant to their operations and the Company's strategic goals through methods including panel discussions, industry benchmarking, and interviews. Identified risks are analyzed and prioritised by multiplying probability, severity, and controllability scores. Corresponding risk response solutions or mitigation plans are then devised and implemented promptly to minimise adverse effects. This ensures risks are proactively managed and aligned with the Group's evolving business environment.
- Tier 2: The Risk Management and ESG Committee coordinates the development of risk management policies and provides expertise for improvement. It also supports the Board to evaluate key controls and collaborate with the Internal Audit Department to monitor the system's performance. Relevant responsible departments serve as key functions to ensure robust risk oversight, compliance, and operational efficiency.
- Tier 3: The Internal Audit Department and the Audit Committee provide independent and objective assurance. The Internal Audit Department monitors and oversees internal control by periodically conducting comprehensive audits across all branches and subsidiaries; evaluating the design and operational effectiveness of risk controls within each operating department; and preparing appraisal reports submitted to the Audit Committee for review and approval. These reports cover key audit observations on critical business processes, outcomes of whistleblowing investigations, and progress on business ethics, anti-corruption, and compliance initiatives. The Internal Audit Department annually evaluates the design and operating effectiveness of internal controls through a risk-based process. As part of the Three-Tier Risk Governance Structure, the Internal Audit Department conducts proactive audits, tests key controls, identifies gaps, and reports findings with improvement recommendations. Follow-up reviews ensure timely corrective actions.

## Corporate Governance Report

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During the Reporting Period, no material changes were made to the Group's risk management or internal control systems and no significant changes in the Company's assessment of risks.

### Disclosable Information Management

The Company maintains a robust disclosure framework in compliance with the Listing Rules and regulatory requirements to ensure timely, accurate, and complete reporting of disclosable information. The framework includes clear procedures, internal controls, and regular reviews to maintain effectiveness. The Company has a function comprising several senior managers from the Finance Department and the Legal Department to support and oversee its external disclosure obligations and ensure compliance with applicable regulations. The Company also maintains strict policies and procedures to govern the handling and disclosure of inside information, in compliance with the Listing Rules. Unauthorised disclosure of inside information to the public is strictly prohibited without prior Board approval or authorisation.

### Review Scope and Findings

During the Reporting Period, the Audit Committee and the Risk Management and ESG Committee examined the Board and committee records and analysed the Group's compliance with existing internal control systems. The Audit Committee and the Risk Management and ESG Committee concluded that no material deficiencies exist and that current mechanism adequately supports business development and regulatory compliance. The Group will continue to strengthen its internal controls to ensure comprehensive monitoring and timely disclosure of connected transactions and to protect the interests of the Company and its Shareholders.

During the Reporting Period, the Board reviewed the risk management and internal control systems covering the design of the systems, relevant policies including the Risk Management Policy, the Connected Transaction Operation & Management Process, and the Whistleblowing and Investigation Policy, all material financial, operational and compliance controls, and the implementation of the systems based on the comprehensive reports routinely provided by the management detailing the assessment results of the risk management and internal control systems, material risk exposures and corresponding mitigation strategies. Particularly, the Board considered changes of significant risks and the Company's ability to respond to changes, the scope and quality of management's ongoing monitoring of risks and of the internal control systems and the work of the Internal Audit Department, the extent and frequency of communication of monitoring results to the Board, and significant control failings or weaknesses, the effectiveness of the Company's processes for financial reporting and regulatory compliance and the adequacy of internal and external resources.

Regarding the change of the extent of the geopolitical risks identified during the Reporting Period as set out under the section named "Risks Related to Geopolitical Factors, International Trade Agreements, Tariffs and Import/Export Regulations, and Export Control and Sanctions" on page 28 in this annual report, the Board proactively engaged external experts to design and implement preventative controls and develop a structured contingency plan aimed at mitigating potential business, operational, and regulatory impacts.

Management has provided written confirmation to the Board affirming the effectiveness of the risk management and internal control systems for the year ended 31 December 2025.

## Corporate Governance Report

The Audit Committee reviewed the Internal Audit Department's reports for 2025 and concluded that the Group's risk management and internal control systems remain effective, with no material weaknesses or systemic issues identified. The Board concurs with this assessment.

Based on above, the Board confirms that no material control deficiencies or systemic weaknesses were identified in the Reporting Period and the risk management or internal control systems in place are effective, adequate, and aligned with the Group's risk profile and strategic objectives.

### AUDITOR'S REMUNERATION

The Company's external auditor is Ernst & Young. A breakdown analysis of the remuneration paid/payable to the auditor in respect of the services provided by the auditor to the Group for the year ended 31 December 2025 is set out below. The Audit Committee has confirmed the independence and objectivity of the external auditor.

	<b>Fees Paid</b> US\$'000
Audit services	777
Non-audit service	61
<b>Total</b>	<b>838</b>

Non-audit service included advisory services for the ESG report of the Company for the year ended 31 December 2025.

### COMPANY SECRETARY

All the Directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for ensuring that Board procedures are followed.

Ms. Wong Wai Ling, the Vice President of the Technical & Practice Management Department at SWCS Corporate Services Group (Hong Kong) Limited was the Company Secretary during the year ended 31 December 2025. Ms. Wong is an associate member of The Hong Kong Chartered Governance Institute and has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules during the Reporting Period.

Ms. Wong's primary corporate contact person at the Company was Mr. Robin Meng, the chairman of the Board.

## Corporate Governance Report

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### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and the understanding of the Group's business, performance, and strategies. The Company also recognises the importance of the timely and non-selective disclosure of its information, which will enable Shareholders and investors to make informed investment decisions.

#### Shareholders' Communication Policy

To promote effective communication, the Company adopts a shareholders' communication policy that aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website at [www.genscript.com](http://www.genscript.com), where up-to-date information on the Group's business operations and developments, financial information, corporate governance practices, and other information are available for public access.

The Company has regularly reviewed the implementation and effectiveness of its shareholders' communication policy through discussions amongst the Directors during the Board meetings. The Company reviewed its shareholders' communication activities conducted in the Reporting Period and was satisfied with the implementation and effectiveness of its shareholders' communication policy.

#### Shareholder Engagement Events in 2025

- Earnings conference
- Meetings with analysts and investors
- Roadshows
- Annual General Meeting
- Investor Day

### ANNUAL GENERAL MEETING

The annual general meeting of the Company provides an opportunity for Shareholders to communicate directly with the Directors. The chairman of the Company and chairmen of the Board Committees, or in their absence, their duly appointed delegates will attend the annual general meeting to answer Shareholders' questions. The external auditor of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and contents of the auditors' report, accounting policies, and auditor's independence.

The annual general meeting for 2025 of the Company was held on 29 May 2025. A diverse attendee base including institutional investors, retail shareholders, and long-term stakeholders attended the meeting. All the Directors in office were also present either in person or by means of telecommunication, along with the Chief Executive, other key management members, and external auditor. They answered questions raised by Shareholders at the meeting.

In addition, the Company consistently shares relevant information such as announcements, financial reports, earnings call recordings and other relevant information of the Company on its website [www.genscript.com](http://www.genscript.com) in a timely manner for public access.

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## SHAREHOLDERS' RIGHTS

### Proposing a Person for Election as a Director

In accordance with Rule 13.51D of the Listing Rules and subject to the Company's *Articles*, Shareholders have the right to propose a person for election as a Director of the Company at either an annual general meeting or an extraordinary general meeting.

A person, unless a retiring Director or recommended by the Board, can only be nominated if a written notice of the intention to propose them and their consent to be elected is submitted to the Company's head office or the registration office. The nominating Shareholder must provide a nomination notice, including the nominee's biographical details, contact information, identification documents, and independence confirmation if applicable, along with any other required information. The notice must be submitted at least seven days before the general meeting, and if received after the meeting notice is published, the Company will provide the information via an announcement or supplementary circular. The nomination process is subject to various legal and regulatory requirements, and the Nomination Committee will review the nominee's suitability before making recommendations to the Board. To ensure adequate time for consideration, Shareholders are encouraged to submit nominations at least twelve clear business days before the meeting. The detailed procedures for nomination of Directors by Shareholders are available on our website.

### Convening Extraordinary General Meetings

Shareholders have the right to convene extraordinary general meeting. In accordance with the *Articles*, extraordinary general meetings shall also be convened on the requisition of one or more Shareholders' holdings, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings.

Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Separate Resolution for Each Issue and Voting by Poll

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules, and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

### Putting Forward Inquiries

Shareholders who intend to put forward their inquiries about the Company could email their inquiries to our Investor Relations Department at the email address: IR@genscript.com.

## Corporate Governance Report

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### CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there were no significant changes to the Company's constitutional documents. The current *Articles* were adopted by the Shareholders on 21 June 2024 and are available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.genscript.com](http://www.genscript.com)).

### DIVIDEND POLICY

The Company has established dividend policy, which sets the foundation to determine a prudent and disciplined dividend payment to Shareholders by way of dividend payment while preserving the Group's liquidity to capture future growth opportunities. Subject to the applicable laws and the *Articles* through a general meeting, the Company may declare dividends from the profit of the forthcoming periods, but no dividends shall exceed the amount recommended by the Directors. The Directors will consider, from time to time, to pay to our Shareholders such dividends as the Directors deem to be justified by our financial conditions and profits. The amount of any dividends to be declared or paid in the future will depend on, among other things, the Company's results of operations, cashflows, financial condition, operating and capital requirements, future prospects and other factors that our Directors may deem relevant.

# INDEPENDENT AUDITOR'S REPORT



Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌英皇道979號  
太古坊一座27樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com

## To the shareholders of Genscript Biotech Corporation

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Genscript Biotech Corporation (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 110 to 232, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by 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 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.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

## Independent Auditor's Report

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### Key audit matter (continued)

#### Revenue recognition

The Group recognised revenue of US\$959,526,000 during the year ended 31 December 2025, which was primarily derived from the sales of life-science services and products, as well as license revenue.

Revenue recognition has been identified as a risk, due to the significant volume of transactions, the diversity of business models, the complexity in assessing the occurrence and accuracy of revenue, and the timing of revenue recognition, particularly for sales and services deliveries occurring on or around the year-end, which could materially impact the financial statements. Therefore, we identified the revenue recognition as a key audit matter.

The Group's disclosures about the revenue recognition are included in Notes 2.4, 3 and 5 to the consolidated financial statements.

### How our audit addressed the key audit matter

We performed a review on management's assessment of revenue recognition under HKFRS 15.

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the internal controls related to the revenue recognition process.

On a sample basis, we reviewed deliveries, contracts and other supporting documents during the year to assess whether control of goods or services were transferred to the customers, and whether amount reflected the consideration the Group expected to receive in exchange for those goods or services.

We traced goods delivery notes, client acceptance notes, service report download records and other supporting documents to assess the appropriateness of revenues recognised on or around the year-end.

We obtained the license agreements with customers, reviewed key terms related to revenue recognition to assess management's identification of performance obligations and estimation of variable consideration. We evaluated the timing and amount of the license revenue recognised, and assessed the reasonableness of management's accounting treatment.

We performed testing on journal entries to identify any management override of internal controls related to revenue recognition.

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**Key audit matter (continued)**

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

**Fair value measurement of convertible redeemable preferred shares of an unlisted subsidiary**

An unlisted subsidiary of the Company issued convertible redeemable preferred shares to third-party institutional investors, which were classified as financial liabilities at fair value through profit or loss. As at 31 December 2025, the fair value of the convertible redeemable preferred shares amounted to US\$264,381,000, based on the estimated redemption amount, maturity dates and discount rate.

The determination of the fair value of the convertible redeemable preferred shares issued by the unlisted subsidiary involved significant judgements and estimates made by management. Therefore, we identified the fair value measurement of convertible redeemable preferred shares as a key audit matter.

The Group's disclosures about the convertible redeemable preferred shares are included in Notes 2.4, 3, 29 and 41 to the financial statements.

We obtained an understanding of the internal controls related to the fair value measurement of convertible redeemable preferred shares.

We obtained the related documents, including but not limited to, the share purchase agreements, shareholders' agreement and the memorandum and articles of association of the unlisted subsidiary, and reviewed the key terms to assess the appropriateness of the Group's accounting treatments.

We evaluated the significant judgements, estimates and valuation method applied by management.

We involved our internal valuation specialist to assist us in conducting the evaluation, particularly with respect to the discount rate, key inputs used in the fair value valuation.

We also assessed the adequacy of the related disclosures in the notes to the financial statements.

## Independent Auditor's Report

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### Key audit matter (continued)

### How our audit addressed the key audit matter

#### Accounting for investment in Legend Biotech Corporation ("Legend Group")

As at 31 December 2025, the Group held a 47.18% interest in Legend Group, an entity listed on the Nasdaq Global Select Market in the U.S.. The carrying amount of the investment in Legend Group as at 31 December 2025, included within the investments in associates, was US\$3,056,090,000. During the year ended 31 December 2025, the Group's share of net loss and impairment loss resulting from the investment in Legend Group were amounted to US\$320,400,000 and US\$398,071,000, respectively.

The Group accounts for the investment in Legend Group as an associate as the Group is assessed to have significant influence over Legend Group. The investment in Legend Group is initially recognised at cost and subsequently adjusted to reflect the Group's share of Legend Group's net assets, with any impairment losses recognised.

During the year ended 31 December 2025, an impairment test on the Group's investment in Legend Group was performed following the identification of impairment indicator by management. The recoverable amount of the investment was determined being the higher of (i) value in use, based on discounted cash flow model applied with growth rate and discount rate, and (ii) fair value less costs to disposal.

We identified the accounting for investment in Legend Group as a key audit matter given the magnitude of its financial impact on the Group's consolidated financial statements, the high degree of judgement and estimates involved in the impairment assessment, and the significant auditor effort required in this matter.

The Group's disclosures about the investment in Legend Group are included in Notes 2.4, 3 and 18 to the consolidated financial statements.

We obtained an understanding of the internal controls over the accounting for investment in Legend Group.

We reviewed management's calculations under the equity method and performed recalculation by obtaining and testing the relevant financials information of Legend Group to assess the accuracy of the accounting treatment.

We assessed the objective indicator of impairment identified by management and evaluated the appropriateness of the impairment assessment process performed by management.

We evaluated the reasonableness of the significant assumptions used in discounted cash flows model, and engaged our internal valuation specialists to assist in assessing the valuation techniques, methodologies and key parameters. We also assessed the competence, capability and objectivity of the external valuer engaged by management.

We reviewed management's calculation of the recoverable amount of investment in Legend Group and independently recalculated the impairment loss recognised by management during the year.

We also assessed the adequacy of the disclosures in the notes to the financial statements.

## Independent Auditor's Report

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### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## Independent Auditor's Report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

## Independent Auditor's Report

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- 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 consolidated 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.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai, Ricky (practising certificate number: P06860).

**Ernst & Young**

*Certified Public Accountants*

Hong Kong

15 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
<b>CONTINUING OPERATIONS</b>			
REVENUE	5	<b>959,526</b>	594,486
Cost of sales		<b>(406,322)</b>	(322,361)
Gross profit		<b>553,204</b>	272,125
Other income, gains and expenses, net	5	<b>40,125</b>	36,117
Selling and distribution expenses		<b>(99,487)</b>	(88,121)
Administrative expenses		<b>(128,571)</b>	(114,375)
Research and development expenses		<b>(71,231)</b>	(53,789)
Fair value losses of preferred shares	29	<b>(30,161)</b>	(123,581)
Share of (losses)/profits of associates:			
Investment in a significant associate		<b>(320,400)</b>	(37,751)
Investments in other associates		<b>22</b>	(1,321)
Finance costs	7	<b>(17,294)</b>	(8,032)
Reversal of/(Provision for) impairment of financial assets, net		<b>1,331</b>	(6,558)
Provision for impairment of long-lived assets	6	<b>-</b>	(45,511)
Impairment of the investment in a significant associate	6	<b>(398,071)</b>	-
LOSS BEFORE TAX	6	<b>(470,533)</b>	(170,797)
Income tax expense	10	<b>(61,871)</b>	(2,977)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		<b>(532,404)</b>	(173,774)
<b>DISCONTINUED OPERATION</b>			
Loss for the period from Legend Group, net of tax	11	<b>-</b>	(203,149)
Gain on deconsolidation of Legend Group, net of tax		<b>-</b>	3,232,210
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATION		<b>-</b>	3,029,061

## Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
(LOSS)/PROFIT FOR THE YEAR		<b>(532,404)</b>	2,855,287
Attributable to:			
Owners of the parent		<b>(532,830)</b>	2,961,877
Non-controlling interests		<b>426</b>	(106,590)
		<b>(532,404)</b>	2,855,287
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13		
Basic (US cent per share)			
– For (loss)/profit for the year		<b>(24.58)</b>	139.63
– For loss from continuing operations		<b>(24.58)</b>	(8.19)
Diluted (US cent per share)			
– For (loss)/profit for the year		<b>(24.58)</b>	135.97
– For loss from continuing operations		<b>(24.58)</b>	(8.19)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 US\$'000	2024 US\$'000
(LOSS)/PROFIT FOR THE YEAR	<b>(532,404)</b>	2,855,287
OTHER COMPREHENSIVE INCOME:		
<b>CONTINUING OPERATIONS</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of associates	<b>97,993</b>	(55,032)
Exchange differences on translation of foreign operations	<b>22,823</b>	(11,723)
Other comprehensive income/(loss) for the year from continuing operations	<b>120,816</b>	(66,755)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	<b>(411,588)</b>	(240,529)
<b>DISCONTINUED OPERATION</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	-	3,374
Other comprehensive income for the year from discontinued operation	-	3,374
TOTAL COMPREHENSIVE INCOME FOR THE YEAR FROM DISCONTINUED OPERATION	-	3,032,435
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	<b>(411,588)</b>	2,791,906
Attributable to:		
Owners of the parent	<b>(412,006)</b>	2,896,843
Non-controlling interests	<b>418</b>	(104,937)
	<b>(411,588)</b>	2,791,906

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 US\$'000	31 December 2024 US\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	536,774	518,001
Advance payments for property, plant and equipment, net		10,583	7,220
Investment properties	15	4,715	4,848
Right-of-use assets	16	75,918	77,617
Goodwill		1,366	1,336
Other intangible assets	17	13,252	13,035
Investments in associates	18	3,086,644	3,667,731
Financial assets at fair value through profit or loss	19	24,039	88,643
Deferred tax assets	31	16,436	27,735
Time deposits	24	–	33,387
Other non-current assets	23	4,582	3,738
<b>Total non-current assets</b>		<b>3,774,309</b>	4,443,291
<b>CURRENT ASSETS</b>			
Inventories	20	39,594	31,097
Contract costs	21	21,954	19,349
Trade and bills receivables	22	133,934	116,291
Prepayments, other receivables and other assets	23	40,367	29,137
Financial assets at fair value through profit or loss	19	499,709	224,874
Restricted cash	24	31,129	17,919
Time deposits	24	169,793	264,321
Cash and cash equivalents	24	142,488	131,990
<b>Total current assets</b>		<b>1,078,968</b>	834,978
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	25	36,787	29,838
Other payables and accruals	26	138,288	125,530
Interest-bearing bank loans	27	194,669	88,745
Lease liabilities	16	9,161	7,524
Tax payable		28,691	9,387
Contract liabilities	28	48,193	46,211
Financial liabilities at fair value through profit or loss	29	264,381	473,839
<b>Total current liabilities</b>		<b>720,170</b>	781,074
<b>NET CURRENT ASSETS</b>		<b>358,798</b>	53,904
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,133,107</b>	4,497,195

## Consolidated Statement of Financial Position

31 December 2025

	Notes	31 December 2025 US\$'000	31 December 2024 US\$'000
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank loans	27	–	17,309
Lease liabilities	16	55,007	56,990
Deferred tax liabilities	31	14,011	5,839
Financial liabilities measured at amortised cost	30	85,930	79,435
Other payables and accruals	26	13,469	14,260
<b>Total non-current liabilities</b>		<b>168,417</b>	173,833
<b>Net assets</b>		<b>3,964,690</b>	4,323,362
<b>EQUITY</b>			
Share capital	32	2,185	2,142
Shares held for RSU Schemes	32	(3,832)	(6,091)
Reserves	35	3,960,978	4,325,121
<b>Equity attributable to owners of the parent</b>		<b>3,959,331</b>	4,321,172
Non-controlling interests		5,359	2,190
<b>Total equity</b>		<b>3,964,690</b>	4,323,362

**Jiange Meng**  
Director

**Li Zhu**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent											
	Share capital	Shares held for RSU Schemes	Share premium*	Merger reserve*	Share-based compensation reserve*	Other reserve*	Statutory surplus reserve*	Retained profits*	Exchange fluctuation reserve*	Total	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(Note 32)				(Notes 33 & 34)							
<b>At 1 January 2025</b>	2,142	(6,091)	1,981,525	(20,883)	108,662	904	13,790	2,350,362	(109,239)	4,321,172	2,190	4,323,362
Loss for the year	-	-	-	-	-	-	-	(532,830)	-	(532,830)	426	(532,404)
Other comprehensive income for the year:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	22,831	22,831	(8)	22,823
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	97,993	97,993	-	97,993
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	-	-	(532,830)	120,824	(412,006)	418	(411,588)
Equity transaction with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(72)	(72)
Capital injection from non-controlling shareholders	-	-	(1,199)	-	-	-	-	-	-	(1,199)	2,823	1,624
Equity-settled share-based compensation arrangements	-	-	-	-	14,916	-	-	-	-	14,916	-	14,916
Exercise of share options and RSUs	43	2,259	7,190	-	(3,595)	-	-	-	-	5,897	-	5,897
Share of other reserves of a significant associate	-	-	-	-	30,551	-	-	-	-	30,551	-	30,551
<b>At 31 December 2025</b>	2,185	(3,832)	1,987,516	(20,883)	150,534	904	13,790	1,817,532	11,585	3,959,331	5,359	3,964,690

\* These reserve accounts comprise the consolidated reserves of US\$3,960,978,000 (31 December 2024: US\$4,325,121,000) in the consolidated statement of financial position.

## Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent											
	Shares held			Merger reserve*	Share-based compensation		Statutory surplus reserve*	Exchange		Non-controlling interests	Total equity	
	Share capital	for RSU Schemes	Share premium*		reserve *	Other reserve*		Retained profits*	fluctuation reserve*			Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
(Note 32)				(Notes 33 & 34)								
<b>At 1 January 2024</b>	2,121	(9,445)	1,939,258	(20,883)	98,378	904	13,790	(611,515)	(21,529)	1,391,079	653,275	2,044,354
Profit for the year	-	-	-	-	-	-	-	2,961,877	-	2,961,877	(106,590)	2,855,287
Other comprehensive income for the year:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(10,002)	(10,002)	1,653	(8,349)
Share of other comprehensive loss of a significant associate	-	-	-	-	-	-	-	-	(55,032)	(55,032)	-	(55,032)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	2,961,877	(65,034)	2,896,843	(104,937)	2,791,906
Equity transaction with non-controlling interests	-	-	177	-	-	-	-	-	-	177	189	366
Equity-settled share-based compensation arrangements	-	-	-	-	45,368	-	-	-	-	45,368	28,981	74,349
Exercise of share options and RSUs	21	3,354	42,090	-	(41,444)	-	-	-	-	4,021	9,968	13,989
Share of other reserves of a significant associate	-	-	-	-	6,360	-	-	-	-	6,360	-	6,360
Deconsolidation of Legend Group	-	-	-	-	-	-	-	-	(22,676)	(22,676)	(585,286)	(607,962)
<b>At 31 December 2024</b>	2,142	(6,091)	1,981,525	(20,883)	108,662	904	13,790	2,350,362	(109,239)	4,321,172	2,190	4,323,362

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/Profit before tax			
From continuing operations		<b>(470,533)</b>	(170,797)
From discontinued operation		–	3,033,727
Adjustments for:			
(Reversal of)/Provision for impairment of trade receivables and other receivables	6	<b>(1,331)</b>	6,558
Write-down of inventories and contract costs to net realisable value		<b>2,061</b>	9,908
Depreciation of property, plant and equipment	14	<b>60,477</b>	58,823
Depreciation of investment properties	15	<b>93</b>	92
Depreciation of right-of-use assets	16	<b>10,937</b>	14,960
Amortisation of other intangible assets	17	<b>2,532</b>	3,795
Loss on disposal of property, plant and equipment, and other intangible assets	6	<b>869</b>	1,186
Finance income		<b>(26,101)</b>	(76,928)
Fair value losses of preferred shares	29	<b>30,161</b>	123,581
Unrealised gains on acquisition of preferred shares	5	<b>(14,370)</b>	–
Share of losses of associates	18	<b>320,378</b>	39,072
Gain on deconsolidation of Legend Group, net of tax	11	–	(3,232,210)
Impairment of the investment in a significant associate	6	<b>398,071</b>	–
Fair value gains on financial assets at fair value through profit or loss	5	<b>(6,516)</b>	(185)
Losses of foreign currency forward and option contracts, net	5	<b>15</b>	933
Provision for impairment of long-lived assets	6	–	45,511
Finance costs		<b>17,294</b>	24,493
Deferred subsidies		<b>(2,038)</b>	(1,823)
Foreign exchange differences, net		<b>13,031</b>	(457)
Equity-settled share-based compensation expense		<b>14,793</b>	76,515
		<b>349,823</b>	(43,246)
(Increase)/Decrease in trade and bills receivables		<b>(16,487)</b>	95,463
Increase in prepayments, other receivables and other assets		<b>(4,126)</b>	(38,498)
Increase in inventories		<b>(8,580)</b>	(10,534)
Increase in other non-current assets		<b>(677)</b>	(1,015)
Increase in contract costs		<b>(4,743)</b>	(4,054)
Increase in trade and bills payables		<b>6,949</b>	15,987
Increase in other payables and accruals		<b>23,531</b>	64,059
Increase/(Decrease) in contract liabilities		<b>1,982</b>	(35,752)
Increase in other non-current liabilities		<b>62</b>	4
Decrease/(Increase) in restricted cash		<b>267</b>	(221)
Cash generated from operations		<b>348,001</b>	42,193
Interest received		<b>18,292</b>	54,732
Interest payment for lease liabilities		<b>(3,226)</b>	(3,347)
Interest paid		<b>(8,310)</b>	(1,329)
Income taxes paid		<b>(29,235)</b>	(16,658)
Income taxes received		–	56
Net cash flows generated from operating activities		<b>325,522</b>	75,647

## Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		<b>(82,134)</b>	(146,676)
Purchases of financial assets at fair value through profit or loss		<b>(892,404)</b>	(653,924)
Redemption of financial assets at fair value through profit or loss		<b>694,819</b>	474,991
Placement of time deposits		<b>(266,580)</b>	(2,710,862)
Withdrawal of time deposits		<b>389,493</b>	2,083,793
Proceeds from disposal of property, plant and equipment		<b>368</b>	240
Purchases of intangible assets		<b>(1,703)</b>	(1,244)
Purchases of land use right		<b>(56)</b>	–
Advance to a third party		<b>(6,985)</b>	–
Receipt of investment income		<b>11,057</b>	8,713
Increase in restricted cash		<b>(9,416)</b>	(3,007)
Dividend received from investment in an unlisted equity investment measured at fair value		<b>55</b>	–
Purchases of investments in associates		<b>(8,465)</b>	–
Deconsolidation of Legend Group		–	(459,277)
Prepayment to collaborator for collaboration assets		–	(49,110)
Net cash flows used in investing activities		<b>(171,951)</b>	(1,456,363)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment for acquisition of ProBio's preferred shares		<b>(225,142)</b>	–
Exercise of share options		<b>6,019</b>	13,486
New loans and borrowings		<b>219,088</b>	102,606
Repayments of loans and borrowings		<b>(133,357)</b>	(58,166)
Increase in restricted cash		<b>(4,062)</b>	17,803
Principal portion of lease payments	16	<b>(8,987)</b>	(9,576)
Cash received from equity transaction with non-controlling interests, net		<b>1,552</b>	366
Net cash flows (used in)/generated from financing activities		<b>(144,889)</b>	66,519
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of the year		<b>131,990</b>	1,446,403
Effect of foreign exchange rate changes, net		<b>1,816</b>	(216)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	24	<b>142,488</b>	131,990

# NOTES TO FINANCIAL STATEMENTS

31 December 2025

## 1. CORPORATE INFORMATION

The Company was incorporated on 21 May 2015 as an exempted company in the Cayman Islands with limited liability under the Companies Law of the Cayman Islands. The registered office address of the Company is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the manufacture and sale of life science research products and services, which mainly include life-science services and products, biologics development services and industrial synthetic biology products. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 30 December 2015.

In the opinion of the Directors, the ultimate holding company of the Company is GS Corp, which was incorporated in the U.S..

### Legend Group Deconsolidation

The Company was previously engaged in the cell therapy business through a subsidiary, Legend Group. Pursuant to the Company's announcement dated 22 October 2024, the Company assessed and concluded that it had lost control of Legend Group due to the loss of power to cast the majority of votes at Legend Group's general meeting. Therefore, the Directors resolved to deconsolidate Legend Group from 18 October 2024, and subsequently account for the Company's investment in Legend Group as an associate using equity method as the Company was assessed to have significant influence over Legend Group.

Legend Group represents the cell therapy business, which was a separate major line of business to the Group, with its operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group. In accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, Legend Group was presented as a discontinued operation resulting from the Deconsolidation. Accordingly, the post-tax profit or loss of the discontinued operation, and the post-tax gain or loss from the Deconsolidation were presented as "Discontinued Operation" in the Group's consolidated statement of profit or loss and consolidated statement of comprehensive income for the year ended 31 December 2024. With Legend Group being classified as a discontinued operation, the cell therapy business is no longer included in the note for operating segment information.

## Notes to Financial Statements

31 December 2025

### 1. CORPORATE INFORMATION (Continued)

#### Information about subsidiaries

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows:

Name	Place and date of incorporation/ registration and place of business	Issued ordinary share/ paid-up capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
GenScript (Hong Kong) Limited	Hong Kong 8 January 2009	HK\$155,000	–	100.00	Sale of life science research products and services
GS China*	PRC/ Chinese mainland 12 March 2009	US\$88,020,000	–	100.00	Manufacture and sale of life science research products and services
GenScript USA Incorporated	U.S. 26 March 2009	US\$1,000	100.00	–	Manufacture and sale of life science research products and services
GenScript Jiangsu*	PRC/ Chinese mainland 31 August 2016	RMB779,713,000	–	100.00	Manufacture and sale of life science research products and services
Bestzyme Nanjing**	PRC/ Chinese mainland 6 June 2013	RMB388,931,616	–	83.42	Manufacture and sale of life science research products and services
Jinan Bestzyme**	PRC/ Chinese mainland 19 August 2009	RMB45,436,341	–	83.42	Manufacture and sale of life science research products and services
GenScript Biotech (Netherlands) B.V.	Netherlands 6 December 2017	–	–	100.00	Sale of life science research products and services
GenScript USA Holding Inc.	U.S. 18 August 2017	–	–	100.00	Investment holding company
GenScript Biotech Singapore PTE. LTD.	Singapore 28 November 2019	SGD1,341,801	–	100.00	Manufacture and sale of life science research products and services

## Notes to Financial Statements

31 December 2025

### 1. CORPORATE INFORMATION (Continued) Information about subsidiaries (Continued)

Name	Place and date of incorporation/ registration and place of business	Issued ordinary share/ paid-up capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
ProBio Cayman	Cayman Islands 5 July 2021	–	–	100.00	Investment holding company
Probio Technology HK Limited	PRC/ Hong Kong 15 June 2021	HK\$1	–	100.00	Sale of life science research products and services
Nanjing ProBio Biotech Co., Ltd.*	PRC/ Chinese mainland 7 July 2021	US\$76,000,000	–	100.00	Manufacture and sale of life sciences research products and services
Zhenjiang ProBio Biotech Co., Ltd.*	PRC/ Chinese mainland 19 July 2021	US\$200,000,000	–	100.00	Manufacture and sale of life sciences research products and services
Hainan GenScript Biotech Co., Ltd.**	PRC/ Chinese mainland 2 September 2021	US\$3,000,000	–	100.00	Sale of life sciences research products and services
ProBio Inc.	U.S. 13 September 2021	–	–	100.00	Manufacture and sale of life sciences research products and services
Probio Technology (Netherlands) B.V.	Netherlands 26 August 2021	EUR50,000	–	100.00	Sale of life sciences research products and services

\* These entities are registered as wholly-foreign-owned enterprises under PRC law.

\*\* These entities are limited liability companies.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the revenue, gross profit and total assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

## Notes to Financial Statements

31 December 2025

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### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets and financial liabilities which have been measured at fair value. These financial statements are presented in US\$ and all values are rounded to the nearest thousand except when otherwise indicated.

##### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

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

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

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

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

## Notes to Financial Statements

31 December 2025

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>2</sup></i>
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures<sup>2</sup></i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>1</sup></i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>1</sup></i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency<sup>2</sup></i>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

## Notes to Financial Statements

31 December 2025

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

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

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

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

## Notes to Financial Statements

31 December 2025

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

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

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

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

## Notes to Financial Statements

31 December 2025

### 2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

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

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

31 December 2025

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## **2.4 MATERIAL ACCOUNTING POLICIES**

### **Investments in associates**

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are accounted for using the equity method and are initially recognised at cost, or if recognised upon deconsolidation they are initially recorded at fair value at the date of deconsolidation. The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where recognised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

At the end of each reporting period, management considers whether there is objective evidence of impairment in associates. If there is such evidence, management determines the amount of impairment to record, if any, in relation to the associate.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognised any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### **Business combinations and goodwill**

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

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

## Notes to Financial Statements

31 December 2025

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Business combinations and goodwill (Continued)

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

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

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

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

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

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

31 December 2025

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## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Fair value measurement

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

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

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

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

## Notes to Financial Statements

31 December 2025

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Impairment of non-financial assets

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

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

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

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

31 December 2025

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## **2.4 MATERIAL ACCOUNTING POLICIES (Continued)**

### **Related parties**

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

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

## Notes to Financial Statements

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment and depreciation

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

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

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

Freehold land	Not depreciated
Buildings and leasehold improvements	2% to 20%
Machinery and equipment	10% to 33 $\frac{1}{3}$ %
Transportation equipment	10%
Computer and office equipment	20% to 33 $\frac{1}{3}$ %

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

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

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

## Notes to Financial Statements

31 December 2025

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Investment properties

Investment properties are interests in buildings held to earn rental income. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 22 years.

The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are included in the statement of profit or loss when the changes arise.

#### Non-current assets or disposal groups held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and satisfy any of the following criteria: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operation, including the post-tax profit or loss of discontinued operation and the post-tax gain or loss recognised on the measurement of fair value less cost to sell or on the disposal of the assets or disposal group constituting the discontinued operation, are presented separately in the consolidated statement of profit or loss. The comparative figures in the consolidated statement of profit or loss should be re-presented as if the operations that have been discontinued during the reporting year had been discontinued at the beginning of the comparative year.

## Notes to Financial Statements

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Intangible assets (other than goodwill)

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

Intangible assets are amortised on the straight-line basis over the following useful economic lives:

Software	2 to 10 years
Patents and licenses	5 to 20 years
Customer relationship	10 years

#### R&D costs

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

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

#### Leases

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

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component, the Group elected to allocate the consideration in the contract to the lease and non-lease components on the basis of the relative standalone price of each component.

31 December 2025

## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### Group as a lessee (Continued)

##### (a) *Right-of-use assets*

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

Leasehold land	50 years
Buildings and office premises	2 to 20 years

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

##### (b) *Lease liabilities*

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

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

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

## Notes to Financial Statements

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

##### Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

#### Investments and other financial assets

##### Initial recognition and measurement

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

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

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

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

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

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## **2.4 MATERIAL ACCOUNTING POLICIES (Continued)**

### **Investments and other financial assets (Continued)**

#### **Subsequent measurement**

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

#### **Financial assets at amortised cost (debt instruments)**

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

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on other equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

## Notes to Financial Statements

31 December 2025

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Derecognition of financial assets

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

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

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

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

#### Impairment of financial assets

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

#### General approach

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

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## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Impairment of financial assets (Continued)

#### General approach (Continued)

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

#### Simplified approach

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

## Notes to Financial Statements

31 December 2025

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables.

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

The Group's financial liabilities include trade and bills payables, other payables and accruals, financial liabilities at fair value through profit or loss, financial liability measured at amortised cost, interest-bearing bank loans and lease liabilities.

##### Subsequent measurement

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

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

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## **2.4 MATERIAL ACCOUNTING POLICIES (Continued)**

### **Financial liabilities (Continued)**

#### **Convertible redeemable preferred shares**

The component of convertible redeemable preferred shares that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible redeemable preferred shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument; and this amount is initially carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in other reserve in equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent periods. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

#### **Financial liabilities at amortised cost (trade and other payables, redemption obligation and borrowings)**

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

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

#### **Derecognition of financial liabilities**

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

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

#### **Offsetting of financial instruments**

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

## Notes to Financial Statements

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Derivative financial instruments

##### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

#### Shares held for RSU Schemes

Own equity instruments which are reacquired and held by the Company or the Group (Shares held for RSU Schemes) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances, less restricted cash, time deposits and bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks.

#### Time deposits

Time deposits represent short-term deposits with fixed maturities. The time deposits are presented as a non-current asset if the collection of time deposits is expected more than one year.

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## **2.4 MATERIAL ACCOUNTING POLICIES (Continued)**

### **Provisions**

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

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

### **Income tax**

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

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

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

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

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## Notes to Financial Statements

31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

#### Subsidies

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

Where the subsidy relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual installments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

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## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Revenue recognition

#### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

#### (a) *Services and products*

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e., when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

##### (i) **Rendering of services**

Revenue for services rendered mainly represent the Group’s life-science services and biologics development services.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same. For contracts that contains more than one performance obligation, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis. The stand-alone selling price of each performance obligation is determined at contract inception. It represents the price at which the Group would sell the promised service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised services to the customer.

## Notes to Financial Statements

31 December 2025

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Revenue recognition (Continued)

##### Revenue from contracts with customers (Continued)

##### (a) *Services and products (Continued)*

##### (i) **Rendering of services (Continued)**

Revenue is recognised at the point in time when the Group transfers the control for underlying services and has the right to payment from the customers for the services performed, upon the delivery or acceptance of the underlying services.

The Group's revenue for life science services and products is recognised at the point in time when the Group transfers the control of services/deliverable units or products to customers and has the right to payment from the customers upon the finalisation, delivery and acceptance of the promised services/deliverable units or the delivery and acceptance of the promised products.

##### (ii) **Sale of goods**

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery or acceptance of the goods.

##### (b) *Licenses of intellectual property*

For licenses arrangements that include a grant of a license to the Group's intellectual property, the Group considers whether the license grant is distinct from the other performance obligations included in the contract. In assessing whether a license is distinct from the other promises, the Group considers factors such as the research, development, manufacturing and commercialisation capabilities of the collaboration partner and the availability of the associated expertise in the general marketplace. In addition, the Group considers whether the counterparty can benefit from a license for its intended purpose without the receipt of the remaining promise(s) by considering whether the value of the license is dependent on the unsatisfied promise(s), whether there are other vendors that could provide the remaining promise(s), and whether it is separately identifiable from the remaining promise(s).

##### (i) **Upfront payments**

Upfront payment is allocated to the performance obligations based on the Group's best estimate of their relative stand-alone selling prices.

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## 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### Revenue from contracts with customers (Continued)

##### (b) Licenses of Intellectual Property (Continued)

###### (ii) Milestone payments

Milestone payments represent a form of variable consideration which are included in the transaction price to the extent that it is highly probable that a significant reversal of accumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. At the inception of each arrangement that includes milestone payments, the Group evaluates whether the milestones are considered highly probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. Milestone payments that are not within the control of the Group, such as regulatory approvals, are not considered highly probable of being achieved until those approvals are received. The Group evaluates factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment. There is considerable judgement involved in determining whether it is highly probable that a significant reversal of cumulative revenue would not occur. At the end of each subsequent reporting period, the Group re-evaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price.

When the Group cannot conclude that it is highly probable that a significant revenue reversal of cumulative revenue under the contract will not occur, the Group constrains the related variable consideration resulting in its exclusion from the transaction price. At the end of each subsequent reporting period, the Group re-evaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price.

###### (iii) Royalty payments

The Group recognises revenue for sales-based milestone payments promised in exchange for a license of intellectual property only when (or as) the later of the following events occurs:

- (a) the subsequent sale occurs; and
- (b) the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

#### Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

#### Other income

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

## Notes to Financial Statements

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Contract liabilities

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

#### Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

#### Share-based payments

The Group operates several share option schemes and restricted stock units schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render in exchange for equity instruments. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details of which are given in Note 33 and Note 34 to the financial statements.

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

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

## Notes to Financial Statements

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Share-based payments (Continued)

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

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

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

#### Other employee benefits

##### Pension schemes

The Group participates in the national pension schemes as defined by the laws of the countries and regions in which it has operations.

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The non-PRC employees are covered by other defined contribution pension plans sponsored by the respective local governments.

## Notes to Financial Statements

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### 2.4 MATERIAL ACCOUNTING POLICIES (Continued)

#### Borrowing costs

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

#### Events after the reporting period

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

#### Dividends

Final dividends are recognised as a liability when they are approved by the Shareholders in a general meeting. Proposed final dividends are disclosed in the Note 12 to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### Foreign currencies

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

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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## **2.4 MATERIAL ACCOUNTING POLICIES (Continued)**

### **Foreign currencies (Continued)**

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

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

The functional currencies of certain subsidiaries established in the PRC, Japan, Europe, Singapore and Hong Kong are currencies other than the US\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into US\$ at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into US\$ at the exchange rate that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statements of cash flows, the cash flows established in the subsidiaries are translated into US\$ at exchange rates that approximate to those prevailing at the dates of the transactions. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into US\$ at the weighted average exchange rates for the year.

## Notes to Financial Statements

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

#### Judgement

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

#### Revenue from contracts with customers

The Group has applied the following judgements that significantly affect the determination of the performance obligations and the method to estimate variable consideration of revenue from contracts with customers:

(i) *Determining the performance of obligations of the contract*

In determining whether the license, including the technology transfer service, transfers to a customer either at a point in time or over time, the Group considers whether the nature of the Group's promise in granting the license to a customer is to provide a right to access or a right to use the Group's intellectual property.

The Group use input methods to measure the progress toward the complete satisfaction of performance obligations satisfied over time. Significant management judgement is required in determining the level of effort required under an arrangement and the period over which we are expected to complete our performance obligations under an arrangement. The Group evaluate the measure of progress each reporting period and, if necessary, adjust the measure of performance and related revenue recognition.

(ii) *Determining the method to estimate variable consideration*

Certain contracts include milestone payments that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the milestone payments as this method better predicts the amount of variable consideration to which the Group will be entitled.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group evaluates factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve the particular milestone in making this assessment.

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### **3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)**

#### **Judgement (Continued)**

##### **Deferred tax assets**

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

The Group has tax losses of US\$ 125,618,000 (2024: US\$75,529,000) carried forward not recognized as deferred tax assets. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by US\$57,958,000. Further details on deferred taxes are disclosed in Note 31 to the financial statements.

##### **Estimation uncertainty**

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

##### **Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was US\$1,366,000 (2024: US\$1,336,000).

## Notes to Financial Statements

31 December 2025

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty (Continued)

##### Impairment of long-lived assets

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

The Group perform impairment assessment over long-lived assets by estimating the recoverable amount (being the higher of the fair value less costs of disposal and value-in-use). Sensitivity analysis is performed by the management to assess impact of key assumptions such as pre-tax discount rate to results of the present value of estimated future cash flows. Impairment provision for long-lived assets was nil for the year ended 31 December 2025 (2024: US\$45,511,000). More details are given in Note 18 to the financial statements.

##### Impairment of investment in a significant associate

The Group assesses whether there are any indicators of impairment for investment in a significant associate at the end of each reporting period. An impairment exists when the carrying value of the investment exceed its recoverable amounts, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair values less costs of disposal is based on observable market prices less incremental costs for disposing of the asset. When value-in-use calculation is undertaken, management estimates the expected future cash flows from the associate and choose a suitable discount rate and terminal growth rate in order to calculate the present value of the cash flow. An impairment loss of US\$398,071,000 (2024: Nil) was recognised in respect of the investment in Legend Group. Further details, including a sensitivity analysis of key assumptions, are given in Note 18 to the financial statements.

##### Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns by product type and rating.

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 22 to the financial statements.

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### Estimation uncertainty (Continued)

##### Leases – Estimating the incremental borrowing rate

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

##### Net realisable value of inventories and contract costs

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in market conditions. Management reassesses these estimates at each reporting date. At 31 December 2025, the net carrying value of inventories was US\$39,594,000 (2024: US\$31,097,000), and the net carrying value of contract costs was US\$21,954,000 (2024: US\$19,349,000). More details are given in Note 20 and Note 21 to the financial statements.

##### Share-based compensation

The fair value of share options granted by the Group is estimated using valuation techniques, including the binomial model and the Black-Scholes model. The use of these valuation models require management to make certain assumptions with respect to selected model inputs. Management estimates expected volatility based on the historical volatility of the stock of comparable companies. Expiration date is the basis for determining the expected life of an option. The risk-free interest rate is based on treasury yield curve rates with a remaining term which approximates to the expected life assumed at the date of grant. Changes in these input variables would affect the amount of expense associated with share-based compensation. The compensation expense recognised for all share-based awards is net of estimated forfeitures. The Group estimates forfeiture rates based on historical analysis of option forfeitures. If actual forfeitures vary from estimated forfeitures, adjustments to compensation expense may be required. For the year ended 31 December 2025, the equity-settled share-based compensation expense was US\$14,916,000 (2024: US\$74,349,000).

##### Fair value of convertible redeemable preferred shares

For convertible redeemable preferred shares designated by the Group as financial liabilities at fair value through profit or loss, the fair value is determined by valuation techniques that involved the use of significant accounting estimates and judgements. Further details are included in Note 29 and Note 41 to the financial statement.

## Notes to Financial Statements

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### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group was organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) The life-science services and products unit which provides comprehensive research services and products, which are widely used and are fundamental to life-science research and application;
- (b) The biologics development services unit which provides comprehensive services aimed to help biopharmaceutical and biotech companies accelerate the development of therapeutic antibodies, and CGT products with an integrated platform;
- (c) The industrial synthetic biology products unit which provides industrial enzyme development and production through non-pathogenic microbial strains constructed using genetic engineering; and
- (d) The operation unit which mainly provides shared services to other segments.

\* As disclosed in Note 1 to the financial statements, the Group was previously engaged in the cell therapy business through Legend Group. With the deconsolidation of Legend Group effective from 18 October 2024, the cell therapy business is being classified as a discontinued operation and no longer included in the note for operating segment information for the year ended 31 December 2024.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax.

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the chief operating decision maker for review.

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31 December 2025

4. OPERATING SEGMENT INFORMATION (Continued)

For the year ended 31 December 2025	Life-science services and products US\$'000	Biologics development services US\$'000	Industrial synthetic biology products US\$'000	Operation unit US\$'000	Eliminations US\$'000	Total US\$'000
<b>Segment revenue (Note 5)</b>						
Sales to external customers	516,315	381,935	57,912	3,364	-	959,526
Intersegment sales	5,814	6,751	40	62,701	(75,306)	-
Total revenue	522,129	388,686	57,952	66,065	(75,306)	959,526
<b>Segment cost of sales</b>	(257,288)	(131,110)	(35,002)	(56,836)	73,914	(406,322)
<b>Segment gross profit</b>	264,841	257,576	22,950	9,229	(1,392)	553,204
Other income, gains and expenses, net	(186)	6,471	(184)	21,122	12,902	40,125
Selling and distribution expenses	(74,807)	(13,719)	(7,735)	(3,537)	311	(99,487)
Administrative expenses	(55,411)	(42,726)	(8,052)	(23,044)	662	(128,571)
R&D expenses	(48,400)	(10,441)	(10,751)	(2,450)	811	(71,231)
Fair value (losses)/gains of preferred shares	-	(59,183)	-	43,392	(14,370)	(30,161)
Share of (losses)/profits of associates:						
Investment in a significant associate	-	-	-	(320,400)	-	(320,400)
Investments in other associates	-	-	121	(99)	-	22
Finance costs	-	(6,209)	(4,189)	(8,845)	1,949	(17,294)
(Provision for)/Reversal of financial assets, net	(758)	1,972	(26)	148	(5)	1,331
Impairment of the investment in a significant associate	-	-	-	(398,071)	-	(398,071)
Profit/(Loss) before tax	85,279	133,741	(7,866)	(682,555)	868	(470,533)

## Notes to Financial Statements

31 December 2025

### 4. OPERATING SEGMENT INFORMATION (Continued)

For the year ended 31 December 2024	Life-science services and products US\$'000	Biologics development services US\$'000	Industrial synthetic biology products US\$'000	Operation unit US\$'000	Eliminations US\$'000	Total US\$'000
<b>Segment revenue (Note 5)</b>						
Sales to external customers	450,634	87,771	53,589	2,492	–	594,486
Intersegment sales	4,313	7,250	96	54,394	(66,053)	–
<b>Total revenue</b>	<b>454,947</b>	<b>95,021</b>	<b>53,685</b>	<b>56,886</b>	<b>(66,053)</b>	<b>594,486</b>
<b>Segment cost of sales</b>	<b>(219,909)</b>	<b>(86,189)</b>	<b>(31,083)</b>	<b>(49,523)</b>	<b>64,343</b>	<b>(322,361)</b>
<b>Segment gross profit</b>	<b>235,038</b>	<b>8,832</b>	<b>22,602</b>	<b>7,363</b>	<b>(1,710)</b>	<b>272,125</b>
Other income, gains and expenses, net	(607)	43,915	1,919	2,363	(11,473)	36,117
Selling and distribution expenses	(66,116)	(12,146)	(6,617)	(3,600)	358	(88,121)
Administrative expenses	(44,318)	(37,153)	(6,751)	(26,451)	298	(114,375)
R&D expenses	(40,724)	(3,982)	(7,227)	(2,617)	761	(53,789)
Fair value losses of preferred shares	–	(130,880)	–	–	7,299	(123,581)
Share of losses of associates:						
Investment in a significant associate	–	–	–	(37,751)	–	(37,751)
Investments in other associates	–	–	(479)	(842)	–	(1,321)
Finance costs	–	(4,290)	(2,461)	(2,028)	747	(8,032)
Provision for impairment of financial assets, net	(1,449)	(5,341)	(1)	(1,116)	1,349	(6,558)
Provision for impairment of long- lived assets	–	(45,511)	–	–	–	(45,511)
<b>Profit/(Loss) before tax</b>	<b>81,824</b>	<b>(186,556)</b>	<b>985</b>	<b>(64,679)</b>	<b>(2,371)</b>	<b>(170,797)</b>

**Notes to Financial  
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31 December 2025

**4. OPERATING SEGMENT INFORMATION (Continued)**

**Geographic information**

(a) Revenue from external customers

	<b>2025</b>	2024
	<b>US\$'000</b>	US\$'000
Chinese mainland	<b>476,082</b>	176,883
The U.S.	<b>292,996</b>	265,092
Europe	<b>104,547</b>	80,930
Asia Pacific (excluding Chinese mainland)	<b>58,966</b>	53,077
Others	<b>26,935</b>	18,504
<b>Total</b>	<b>959,526</b>	594,486

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

(b) Non-current assets

	<b>2025</b>	2024
	<b>US\$'000</b>	US\$'000
Chinese mainland	<b>493,586</b>	479,290
The U.S.	<b>127,023</b>	122,872
Others	<b>26,581</b>	23,633
<b>Total</b>	<b>647,190</b>	625,795

The non-current asset information above is based on the locations of assets and excludes deferred tax assets, financial instruments and investments in associates.

**Information about a major customer**

During the year ended 31 December 2025, revenue from continuing operations of approximately US\$283,787,000 (2024: US\$1,833,000) was derived from the license revenue and rendering of services from a single customer. No single customer accounted for more than 10% of the Group's revenue from continuing operations during the year ended 31 December 2024.

## Notes to Financial Statements

31 December 2025

### 5. REVENUE, OTHER INCOME, GAINS AND EXPENSES, NET

An analysis of revenue is as follows:

	2025 US\$'000	2024 US\$'000
Revenue from contracts with customers	958,105	592,983
Revenue from other sources:		
Gross rental income from operating leases	1,369	1,446
Others	52	57
<b>Total</b>	<b>959,526</b>	<b>594,486</b>

#### Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2025

	Life-science services and products US\$'000	Biologics development services US\$'000	Industrial synthetic biology products US\$'000	Operation unit US\$'000	Total US\$'000
<b>Types of goods or services</b>					
Rendering of services and sales of products	516,313	97,394	57,856	2,001	673,564
License and collaboration revenue	-	284,541	-	-	284,541
<b>Total revenue from contracts with customers</b>	<b>516,313</b>	<b>381,935</b>	<b>57,856</b>	<b>2,001</b>	<b>958,105</b>
<b>Timing of revenue recognition</b>					
Goods and services transferred at a point in time	516,313	97,394	57,856	2,001	673,564
Licenses recognised at a point in time	-	284,541	-	-	284,541
<b>Total revenue from contracts with customers</b>	<b>516,313</b>	<b>381,935</b>	<b>57,856</b>	<b>2,001</b>	<b>958,105</b>

**Notes to Financial  
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31 December 2025

**5. REVENUE, OTHER INCOME, GAINS AND EXPENSES, NET (Continued)**

**Revenue from contracts with customers (Continued)**

(a) Disaggregated revenue information (Continued)

**For the year ended 31 December 2024**

	Life-science services and products US\$'000	Biologics development services US\$'000	Industrial synthetic biology products US\$'000	Operation unit US\$'000	Total US\$'000
<b>Types of goods or services</b>					
Rendering of services and sales of products	450,634	85,370	53,460	1,118	590,582
License and collaboration revenue	–	2,401	–	–	2,401
<b>Total revenue from contracts with customers</b>	<b>450,634</b>	<b>87,771</b>	<b>53,460</b>	<b>1,118</b>	<b>592,983</b>
<b>Timing of revenue recognition</b>					
Goods and services transferred at a point in time	450,634	85,370	53,460	1,118	590,582
Licenses recognised at a point in time	–	2,401	–	–	2,401
<b>Total revenue from contracts with customers</b>	<b>450,634</b>	<b>87,771</b>	<b>53,460</b>	<b>1,118</b>	<b>592,983</b>

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

	<b>2025</b> <b>US\$'000</b>	2024 US\$'000
Revenue recognised that was included in contract liabilities at the beginning of the Reporting Period:		
Rendering of services and sales of products	<b>44,263</b>	42,479

## Notes to Financial Statements

31 December 2025

### 5. REVENUE, OTHER INCOME, GAINS AND EXPENSES, NET (Continued)

#### Revenue from contracts with customers (Continued)

##### (b) Performance obligations

Information about the Group's performance obligations is summarised in Note 2.4 to the financial statements.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 are as follows:

	2025 US\$'000	2024 US\$'000
Amounts expected to be recognised as revenue:		
Within one year	<b>48,193</b>	46,211

#### Other income, gains and expenses, net

	2025 US\$'000	2024 US\$'000
<b>Finance income</b>	<b>26,101</b>	29,378
Unrealised gains on acquisition of preferred shares	<b>14,370</b>	–
Subsidies	<b>8,217</b>	6,874
Fair value gains on financial assets at fair value through profit or loss, net	<b>6,516</b>	185
Management service income	<b>925</b>	929
Losses of foreign currency forward and option contracts, net	<b>(15)</b>	(933)
Foreign currency exchange (losses)/gains, net	<b>(13,031)</b>	1,568
Others	<b>(2,958)</b>	(1,884)
Total	<b>40,125</b>	36,117

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**6. LOSS BEFORE TAX**

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

	Notes	2025 US\$'000	2024 US\$'000
Cost of services and products		<b>257,562</b>	192,050
Depreciation of property, plant and equipment		<b>60,477</b>	51,244
Depreciation of investment properties	15	<b>93</b>	92
Depreciation of right-of-use assets		<b>10,937</b>	7,972
Amortisation of other intangible assets		<b>2,532</b>	2,230
Impairment of the investment in a significant associate	18	<b>398,071</b>	–
(Reversal of)/Provision for impairment of financial assets, net		<b>(1,331)</b>	6,558
Provision for impairment of long-lived assets		<b>–</b>	45,511
Lease payments not included in the measurement of lease liabilities	16	<b>1,355</b>	1,390
Write-down of inventories and contract costs to net realisable value		<b>2,061</b>	3,080
Auditors' remuneration		<b>777</b>	1,534
Employee benefit expenses (including Directors' and Chief Executives' remuneration):			
Wages and salaries		<b>278,746</b>	245,682
Pension scheme contributions (defined contribution schemes)		<b>21,553</b>	19,022
Equity-settled share-based compensation expense		<b>14,916</b>	18,796
Less: Amount capitalised		<b>(123)</b>	2,166
		<b>315,092</b>	285,666
Losses on disposal of property, plant and equipment and other intangible assets		<b>869</b>	1,184
Gains on wealth management products		<b>(14,847)</b>	(8,584)
Fair value (gains)/losses of other non-current financial assets		<b>(1,861)</b>	1,660

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### 7. FINANCE COSTS

	2025 US\$'000	2024 US\$'000
Interest on financial liabilities measured at amortised cost	5,584	4,632
Interest on other payables (Note)	4,796	–
Interest on bank loans	3,688	1,666
Interest on lease liabilities	3,226	2,184
Less: Interest capitalised	–	(450)
<b>Total</b>	<b>17,294</b>	<b>8,032</b>

Note: As disclosed in the Company's announcement dated 28 April 2025, the Group acquired all outstanding ProBio Series A Preferred Shares from an external investor for an aggregate consideration of approximately US\$225,142,000. Of this amount, US\$22,514,000 was paid at the closing of the transaction. The remaining balance was agreed to be settled within 150 days from the agreement date, with interest accruing on a daily basis at a simple annual rate of 12%, calculated from the closing date until the actual payment date. All considerations including accrued interest were fully paid by the Group as of July 2025. As a result, the Group recognized interest expenses of US\$4,796,000 regarding the transaction for the year ended 31 December 2025.

### 8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

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

	2025 US\$'000	2024 US\$'000
Fee	581	414
Other emoluments:		
Salaries, allowances and benefits in kind	1,948	2,182
Performance related bonuses	872	732
Equity-settled share-based compensation expense	2,561	2,479
Pension scheme contributions	47	54
<b>Subtotal</b>	<b>5,428</b>	<b>5,447</b>
<b>Total</b>	<b>6,009</b>	<b>5,861</b>

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**8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (Continued)**

For the years ended 31 December 2025 and 2024, the Group granted restricted stock shares to certain Directors in respect of their services to the Group under the restricted stock shares scheme of the Group, further details of which are set out in Note 34 to the financial statements. The fair value of such restricted stock shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above Directors' and Chief Executives' remuneration disclosures.

**(a) Independent non-executive directors**

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

	2025 US\$'000	2024 US\$'000
Mr. Hongxin Guo*	–	23
Dr. Ross Grossman**	70	–
Mr. Edward Dai*	41	69
Mr. Ethan Pan	100	70
Dr. Xuehai Wang*	–	24
Mr. Andy Cheung	100	60
Dr. Victor Shi	100	60
Dr. Alphonse Galdes	100	30
Dr. John Quelch	70	9
<b>Total</b>	<b>581</b>	<b>345</b>

The equity-settled share-based compensation expense of independent non-executive directors during the year was as follows:

	2025 US\$'000	2024 US\$'000
Dr. Ross Grossman**	17	–
Mr. Hongxin Guo*	–	97
Mr. Edward Dai*	11	110
Mr. Ethan Pan	8	16
Dr. Xuehai Wang*	–	13
Dr. John Quelch	17	2
<b>Total</b>	<b>53</b>	<b>238</b>

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### 8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (Continued)

#### (a) Independent non-executive directors (Continued)

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

\* Mr. Hongxin Guo resigned on 21 June 2024, Mr. Edward Dai resigned on 29 May 2025, and Dr. Xuehai Wang resigned on 5 July 2024.

\*\* Dr. Ross Grossman was appointed as a non-executive director with effect from 12 September 2024 and was re-designated as an independent non-executive director on 11 March 2025.

#### (b) Executive directors, non-executive directors and the Chief Executives

	Fees US\$'000	Salaries allowances and benefits in kind* US\$'000	Performance related bonuses US\$'000	Equity-settled share-based compensation expense US\$'000	Pension scheme contributions US\$'000	Total remuneration US\$'000
<b>2025</b>						
<b>Executive directors:</b>						
Dr. Frank Zhang	-	449	179	-	17	645
Mr. Robin Meng	-	345	145	28	7	525
Ms. Sally Wang	-	514	209	64	16	803
Dr. Li Zhu	-	235	106	254	-	595
Subtotal	-	1,543	639	346	40	2,568
<b>Non-executive director:</b>						
Dr. Larry Wang**	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
<b>Chief Executive:</b>						
Ms. Sherry Shao	-	405	233	2,162	7	2,807
Subtotal	-	405	233	2,162	7	2,807
<b>Total</b>	-	1,948	872	2,508	47	5,375

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**8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (Continued)**  
**(b) Executive directors, non-executive directors and the Chief Executives (Continued)**

	Fees US\$'000	Salaries allowances and benefits in kind* US\$'000	Performance related bonuses US\$'000	Equity-settled share-based compensation expense US\$'000	Pension scheme contributions US\$'000	Total remuneration US\$'000
2024						
<b>Executive directors:</b>						
Dr. Frank Zhang	–	441	153	–	17	611
Mr. Robin Meng	–	340	124	60	7	531
Ms. Sally Wang	–	509	176	213	16	914
Dr. Li Zhu	–	205	78	101	–	384
Subtotal	–	1,495	531	374	40	2,440
<b>Non-executive directors:</b>						
Mr. Yuexin Pan**	23	–	–	97	–	120
Ms. Jiafen Wang**	25	–	–	3	–	28
Dr. Larry Wang**	–	–	–	–	–	–
Dr. Ross Grossman	21	–	–	2	–	23
Subtotal	69	–	–	102	–	171
<b>Chief Executives:</b>						
Ms. Sherry Shao (On duty from 1 January 2024)	–	352	201	3,055	7	3,615
Dr. Zhenyu Liu (On duty till 31 December 2023) ***	–	335	–	(1,290)	7	(948)
Subtotal	–	687	201	1,765	14	2,667
<b>Total</b>	<b>69</b>	<b>2,182</b>	<b>732</b>	<b>2,241</b>	<b>54</b>	<b>5,278</b>

\* The benefits in kind include contributions made for Directors' social security in the U.S. and other commercial insurance paid by the Group.

\*\* Dr. Larry Wang resigned on 29 May 2025, Mr. Yuexin Pan resigned on 21 June 2024, and Ms. Jiafen Wang resigned on 5 July 2024.

\*\*\* Dr. Zhenyu Liu completed his term of duty on 31 December 2023 and remained as a rotating chief executive officer of the Company until his resignation on 31 December 2024.

There was no arrangement under which a Director waived or agreed to waive any remuneration during the year ended 31 December 2025 (2024: Nil).

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### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one Director (2024: one) and one Chief Executive (2024: one) whose emoluments are reflected in the analysis shown in Note 8 to the financial statements. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a Director nor Chief Executive of the Group are as follows:

	2025 US\$'000	2024 US\$'000
Salaries, allowances and benefits in kind	1,185	1,469
Performance related bonuses	625	561
Equity-settled share-based compensation expense	711	2,452
Pension scheme contributions	49	16
<b>Total</b>	<b>2,570</b>	<b>4,498</b>

The number of the non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$6,000,001 to HK\$7,000,000	2	–
HK\$7,000,001 to HK\$8,000,000	1	–
HK\$8,000,001 to HK\$9,000,000	–	1
HK\$9,000,001 to HK\$10,000,000	–	1
HK\$16,000,001 to HK\$17,000,000	–	1
<b>Total</b>	<b>3</b>	<b>3</b>

## Notes to Financial Statements

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### 10. INCOME TAX EXPENSE

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

#### Cayman and British Virgin Islands

Pursuant to the rules and regulations of Cayman and the British Virgin Islands, the Group was not subject to any income tax in Cayman and the British Virgin Islands. The Company is subject to withholding tax on interest income from Chinese mainland.

#### U.S.

The subsidiaries of the Group operating in the U.S. were subject to federal tax at a rate of 21% (2024: 21%) and state tax at an average rate of 0.75% to 9.80% (2024: 0.75% to 9.99%) during the Reporting Period.

#### Greater China

The provision for China current income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in China which are granted tax concession and are taxed at preferential tax rates.

Jinan Bestzyme is qualified as High and New Technology Enterprises and was subject to income tax at a preferential tax rate of 15% (2024: 15%) for the Reporting Period.

GenScript Jiangsu is qualified as High and New Technology Enterprises and Advanced Technology Service Enterprises, and was subject to income tax at a preferential tax rate of 15% (2024: 15%) for the Reporting Period.

GS China qualified as High and New Technology Enterprises and was subject to income tax at a preferential tax rate of 15% (2024: 15%) for the Reporting Period.

	2025 US\$'000	2024 US\$'000
Current – Chinese mainland	45,159	10,079
Current – the U.S.	(4,161)	7,338
Current – Others	1,568	642
Deferred income tax expense	19,305	(10,416)
Total	61,871	7,643
Less: Total tax charge for the period from discontinued operation	–	(4,666)
Total tax charge for the year from continuing operations	61,871	2,977

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### 10. INCOME TAX EXPENSE (Continued)

A reconciliation of the tax charge/(credit) applicable to loss/profit before tax at the statutory rate for the countries (or jurisdictions) in which the Company and the majority of its subsidiaries are domiciled to the tax expense/(credit) at the effective tax rate is as follows:

	2025 US\$'000	2024 US\$'000
Loss before tax from continuing operations	<b>(470,533)</b>	(170,797)
Profit before tax from discontinued operation	-	3,033,727
<b>Total</b>	<b>(470,533)</b>	2,862,930
Tax at the statutory rate of 25% (2024: 25%)	<b>(117,633)</b>	715,733
Effect of tax rate differences in other countries and regions	<b>175,741</b>	(763,090)
Tax losses utilised from previous periods	<b>(284)</b>	(58)
Effect on deferred tax of change in rates	<b>40</b>	(3,191)
Additional deductible allowance for R&D expenses	<b>(6,902)</b>	(11,863)
Effect of non-deductible expenses	<b>2,746</b>	5,007
Tax losses and deductible temporary differences not recognised	<b>10,392</b>	68,918
Adjustments in respect of current tax of previous periods	<b>(2,072)</b>	(1,613)
Option income tax benefit	<b>83</b>	(1,434)
Effect of withholding tax on interest income	<b>(251)</b>	848
Others	<b>11</b>	(1,614)
<b>Total</b>	<b>61,871</b>	7,643

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

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### 11. DISCONTINUED OPERATION

As mentioned in Note 1 to the financial statements, the Company deconsolidated Legend Group effective from 18 October 2024. Legend Group was presented as a discontinued operation resulting from the Deconsolidation in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The Board assessed and concluded that it is appropriate to perform the below accounting analysis of discontinued operation based on the consolidated financial statements of Legend Group as at 30 September 2024 and for the nine month ended then, as the financial position, financial performance and cash flows of Legend Group at that time do not significantly change compared to those at the Deconsolidation Date (i.e., 18 October 2024), as well as comparative information presented accordingly.

The results of Legend Group for the nine months ended 30 September 2024 are presented below:

	Nine months ended 30 September 2024 US\$'000
REVENUE	440,719
Cost of revenue	(160,659)
Other income, gains and expenses, net	48,009
R&D expenses	(309,112)
Administrative expenses	(102,582)
Selling and distribution expenses	(98,556)
Finance costs	(16,463)
Loss before tax	(198,644)
Income tax expense	(4,666)
Loss for the period	(203,310)
Add: Intra-group unrealised gain before deconsolidation	161
Loss for the period from Legend Group, net of tax	(203,149)
Gain on deconsolidation of Legend Group, net of tax	3,232,210
Profit for the period from discontinued operation	3,029,061

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### 11. DISCONTINUED OPERATION (Continued)

The cash flows of Legend Group for the nine months ended 30 September 2024 are as follows:

	Nine months ended 30 September 2024 US\$'000
Operating activities	(61,955)
Investing activities	(762,702)
Financing activities	6,031
Net foreign exchange differences	190
Net cash outflow for the period from the discontinued operation	(818,436)

### 12. DIVIDENDS

At the date of the approval of these financial statements, the Board resolved not to declare any dividend for the year ended 31 December 2025 (2024: Nil).

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### 13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the Reporting Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,167,322,403 (2024: 2,121,285,454) outstanding during the Reporting Period.

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

The calculations of basic and diluted (loss)/earnings per share are based on:

	2025 US\$'000	2024 US\$'000
<b>(Loss)/Profit</b>		
(Loss)/Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculation		
Loss from continuing operations	<b>(532,830)</b>	(173,800)
Profit from the discontinued operation	–	3,135,677
Total (loss)/profit attributable to ordinary holders of parent, used in basic calculation	<b>(532,830)</b>	2,961,877
Dilution effect arising from preferred shares issued by a subsidiary	<b>(2,653)</b>	–
(Loss)/Profit attributable to ordinary equity holders of the parent, used in diluted calculation from continuing operations	<b>(535,483)</b>	2,961,877

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### 13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

	Number of shares	
	2025	2024
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year	<b>2,170,023,759</b>	2,125,610,314
Effect of shares repurchased	<b>(2,701,356)</b>	(4,324,860)
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation	<b>2,167,322,403</b>	2,121,285,454
Effect of dilution – weighted average number of ordinary shares	<b>24,672,123</b>	57,016,286
Weighted average number of ordinary shares in issue during the year used in the diluted (loss)/earnings per share calculation	<b>2,191,994,526</b>	2,178,301,740
	2025 US\$ Cent	2024 US\$ Cent
Basic (loss)/earnings per share arising from		
Continuing operations	<b>(24.58)</b>	(8.19)
Discontinued operation	–	147.82
(Loss)/Profit for the year	<b>(24.58)</b>	139.63
Diluted (loss)/earnings per share arising from		
Continuing operations	<b>(24.58)</b>	(8.19)
Discontinued operation	–	143.95
(Loss)/Profit for the year	<b>(24.58)</b>	135.97

Note: For the continuing operations, the diluted loss per share is the same as the basic loss per share because the effect of share options and RSUs were anti-dilutive for the years ended 31 December 2025 and 2024.

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14. PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and leasehold improvements US\$'000	Machinery and equipment US\$'000	Transportation equipment US\$'000	Computer and office equipment US\$'000	Construction In progress US\$'000	Total US\$'000
<b>31 December 2025</b>						
At 1 January 2025						
Cost	320,666	296,937	986	13,755	129,372	761,716
Accumulated depreciation and impairment	(56,769)	(132,397)	(599)	(8,659)	(45,291)	(243,715)
Net carrying amount	263,897	164,540	387	5,096	84,081	518,001
At 1 January 2025, net of accumulated depreciation	263,897	164,540	387	5,096	84,081	518,001
Additions	2,835	419	–	200	67,953	71,407
Disposals	(439)	(977)	(1)	(7)	–	(1,424)
Depreciation provided during the year	(21,057)	(36,549)	(68)	(2,803)	–	(60,477)
Transfers	28,730	62,045	39	3,982	(94,796)	–
Exchange realignment	6,842	1,011	8	17	1,389	9,267
At 31 December 2025, net of accumulated depreciation and impairment	280,808	190,489	365	6,485	58,627	536,774
At 31 December 2025						
Cost	390,958	362,515	1,006	17,010	63,586	835,075
Accumulated depreciation and impairment	(110,150)	(172,026)	(641)	(10,525)	(4,959)	(298,301)
Net carrying amount	280,808	190,489	365	6,485	58,627	536,774

## Notes to Financial Statements

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### 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land, buildings and leasehold improvements US\$'000	Machinery and equipment US\$'000	Transportation equipment US\$'000	Computer and office equipment US\$'000	Construction In progress US\$'000	Total US\$'000
<b>31 December 2024</b>						
At 1 January 2024						
Cost	350,488	302,966	1,018	15,639	131,595	801,706
Accumulated depreciation and impairment	(56,085)	(124,911)	(563)	(10,680)	(1,360)	(193,599)
Net carrying amount	294,403	178,055	455	4,959	130,235	608,107
At 1 January 2024, net of accumulated depreciation	294,403	178,055	455	4,959	130,235	608,107
Additions	10,245	2,728	38	131	112,253	125,395
Deconsolidation of Legend Group (note 11)	(75,693)	(24,462)	(16)	(807)	(3,053)	(104,031)
Disposals	(73)	(1,574)	–	(91)	(68)	(1,806)
Depreciation provided during the year	(18,754)	(37,622)	(83)	(2,364)	–	(58,823)
Impairment	–	(735)	–	–	(43,931)	(44,666)
Transfers	56,838	49,910	–	3,239	(109,987)	–
Exchange realignment	(3,069)	(1,760)	(7)	29	(1,368)	(6,175)
At 31 December 2024, net of accumulated depreciation and impairment	263,897	164,540	387	5,096	84,081	518,001
At 31 December 2024						
Cost	320,666	296,937	986	13,755	129,372	761,716
Accumulated depreciation and impairment	(56,769)	(132,397)	(599)	(8,659)	(45,291)	(243,715)
Net carrying amount	263,897	164,540	387	5,096	84,081	518,001

As at 31 December 2025, properties amounting to approximately US\$31,774,000 (2024: US\$31,974,000) were pledged to an affiliate of the Series B Preferred Shareholder of ProBio Cayman to secure the redemption right held by such preferred shareholder. More details are given in note 30 to the financial statements.

During the year ended 31 December 2025, no impairment loss was recognised for property, plant and equipment (2024: approximately US\$44,666,000 belonging to biologics development services segment).

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### 15. INVESTMENT PROPERTIES

	2025 US\$'000	2024 US\$'000
Carrying amount at 1 January	4,848	5,442
Depreciation provided during the year	(93)	(92)
Exchange realignment	(40)	(502)
Carrying amount at 31 December	4,715	4,848

As at 31 December 2025, the Group's investment properties are located in Japan with estimated useful lives of 22 years and a carrying amount of US\$4,715,000 (2024: US\$4,848,000).

The investment properties are leased to third parties under operating leases, further details of which are included in Note 5 to the financial statements.

As at 31 December 2025, the Group's investment properties were valued at US\$5,325,000 (2024: US\$5,351,000) based on valuation performed by an independent professionally qualified valuer.

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

#### As at 31 December 2025

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant Observable Inputs (Level 2) US\$'000	Significant Unobservable Inputs (Level 3) US\$'000	
Recurring fair value measurement for: Investment properties	-	-	5,325	5,325

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### 15. INVESTMENT PROPERTIES (Continued)

#### Fair value hierarchy (Continued)

As at 31 December 2024

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant Observable Inputs (Level 2) US\$'000	Significant Unobservable Inputs (Level 3) US\$'000	
Recurring fair value measurement for:				
Investment properties	–	–	5,351	5,351

During the year ended 31 December 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for investment properties (2024: Nil).

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

### 16. LEASES

#### The Group as a lessee

The Group has lease contracts for leasehold land, buildings and office premises. Leases of buildings and office premises generally have lease terms between 2 and 50 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

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**16. LEASES (Continued)**  
**The Group as a lessee (Continued)**

(a) Right-of-use assets

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

	Leasehold land US\$'000	Buildings and office premises US\$'000	Total US\$'000
As at 1 January 2024	21,768	98,852	120,620
Additions	13	71,506	71,519
Depreciation	(479)	(14,481)	(14,960)
Disposal	–	(426)	(426)
Exchange realignment	(216)	532	316
Deconsolidation of Legend Group (Note 11)	(4,167)	(95,285)	(99,452)
As at 31 December 2024 and 1 January 2025	<b>16,919</b>	<b>60,698</b>	<b>77,617</b>
Additions	<b>56</b>	<b>8,894</b>	<b>8,950</b>
Depreciation	<b>(407)</b>	<b>(10,530)</b>	<b>(10,937)</b>
Disposal	–	<b>(295)</b>	<b>(295)</b>
Exchange realignment	<b>390</b>	<b>193</b>	<b>583</b>
As at 31 December 2025	<b>16,958</b>	<b>58,960</b>	<b>75,918</b>

## Notes to Financial Statements

31 December 2025

### 16. LEASES (Continued) The Group as a lessee (Continued)

(b) Lease liabilities

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

	2025 US\$'000	2024 US\$'000
Carrying amount at 1 January	64,514	72,772
New leases	8,894	51,553
Accretion of interest recognised during the year	3,226	3,347
Payments	(12,213)	(12,923)
Disposal	(356)	(375)
Exchange realignment	103	108
Deconsolidation of Legend Group (Note 11)	–	(49,968)
Carrying amount at 31 December	<b>64,168</b>	64,514
Analysed into:		
Current portion	9,161	7,524
Non-current portion	55,007	56,990
Total	<b>64,168</b>	64,514

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

	2025 US\$'000	2024 US\$'000
Interest on lease liabilities	3,226	2,184
Depreciation charge of right-of-use assets	10,937	7,972
Expense relating to short-term leases and leases of low-value assets	1,355	1,390
Total amount recognised in profit or loss	<b>15,518</b>	11,546

## Notes to Financial Statements

31 December 2025

### 16. LEASES (Continued)

#### The Group as a lessor

The Group leases its investment property in Japan to external customers and certain properties to Legend Group. Rental income recognised by the Group during the year was US\$1,369,000 (2024: US\$1,446,000), in which amount of US\$950,000 (2024:US\$1,030,000) was came from Legend Group, details of which are included in Note 5 to the financial statements.

At 31 December 2025, the undiscounted minimum lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 US\$'000	2024 US\$'000
Within one year	430	521
More than one year but within five years	139	39
<b>Total</b>	<b>569</b>	<b>560</b>

### 17. OTHER INTANGIBLE ASSETS

	Software US\$'000	Patents and licenses US\$'000	Customer relationship US\$'000	Total US\$'000
<b>31 December 2025</b>				
Cost at 1 January 2025, net of accumulated amortisation	3,874	9,140	21	13,035
Additions	2,827	-	-	2,827
Amortisation provided during the year	(739)	(1,778)	(15)	(2,532)
Disposal	(199)	-	-	(199)
Exchange realignment	63	57	1	121
At 31 December 2025	<b>5,826</b>	<b>7,419</b>	<b>7</b>	<b>13,252</b>
At 31 December 2025				
Cost	8,562	27,143	147	35,852
Accumulated amortisation and impairment	(2,736)	(19,724)	(140)	(22,600)
Net carrying amount	<b>5,826</b>	<b>7,419</b>	<b>7</b>	<b>13,252</b>

## Notes to Financial Statements

31 December 2025

### 17. OTHER INTANGIBLE ASSETS (Continued)

	Software US\$'000	Patents and licenses US\$'000	Customer relationship US\$'000	Total US\$'000
<b>31 December 2024</b>				
Cost at 1 January 2024, net of accumulated amortisation	5,652	12,960	36	18,648
Additions	749	29	–	778
Amortisation provided during the year	(1,956)	(1,824)	(15)	(3,795)
Disposal	(18)	–	–	(18)
Deconsolidation of Legend (note 11)	(516)	(1,991)	–	(2,507)
Exchange realignment	(37)	(34)	–	(71)
At 31 December 2024	3,874	9,140	21	13,035
At 31 December 2024				
Cost	6,445	26,829	158	33,432
Accumulated amortisation and impairment	(2,571)	(17,689)	(137)	(20,397)
Net carrying amount	3,874	9,140	21	13,035

### 18. INVESTMENTS IN ASSOCIATES

	2025 US\$'000	2024 US\$'000
Investment in a significant associate	3,454,161	3,653,932
Investments in other associates	30,554	13,799
Less: Impairment loss provided	(398,071)	–
Net carrying amount	3,086,644	3,667,731

Legend Group is a global, commercial-stage biotechnology company developing and manufacturing novel therapies whose shares are listed by way of ADS on the Nasdaq Global Select Market in the U.S., and it is regarded as a significant associate of the Company.

## Notes to Financial Statements

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### 18. INVESTMENTS IN ASSOCIATES (Continued)

The following tables illustrate the condensed financial information of Legend Group as included in its own consolidated financial statements, subject for appropriate adjustments made in order to account, for example, identifiable intangible assets based on the fair values at the Deconsolidation Date and adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements:

	31 December 2025 US\$'000	30 September 2025 US\$'000
Non-current assets	<b>6,148,434</b>	6,503,503
Current assets	<b>1,247,100</b>	1,283,918
Current liabilities	<b>636,400</b>	277,645
Non-current liabilities	<b>939,053</b>	1,320,526
Total identifiable net assets at fair value (Note)	<b>5,820,081</b>	6,189,250
Proportion of the Group's ownership	<b>47.18%</b>	47.51%
Group's share of identifiable net assets of Legend Group	<b>2,745,635</b>	2,940,413
Equity method goodwill (Note)	<b>708,526</b>	713,519
Impairment loss provided	<b>(398,071)</b>	–
Carrying amount of the investment in Legend Group	<b>3,056,090</b>	3,653,932
Market capitalization of the Company's investment in Legend Group	<b>1,896,788</b>	2,839,075

Note: As disclosed in Note 1 to the financial statement, subsequent to the Deconsolidation, the Group accounts for the Company's investment in Legend Group as an associate using equity method as the Company is assessed to have significant influence on Legend Group. On initial recognition, the Company remeasured all the identified assets and liabilities of Legend Group at their fair value (i.e. performed a new purchase price allocation) to apply the equity method from the Deconsolidation Date, and the difference between the fair value of the retained investment in Legend Group at the Deconsolidation Date and the Company's shares of the fair value of Legend Group's identified net assets are recognised as goodwill.

## Notes to Financial Statements

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### 18. INVESTMENTS IN ASSOCIATES (Continued)

	2025 US\$'000
Revenue	1,028,900
Loss for the year, including:	
Legend Group's profit for the year, net of tax	(296,800)
Amortisation and depreciation for fair value on Legend Group's net identifiable assets, net of tax	(330,655)
Other comprehensive income	190,400
<b>Total comprehensive loss</b>	<b>(437,055)</b>

The movement on interest in Legend Group is as follows:

	2024 US\$'000
Initial carrying amount in Legend Group on the Deconsolidation Date	3,740,355
Share of loss for the period	(33,980)
Loss on deemed dilution of interests during the period	(3,771)
Share of other comprehensive loss	(55,032)
Share of the change in other reserves	6,360
<b>At 31 December 2024 and 1 January 2025</b>	<b>3,653,932</b>
Share of loss for the year	(296,924)
Loss on deemed dilution of interests during the year	(23,476)
Share of other comprehensive income	90,078
Share of the change in other reserves	30,551
Impairment loss	(398,071)
<b>At 31 December 2025</b>	<b>3,056,090</b>

As of 31 December 2025, the market value of the Company's investment in Legend Group was lower than the carrying amount, resulting from the decrease in the stock price of Legend's ADS on the Nasdaq Global Select Market in the U.S.. A significant or prolonged decline in the fair value of an equity investment below the cost is objective evidence of impairment under HKAS 28 *Investments in Associates and Joint Ventures*. Therefore, the Company performed the impairment testing on the investment in Legend Group as at 31 December 2025 with assistance from an independent external valuer.

## Notes to Financial Statements

31 December 2025

### 18. INVESTMENTS IN ASSOCIATES (Continued)

The recoverable amount of the investment in Legend Group was determined as the higher of: (i) value in use, representing the present value of future cash flows derived from a discounted cash flow model based on five-year financial projections, using a discounted rate of 12.7% and a terminal growth rate of 2.0%; and (ii) fair value less costs of disposal. The cash flow projections were developed based on Legend management's forward-looking estimates, incorporating significant assumptions regarding revenue growth, gross margin trends, operating expenses, working capital requirements and other key drivers over the forecast period. These assumptions were also grounded in Legend Group's historical performance, Legend management's assessment of future market conditions and other relevant factors. As a result of the impairment testing for investment in Legend Group, an impairment loss of US\$398,071,000 was recognised during the year ended 31 December 2025 (2024: not applicable).

As at 31 December 2025, sensitivity analysis indicated that: (i) a 0.25% increase or decrease in the discount rate from the base rate of 12.7% would lead to the impairment loss increasing by US\$70,385,000 or decreasing by US\$73,766,000, respectively; and (ii) a 0.25% increase or decrease in the terminal growth rate from the base rate of 2.00% would lead to the impairment loss decreasing by US\$50,789,000 or increasing by US\$48,470,000, respectively.

The following table illustrates the aggregate financial information of the Group's other associates that are not individually material:

	2025 US\$'000	2024 US\$'000
Share of the associates' profit/(loss) for the year	22	(1,321)
Share of the associates' total comprehensive income/(loss)	7,937	(1,321)
Aggregate carrying amount of the Group's investments in other associates	30,554	13,799

## Notes to Financial Statements

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### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 US\$'000	2024 US\$'000
<b>Non-current</b>			
Investments in financial products	i	–	65,344
Unlisted equity investments	ii	<b>24,039</b>	23,299
		<b>24,039</b>	88,643
<b>Current</b>			
Investments in financial products	i	<b>499,683</b>	224,851
Listed equity investments	ii	<b>26</b>	23
		<b>499,709</b>	224,874
Total		<b>523,748</b>	313,517

Notes:

- (i) The balance represents the investments in wealth management products issued by reputable commercial banks or institutions in the PRC, Europe, Hong Kong, and the U.S., which were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.
- (ii) The balance mainly represents the Group's investments in certain funds, listed and unlisted companies. These investments are not regarded as associates of the Group because the Group has no right to participate in the relevant activities of these limited partnerships.

## Notes to Financial Statements

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### 20. INVENTORIES

	2025 US\$'000	2024 US\$'000
Raw materials	<b>24,220</b>	21,626
Work in progress	<b>4,446</b>	2,806
Finished goods	<b>18,696</b>	18,937
	<b>47,362</b>	43,369
Provision for inventories	<b>(7,768)</b>	(12,272)
Total	<b>39,594</b>	31,097

### 21. CONTRACT COSTS

	2025 US\$'000	2024 US\$'000
Costs to fulfil contracts	<b>26,681</b>	21,815
Provision for contract costs	<b>(4,727)</b>	(2,466)
Total	<b>21,954</b>	19,349

## Notes to Financial Statements

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### 22. TRADE AND BILLS RECEIVABLES

	2025 US\$'000	2024 US\$'000
Trade receivables	<b>142,926</b>	123,746
Bills receivable	<b>3,711</b>	6,404
	<b>146,637</b>	130,150
Impairment of trade receivables	<b>(12,703)</b>	(13,859)
Total	<b>133,934</b>	116,291

The Group's trading terms with its customers are mainly on credit and the credit period granted by the Group is 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. The Group's trade receivables are related to a large number of diversified customers, and there is no significant concentration of credit risk. The Group's trade receivables are non-interest-bearing.

Amounts due from the Group's related parties of US\$1,794,000 (2024: US\$1,446,000) are included in the Group's trade receivables, which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the gross carrying amount of trade receivables as at the end of the year, based on the invoice date, is as follows:

	2025 US\$'000	2024 US\$'000
Within 3 months	<b>101,342</b>	83,598
3 to 6 months	<b>15,881</b>	15,058
6 to 12 months	<b>9,821</b>	9,325
Over 1 year	<b>15,882</b>	15,765
Total	<b>142,926</b>	123,746

## Notes to Financial Statements

31 December 2025

### 22. TRADE AND BILLS RECEIVABLES (Continued)

Movements in the loss allowance for impairment of trade receivables were as follows:

	2025 US\$'000	2024 US\$'000
At 1 January	13,859	7,967
Impairment losses recognised	1,590	6,665
Impairment losses reversed	(2,921)	(300)
Amount written off as uncollectible	(163)	(215)
Exchange realignment	338	(258)
At 31 December	<b>12,703</b>	13,859

The Group applies the simplified approach in calculating ECLs for trade receivables prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables. Certain trade receivables are assessed individually for impairment allowance, and remaining trade receivables are grouped and collectively assessed for impairment allowance.

Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by product and service type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

## Notes to Financial Statements

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### 22. TRADE AND BILLS RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	As at 31 December 2025		
	Gross carrying amount US\$'000	Expected loss rate	Expected credit loss US\$'000
Provision on an individual basis:	<b>12,959</b>	<b>81.14%</b>	<b>10,515</b>
Provision on a collective basis, aged:			
Less than 1 year	<b>124,820</b>	<b>0.69%</b>	<b>867</b>
Within 1 to 2 years	<b>4,256</b>	<b>17.76%</b>	<b>756</b>
Within 2 to 3 years	<b>709</b>	<b>54.02%</b>	<b>383</b>
Over 3 years	<b>182</b>	<b>100.00%</b>	<b>182</b>
<b>Total</b>	<b>142,926</b>		<b>12,703</b>

	As at 31 December 2024		
	Gross carrying amount US\$'000	Expected loss rate	Expected credit loss US\$'000
Provision on an individual basis:	28,311	36.38%	10,300
Provision on a collective basis, aged:			
Less than 1 year	90,025	0.97%	869
Within 1 to 2 years	3,517	35.26%	1,240
Within 2 to 3 years	1,637	72.94%	1,194
Over 3 years	256	100.00%	256
<b>Total</b>	<b>123,746</b>		<b>13,859</b>

The Group applies a general approach in calculating ECLs for bills receivable. All of the bills receivable are not past due and the Group classified such instruments as Stage 1 and measured ECLs on a 12-month basis. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECLs. For bank acceptance bills, as the relevant financial institutions have a high credit rating, the loss rate is expected to be minimal. For commercial acceptance bills, which were not yet past due, the loss rate is expected to be minimal as well.

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**23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS**

	2025 US\$'000	2024 US\$'000
<b>Current</b>		
Value-added tax recoverable	13,960	17,414
Prepayments	6,041	5,877
Prepaid expense	2,919	2,926
Other receivables	11,165	2,651
Prepaid income tax	6,090	444
Deposits	225	52
	<b>40,400</b>	29,364
Impairment of other receivables	(33)	(227)
Total	<b>40,367</b>	29,137
<b>Non-current</b>		
Deposits	4,243	3,567
Prepaid expense	339	171
Total	<b>4,582</b>	3,738

The Group applies a general approach in calculating ECLs for other receivables. Other receivables related to debtors that are in default are classified as Stage 1 without any significant increase in credit risk tracked since initial recognition. The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts.

## Notes to Financial Statements

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### 24. CASH AND BANK BALANCES

	Notes	2025 US\$'000	2024 US\$'000
Cash and bank balances		<b>343,410</b>	447,617
Less:			
Restricted cash	(a)	<b>31,129</b>	17,919
Non-pledged time deposits:			
Current portion		<b>169,793</b>	264,321
Non-current portion		–	33,387
Cash and cash equivalents	(b)	<b>142,488</b>	131,990

(a) The Group's restricted cash includes the followings:

	2025 US\$'000	2024 US\$'000
Pledged as security deposits for rentals	<b>12,965</b>	12,891
Pledged as guarantee of certain financial products	<b>12,082</b>	3,421
Pledged for bank acceptances bills	<b>3,991</b>	–
Pledged for the letter of guarantee	<b>1,619</b>	1,607
Others	<b>472</b>	–
	<b>31,129</b>	17,919

(b) The Group's cash and cash equivalents include the followings:

	2025 US\$'000	2024 US\$'000
Denominated in US\$	<b>105,295</b>	105,584
Denominated in RMB	<b>18,490</b>	19,723
Denominated in EUR	<b>4,160</b>	1,837
Denominated in other currencies	<b>14,543</b>	4,846
Cash and cash equivalents	<b>142,488</b>	131,990

## Notes to Financial Statements

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### 24. CASH AND BANK BALANCES (Continued)

At 31 December 2025, the cash and bank balances of the Group denominated in RMB amounted to US\$18,490,000 (2024: US\$19,723,000). The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

### 25. TRADE AND BILLS PAYABLES

	2025 US\$'000	2024 US\$'000
Trade payables	36,787	29,794
Bills payable	–	44
<b>Total</b>	<b>36,787</b>	<b>29,838</b>

The trade payables are non-interest-bearing and are normally settled on turnover of 30 to 90 days. An ageing analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

	2025 US\$'000	2024 US\$'000
Within 3 months	33,848	26,281
3 to 6 months	857	1,298
6 to 12 months	536	975
Over 1 year	1,546	1,240
<b>Total</b>	<b>36,787</b>	<b>29,794</b>

## Notes to Financial Statements

31 December 2025

### 26. OTHER PAYABLES AND ACCRUALS

	2025 US\$'000	2024 US\$'000
<b>Current</b>		
Accrued payroll and welfare	55,009	47,236
Payables for purchases of property, plant and equipment	33,951	39,833
Accrued expenses	21,153	17,270
Other tax payables	6,934	5,352
Subsidies (Note)	2,126	1,151
Other payables	19,115	14,688
Total	<b>138,288</b>	125,530
<b>Non-current</b>		
Subsidies (Note)	12,173	13,025
Others	1,296	1,235
Total	<b>13,469</b>	14,260

Note: The subsidies received from the local government authorities for the purpose of compensation for the expenditure on certain facilities were credited to a deferred income account. The grants were released to profit or loss over the expected useful lives of the relevant assets.

The Group also received certain financial subsidies from the local government authorities to support local business. There were no unfulfilled conditions or other contingencies attached to these government subsidies. These government subsidies of US\$6,178,000 (2024: US\$5,481,000) were recognised in profit or loss upon receipt.

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31 December 2025

**27. INTEREST-BEARING BANK LOANS**

	Note	2025			2024		
		Effective interest rate (%)	Maturity	US\$'000	Effective interest rate (%)	Maturity	US\$'000
<b>Current</b>							
Bank loans – unsecured		2.10–2.30	2026	174,282	2.25–2.60	2025	78,050
Other bank loans	(a)	0.65–1.20	2026	20,387	1.90–1.95	2025	10,695
Total				194,669			88,745
<b>Non-current</b>							
Non-current portion of long term bank loans – secured	(b)	–	–	–	3.95–4.20	2026–2029	17,309
Total				–			17,309

Note:

- (a) As at 31 December 2025 and 2024, other bank loans were mainly derived from discounting bank acceptance bills issued within the Group, in which amount of US\$20,254,000 (2024: Nil) were secured by deposits with a carrying value of US\$3,991,000 (2024: Nil).
- (b) As at 31 December 2025, no bank loans were secured by land or buildings (31 December 2024: certain of the Group's bank loans were secured by the land with a book value of approximately US\$4,865,000).

	2025 US\$'000	2024 US\$'000
Analysed into:		
Within one year or on demand	194,669	88,745
In the second year	–	3,863
In the third to fifth years, inclusive	–	13,446
Total	194,669	106,054

## Notes to Financial Statements

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### 28. CONTRACT LIABILITIES

	2025 US\$'000	2024 US\$'000
Rendering of services and sales of products	48,193	46,211
Total	48,193	46,211

### 29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 US\$'000	2024 US\$'000
ProBio Series C Preferred Shares	264,381	238,232
ProBio Series A Preferred Shares	-	235,500
Foreign currency forward contracts	-	107
Total	264,381	473,839

#### ProBio Series A Preferred Shares and ProBio Series C Preferred Shares

During the year ended 31 December 2021, ProBio Cayman issued a total of 300,000,000 ProBio Series A Preferred Shares, together with the issuance of ProBio Warrant in the ProBio Series A Financing.

During the year ended 31 December 2023, ProBio Cayman issued a total of 319,998,370 ProBio Series C Preferred Shares in its Series C Financing, of which 42,857,000 Series C Preferred Shares was subscribed by the Company at consideration of US\$30,000,000.

The key terms of the ProBio Series A Preferred Shares and ProBio Series C Preferred Shares are summarised as follows:

#### (1) Dividends right

Each of the holders of ProBio Series C Preferred Shares and ProBio Series A Preferred Shares is entitled to receive non-cumulative dividends in preference to any dividend on the ProBio Shares when, as and if declared by the board of directors of ProBio Cayman, for each Series C Preferred Share and Series A Preferred Share held by such holder, at a rate of 8% per annum.

No non-cumulative dividends to ProBio Series A Preferred Shares will be paid unless and until the full payment of the non-cumulative dividends to ProBio Series C Preferred Shares.

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### 29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### ProBio Series A Preferred Shares and ProBio Series C Preferred Shares (Continued)

##### (2) Conversion right

ProBio Series A Preferred Shares and ProBio Series C Preferred Shares shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such preferred shares into such number of fully paid and non-assessable ordinary shares as determined by dividing the issue price by the then effective conversion price of such series of preferred shares, in effect at the time of the conversion. The initial Series A conversion price shall be the Series A issue price (US\$0.50 per ProBio Series A Preferred Share) and the initial Series C conversion price shall be the Series C issue price (US\$0.70 per ProBio Series C Preferred Share), and such initial conversion price for Series A Preferred Shares and Series C Preferred Shares shall be subject to adjustments for certain further events, including but not limited to dilutive issuances, share splits, share combinations and etc.

ProBio Series A Preferred Shares and ProBio Series C Preferred Shares shall automatically be converted into the ordinary shares of ProBio Cayman at then respective effective conversion price of such series of preferred shares upon the completion of a qualified IPO of ProBio Cayman.

##### (3) Redemption feature

Each eligible holder of ProBio Series C Preferred Shares (excluding the Company in its capacity as the holder of ProBio Series C Preferred Shares) shall be entitled to request ProBio Cayman and the Company, jointly and severally, to redeem all or any part of such holder's Series C Preferred Shares at the Series C Redemption Price at earliest occurrence of any of the redemption events agreed in the documents of Series C Financing. The Series C Redemption Price equals to the aggregate amount of:

- (i) 100% of the Series C issue price, which shall be subject to adjustments for certain dilutive issuances, splits and combinations;
- (ii) interest accrued based on the Series C issue price and calculated at an agreed rate in the documents of the ProBio Series C Financing, from the date of issuance thereof through and including the redemption date; and
- (iii) any declared but unpaid dividends thereto as of the date of redemption.

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### 29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued) ProBio Series A Preferred Shares and ProBio Series C Preferred Shares (Continued)

#### (3) Redemption feature (Continued)

Each holder of ProBio Series A Preferred Shares shall be entitled to request ProBio Cayman and the Company, jointly and severally, to redeem all or any part of such holder's Series A Preferred Shares at the Series A Redemption Price at earliest occurrence of any of the redemption events agreed in the documents of Series A Financing. The Series A Redemption Price equals to the aggregate amount of:

- (i) 100% of the Series A issue price, which shall be subject to adjustments for certain dilutive issuances, splits and combinations;
- (ii) interest accrued based on the Series A issue price and calculated at an agreed rate in the documents of the ProBio Series A Financing, from the date of issuance thereof through and including the redemption date; and
- (iii) any declared but unpaid dividends thereto as of the date of redemption.

No Series A Redemption Price or Series B Redemption Price (which measured at amortised cost) will be paid unless and until all Series C Redemption Price of the eligible holders of Series C Preferred Shares is fully paid.

#### (4) Liquidation Preference

Upon any liquidation, dissolution or winding up or other liquidation events of ProBio Cayman, all assets of funds of ProBio Cayman legally available for distribution to the shareholders are distributed in the sequence as follows:

- (i) Series C liquidation amount
- (ii) Series A liquidation amount

The Series C liquidation amount and Series A liquidation amount equal to the sum of (i) 100% of their respective issue price; (ii) interests thereon at an agreed rate per annum for each series of preferred shares and plus (iii) all declared and unpaid dividends on such preferred shares.

If the assets and funds thus distributed among the holders of ProBio Series C Preferred Shares or ProBio Series A Preferred Shares are insufficient to permit the payment to such holders of full Series C liquidation amount or Series A liquidation amount, then all such assets and funds of the ProBio Cayman legally available for distribution shall be distributed ratably among the holders of such series of preferred shares in proportion to the liquidation amount that each such holder is otherwise entitled.

If there are any assets or funds remaining after the Series C liquidation amount and the Series A liquidation amount have been distributed or paid in full, the remaining assets and funds of ProBio Cayman available for distribution shall be distributed ratably among holders of the preferred shares and ordinary shares based on the number of shares held by each such holder, on an as-if-converted basis.

## Notes to Financial Statements

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### 29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued) ProBio Series A Preferred Shares and ProBio Series C Preferred Shares (Continued)

#### Presentation and classification

The Group does not bifurcate the embedded conversion derivatives from the host debt liability arising from the redemption right held by the shareholders of the ProBio Series A Preferred Shares and ProBio Series C Preferred Shares and has designated the entire instruments of ProBio Series A Preferred Shares and ProBio Series C Preferred Shares as financial liabilities at FVTPL. The change in fair value of financial liabilities at FVTPL is charged to profit or loss except for the portion attributable to own credit risk change that shall be charged to other comprehensive income.

The ProBio Series A Preferred Shares and ProBio Series C Preferred Shares were presented as current liabilities as the Preferred Shares may be converted into ordinary shares at the option of the Preferred Shareholders at any time and the conversion feature does not meet “fixed for fixed” criteria, although management does not expect that these amounts will be redeemed within one year following 31 December 2025 and 2024.

During the year ended 31 December 2025, the Company, through a direct wholly-owned subsidiary, purchased all ProBio Series A Preferred Shares for an aggregate consideration of approximately US\$225,142,000 pursuant to the share transfer agreement dated 28 April 2025. The transaction was completed in May 2025 and the ProBio Series A Preferred Shares were derecognised by the Group thereafter. As at the derecognition date, the fair value of ProBio Series A Preferred Shares was assessed at US\$239,512,000 (31 December 2024: US\$235,500,000). In connection with the acquisition of the ProBio Series A Preferred Shares, the Group recognised a gain of approximately US\$14,370,000 (Note 5), representing the difference between the carrying amount of the ProBio Series A Preferred Shares at the derecognition date and the consideration paid for the acquisition.

As at 31 December 2025, the fair value of ProBio Series C Preferred Shares was assessed at US\$264,381,000 (31 December 2024: US\$238,232,000). During the year ended 31 December 2025, an aggregate fair value loss of US\$30,161,000 (2024: fair value loss of US\$123,581,000) was recognised.

## Notes to Financial Statements

31 December 2025

### 29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued) ProBio Series A Preferred Shares and ProBio Series C Preferred Shares (Continued)

Presentation and classification (Continued)

The movements of the above preferred shares are set out below:

	2025 US\$'000	2024 US\$'000
As at 1 January	473,732	350,151
Acquired by the Group's subsidiary	(239,512)	–
Fair value changes during the year	30,161	123,581
As at 31 December	264,381	473,732

The details of the valuation of the preferred shares are disclosed in Note 41 to the financial statements. During the years ended 31 December 2025 and 2024, management considered that there was no significant change of the credit risk of the Group that drives the change of the fair value of each financial liability.

### 30. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	Notes	2025 US\$'000	2024 US\$'000
<b>Non-current</b>			
ProBio Series B Preferred Shares	(a)	44,142	41,218
Bestzyme Series A Capital Increase	(b)	41,788	38,217
Total		85,930	79,435

#### (a) ProBio Series B Preferred Shares

On 2 July 2022, the ProBio entered into an agreement with an institutional investor relating to the offer and sale of 57,314,000 ProBio Series B Preferred Shares, with a par value of US\$0.00002 per share, at a purchase price of US\$0.65 per preferred share for an aggregate consideration of US\$37,254,100. The ProBio Series B Financing was completed on 6 July 2022.

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### 30. FINANCIAL LIABILITIES AT AMORTISED COST (Continued)

#### (a) ProBio Series B Preferred Shares (Continued)

The key terms of the ProBio Series B Preferred Shares are summarised as follows:

##### (1) Conversion right

ProBio Series B Preferred Shares shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such preferred shares into such number of fully paid and non-assessable ordinary share. The conversion ratio for each Series B Preferred Share shall be determined by dividing the Series B issue price by the then Series B conversion price, in effect at the time of the conversion. The initial Series B conversion price shall be the Series B issue price (US\$0.65 per ProBio Series B Preferred Share), and such initial Series B conversion price shall be subject to adjustments for share dividend, share split or otherwise.

ProBio Series B Preferred Shares shall automatically be converted into the ordinary shares of ProBio Cayman at the then respective effective Conversion Price upon the completion of an IPO of ProBio Cayman.

##### (2) Redemption feature

Each holder of ProBio Series B Preferred Shares shall be entitled to request ProBio Cayman and the Company, jointly and severally, to redeem all or any part of such holder's Series B Redemption Price at earliest occurrence of any of the redemption events agreed in the documents of Series B Financing. The Series B Redemption Price equals to the aggregate amount of:

- (i) 100% of the Series B issue price, which shall be subject to adjustments for certain dilutive issuances, splits and combinations;
- (ii) interest accrued based on the Series B issue price and calculated at an agreed rate in the documents of the Series B Financing, from the date of issuance thereof through and including the redemption date; and
- (iii) any declared but unpaid dividends thereto as of the date of redemption.

##### Presentation and classification

The ProBio Series B Preferred Shares contain only liability and equity components, of which the initial fair value of the liability component was determined at US\$35,657,000 which was subsequently measured at amortised cost using effective interest method, and the remainder of the proceeds from the Series B Financing amounted to US\$1,597,100 was allocated to the conversion option and recognised in the Group's equity.

## Notes to Financial Statements

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### 30. FINANCIAL LIABILITIES AT AMORTISED COST (Continued)

#### (b) Bestzyme Series A Capital Increase

On 26 May 2023, Bestzyme Nanjing entered into capital increase agreement with Bestzyme Series A Investors, pursuant to which Bestzyme Nanjing issued additional registered capital of RMB37,609,070 for a total consideration of RMB250,000,000. The Bestzyme Series A Capital Increase was completed on 25 June 2023.

Pursuant to the Bestzyme Series A Capital Increase documents, each of Bestzyme Series A Investors shall be entitled to request Bestzyme Nanjing to redeem all or part of such registered capital at a price per share at earliest occurrence of any redemption events agreed in Bestzyme Series A Capital Increase documents. The Bestzyme Series A Redemption Obligations equals to the aggregate amount of:

- (i) 100% of the issue price for each registered capital;
- (ii) interest accrued based on the issue price for each registered capital and calculated at an agreed rate in the documents of the Bestzyme Series A Capital Increase, from the date of issuance thereof through and including the redemption date; and
- (iii) any declared but unpaid dividends thereto as of the date of redemption.

#### Presentation and classification

Since the Bestzyme Series A Capital Increase contains an obligation for Bestzyme Nanjing purchase its own equity instruments for cash, it gives rise to a financial liability for the present value of the redemption amount even if the obligation to purchase is conditional on Bestzyme Series A Investors exercising a right to redeem.

Therefore, the Company initially recognised the Bestzyme Series A Redemption Obligations as a financial liability at approximately US\$35,089,000, which is the present value of the redemption amount, and subsequently measured at amortised cost using effective interest method.

#### Movement

The movements of liability components for ProBio Series B Preferred Shares and Bestzyme Series A Redemption Obligations are set out below:

	2025 US\$'000	2024 US\$'000
As at 1 January	79,435	75,363
Interest expenses accrued during the year	5,584	4,632
Exchange realignment	911	(560)
As at 31 December	85,930	79,435

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### 31. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

#### Deferred tax liabilities

	Depreciation allowance in excess of related depreciation US\$'000	Fair value adjustments arising from acquisition of a subsidiary US\$'000	Right-of-use assets US\$'000	Unrealised fair value of financial assets at fair value through profit or loss US\$'000	Withholding tax US\$'000	License revenue-transitional adjustment US\$'000	Total US\$'000
At 1 January 2025	25,074	1,115	4,572	147	293	-	31,201
Deferred tax (credited)/ charged to profit or loss during the year	(3,766)	(85)	(49)	682	(293)	-	(3,511)
Exchange realignment	494	6	-	14	-	-	514
Gross deferred tax liabilities at 31 December 2025	21,802	1,036	4,523	843	-	-	28,204
At 1 January 2024	28,130	1,205	10,853	196	925	3,144	44,453
Deferred tax credited to profit or loss during the year	(220)	(70)	(494)	(52)	(632)	(1,121)	(2,589)
Deconsolidation of Legend Group	(2,581)	-	(5,787)	-	-	(2,023)	(10,391)
Exchange realignment	(255)	(20)	-	3	-	-	(272)
Gross deferred tax liabilities at 31 December 2024	25,074	1,115	4,572	147	293	-	31,201

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### 31. DEFERRED TAX (Continued)

#### Deferred tax assets

	Accrued expenses US\$'000	Difference in intangible assets amortisation US\$'000	Impairment of assets US\$'000	Unrealised profit from intercompany transactions US\$'000	Subsidies US\$'000	Losses available for offsetting against future taxable profits US\$'000	Lease liabilities US\$'000	Cost recovery of R&D expense and R&D credit US\$'000	Total US\$'000
At 1 January 2025	9,210	-	7,307	4,243	1,937	19,812	5,524	5,064	53,097
Deferred tax charged/(credited) to profit or loss during the year	843	-	(1,282)	(1,895)	235	(18,215)	(113)	(2,389)	(22,816)
Exchange realignment	67	-	85	-	47	149	-	-	348
Gross deferred tax assets at 31 December 2025	10,120	-	6,110	2,348	2,219	1,746	5,411	2,675	30,629
At 1 January 2024	6,650	2,801	3,849	3,850	1,573	21,219	11,729	3,666	55,337
Deferred tax charged/(credited) to profit or loss during the year	2,594	1,803	3,528	(358)	392	(1,112)	(418)	1,398	7,827
Deconsolidation of Legend Group	-	(4,604)	-	-	-	-	(5,787)	-	(10,391)
Exchange realignment	(34)	-	(70)	751	(28)	(295)	-	-	324
Gross deferred tax assets at 31 December 2024	9,210	-	7,307	4,243	1,937	19,812	5,524	5,064	53,097

## Notes to Financial Statements

31 December 2025

### 31. DEFERRED TAX (Continued)

For presentation purposes, deferred tax assets and liabilities amounted to US\$14,193,000 (2024: US\$25,362,000) have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 US\$'000	2024 US\$'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	14,011	5,839
Net deferred tax assets recognised in the consolidated statement of financial position	16,436	27,735

Deferred tax assets have not been recognised in respect of the following item as of the end of the year:

	2025 US\$'000	2024 US\$'000
Tax losses and deductible temporary differences	176,880	123,699

During the year ended 31 December 2025, tax losses amounting to US\$11,539,000 (2024: US\$4,236,000) arising in the Chinese mainland will expire in 5 to 10 years if not utilised, and the rest of the tax losses are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the Chinese mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from 1 January 2008.

At 31 December 2025, deferred tax has not been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the Chinese mainland. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such remaining earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in the Chinese mainland for which deferred tax liabilities have not been recognised was US\$467,300,000 at 31 December 2025 (2024: US\$290,933,000).

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### 32. SHARE CAPITAL

#### Shares

	31 December 2025 US\$'000	31 December 2024 US\$'000
Authorised:		
Ordinary shares of US\$0.001 each	5,000	5,000
Issued and fully paid:		
Ordinary shares of US\$0.001 each	2,185	2,142

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

	Number of shares in issue	Share capital US\$'000
At 1 January 2024	2,120,622,458	2,121
Exercise of share options and RSUs	21,674,175	21
At 31 December 2024 and 1 January 2025	2,142,296,633	2,142
Exercise of share options and RSUs	42,408,537	43
At 31 December 2025	2,184,705,170	2,185

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### 33. SHARE OPTION SCHEME

The Company's Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme are generally vested over a 5-year term. The performance goals are determined by the Board. For those awards, evaluations are made as of each reporting period to assess the likelihood of performance criteria being met. Share-based compensation expenses are then adjusted to reflect the reversion of original estimates.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings. The only condition for vesting is service condition.

	2025		2024	
	Weighted average exercise price US\$ per share	Number of options '000	Weighted average exercise price US\$ per share	Number of options '000
At 1 January	0.6719	63,006	0.6891	85,143
Forfeited during the year	1.6356	(120)	3.0610	(1,148)
Exercised during the year	0.1673	(35,404)	0.2459	(18,289)
Expired during the year	2.7581	(1,701)	3.0852	(2,700)
At 31 December	1.2227	25,781	0.6719	63,006
Exercisable at 31 December	1.2227	25,781	0.6603	62,327

The weighted average share price at the date of exercise for share options exercised during the year was HK\$12.019 (2024: HK\$10.700) per share.

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### 33. SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the year are as follows:

31 December 2025 Number of options '000	Exercise price* US\$ per share	Exercise period
2,672	0.1552	2016/06/22~2026/06/21
2,362	0.3102	2017/09/23~2026/09/22
7,930	0.4514	2019/04/25~2027/04/24
2,698	1.0672	2018/07/25~2027/10/10
1,615	1.1969	2019/12/31~2027/11/19
1,481	1.7857	2021/04/29~2030/04/28
126	1.7948	2018/11/29~2028/11/28
1,786	2.3444	2020/07/19~2029/07/18
1,324	2.4444	2020/11/29~2029/11/28
2,882	3.3710	2019/01/01~2028/05/03
270	1.9355	2020/09/01~2030/08/31
350	1.5606	2021/11/21~2030/12/27
100	1.7857	2022/03/31~2031/03/30
185	3.9228	2022/05/31~2031/05/30
25,781		

## Notes to Financial Statements

31 December 2025

### 33. SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the year are as follows:  
(Continued)

31 December 2024 Number of options '000	Exercise price* US\$ per share	Exercise period
25,008	0.0617	2014/12/31~2025/07/31
1,238	0.0772	2013/09/01~2025/07/31
7,672	0.1552	2016/06/22~2026/06/21
2,732	0.3102	2017/09/23~2026/09/22
9,830	0.4514	2019/04/25~2027/04/24
3,487	1.0672	2018/07/25~2027/10/10
1,955	1.1969	2019/12/31~2027/11/19
1,960	1.7857	2021/04/29~2030/04/28
126	1.7948	2018/11/29~2028/11/28
1,926	2.3444	2020/07/19~2029/07/18
2,204	2.4444	2020/11/29~2029/11/28
3,505	3.3710	2019/01/01~2028/05/03
328	1.9355	2020/09/01~2025/08/31
750	1.5606	2021/11/21~2030/12/27
100	1.7857	2022/03/31~2031/03/30
185	3.9228	2022/05/31~2031/05/30
63,006		

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

No share options were granted during the year ended 31 December 2025 (2024:Nil). The Group recognised a share option expense of US\$(40,000) during the year ended 31 December 2025 (2024: US\$(1,061,000)).

At 31 December 2025, the Company had 25,781,000 share options outstanding under the Share Option Schemes, which represented approximately 1.2% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 25,781,000 additional ordinary shares of the Company, an additional share capital of approximately US\$25,781 and a share premium of approximately US\$31,497,000 (before issue expenses).

## Notes to Financial Statements

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### 34. RESTRICTED STOCK SHARES

#### (a) The Company

The Company operates the RSU Schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the 2019 RSU Scheme include the Directors, including independent non-executive directors, and employees of any member of the Group. Eligible participants of the 2021 RSU Scheme include (i) directors or employees of the Group, and/or (ii) person who has made significant contribution, or will potentially make significant contribution to, the development of the Group. The RSU Schemes have a performance vesting condition and is subject to forfeiture if the participants cannot meet certain performance target (if any) set by the Board.

The movement in the number of RSUs outstanding for the year ended 31 December 2025 was as follows:

	2025 Number '000	2024 Number '000
At 1 January	27,093	22,030
Granted during the year	10,850	14,171
Forfeited during the year	(6,465)	(3,701)
Vested during the year	(8,343)	(5,407)
At 31 December	23,135	27,093

The weighted-average remaining contractual life for outstanding RSUs granted under the RSU Scheme was 3.91 years as of 31 December 2025 (2024: 3.72 years).

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date.

The fair value of the RSUs granted during the year was US\$21,863,000 (US\$2.015 each) (2024: US\$17,661,000 (US\$1.246 each)). The Group recognised RSUs expense of US\$13,395,000 during the year ended 31 December 2025 (2024: US\$15,560,000).

At the end of the Reporting Period, the Company had 23,135,000 RSUs outstanding under the RSU Scheme, which represented approximately 1.1% of the Company's shares in issue as at that date.

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**34. RESTRICTED STOCK SHARES (Continued)**

**(b) ProBio**

ProBio operates the ProBio RSU Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of ProBio's operations. Eligible participants of the ProBio RSU Scheme include the ProBio's directors, including independent non-executive directors, and employees of any member of the ProBio. The ProBio RSU Scheme became effective on 3 August 2021 unless otherwise cancelled or amended. The ProBio RSU Scheme has performance vesting conditions and is subject to forfeiture if the participants cannot meet certain performance targets set by the board of directors, and if employment is terminated, the vested part has to be transferred back to the ProBio's RSU pool unless otherwise agreed, the unvested part will lapse.

The movements in the number of RSUs outstanding for the year ended 31 December 2025 were as follows:

	<b>2025 Number '000</b>	2024 Number '000
At 1 January	<b>60,273</b>	79,976
Granted during the year	<b>22,233</b>	18,237
Forfeited during the year	<b>(25,292)</b>	(27,974)
Vested during the year	<b>(15,472)</b>	(9,966)
At 31 December	<b>41,742</b>	60,273

The weighted average remaining contractual life for the outstanding RSUs granted under the ProBio RSU Scheme was 3.34 years as at 31 December 2025 (2024: 3.01 years).

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### 34. RESTRICTED STOCK SHARES (Continued)

#### (b) ProBio (Continued)

The fair value of the awarded shares was calculated based on the fair value of the ordinary shares of ProBio Cayman at the respective grant date, which was estimated using the discounted cash flow method with the below key assumptions applied in the valuation technique:

	2025	2024
Fair value of ordinary shares of ProBio Cayman	<b>US\$0.30–0.35</b>	US\$0.12–0.29
Risk-free interest rate	<b>3.47%–3.92%</b>	3.86%–4.37%
DLOM	<b>18.81%–24.69%</b>	22.52%–28.68%
Volatility	<b>50.92%–54.69%</b>	51.09%–55.95%

The fair value of the RSU granted during the year was US\$6,879,000 (US\$0.309 each) (2024:US\$4,148,000 (US\$0.23 each)). The Group recognised RSUs expenses of US\$1,442,000 (2024: US\$4,220,000) during the year ended 31 December 2025.

At the end of the Reporting Period, ProBio had 41,742,000 RSUs outstanding under the ProBio RSU Scheme (including vested but not exercised RSUs), which represented approximately 1.8% of ProBio's ordinary shares in issue as at that date.

#### (c) BSJ Nanjing

Bestzyme Nanjing operates the Bestzyme ESOP for the purpose of providing incentives and rewards to eligible participants who contribute to the successful operations of Bestzyme. Eligible participants include directors, management, core technical, consultants or any member of the Bestzyme. The Bestzyme ESOP has performance conditions, and the incentive interests are subject to be repurchased by the pre-determined transferee if the participants fail to meet certain performance targets set by the board of directors. Bestzyme recognized a RSU expense of US\$119,000 during the year ended 31 December 2025(2024: US\$77,000).

### 35. RESERVES

The amounts of the Group's reserves and the movements therein for the Reporting Periods are presented in the consolidated statement of changes in equity on pages 115 to 116 of the financial statements.

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserves may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with a functional currency other than US\$.

Notes to Financial  
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31 December 2025

**36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

**(a) Major non-cash transactions**

For the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of US\$8,950,000 (2024:US\$71,519,000) and US\$8,894,000 (2024: US\$51,553,000), respectively, in respect of lease arrangements for buildings and office premises.

For the year ended 31 December 2024, the Group had non-cash additions to collaboration prepaid leases included in the other payables and accruals of US\$8,563,000 for the assets leased from the collaboration partner and had non-cash additions to property, plant and equipment included in other payables and accruals of US\$3,984,000, which was related to Legend Group prior to the Deconsolidation. There is no such non-cash transaction during the year ended 31 December 2025.

**(b) Changes in liabilities arising from financing activities  
2025**

	<b>Financial liabilities at fair value through profit or loss US\$'000</b>	<b>Lease liabilities US\$'000</b>	<b>Interest-bearing bank loans US\$'000</b>
At 1 January 2025	<b>473,839</b>	<b>64,514</b>	<b>106,054</b>
Changes from financing cash flows	<b>(225,142)</b>	<b>(8,987)</b>	<b>85,731</b>
Fair value changes	<b>30,161</b>	–	–
Unrealised gains on acquisition of preferred shares	<b>(14,370)</b>	–	–
New leases	–	<b>8,894</b>	–
Exchange realignment	–	<b>103</b>	<b>2,710</b>
Disposal and realised	<b>(107)</b>	<b>(356)</b>	–
Interest expense	–	<b>3,226</b>	<b>3,688</b>
Interest paid classified as operating cash flows	–	<b>(3,226)</b>	<b>(3,514)</b>
At 31 December 2025	<b>264,381</b>	<b>64,168</b>	<b>194,669</b>

## Notes to Financial Statements

31 December 2025

### 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

#### (b) Changes in liabilities arising from financing activities(Continued) 2024

	Financial liabilities at fair value through profit or loss US\$'000	Lease liabilities US\$'000	Interest-bearing bank loans US\$'000
At 1 January 2024	350,151	72,772	344,218
Changes from financing cash flows	–	(9,576)	44,440
Fair value changes	123,688	–	–
New leases	–	51,553	–
Exchange realignment	–	108	(1,166)
Disposal	–	(375)	–
Interest expense	–	3,347	16,514
Interest paid classified as operating cash flows	–	(3,347)	(1,329)
Deconsolidation of Legend Group (Note 11)	–	(49,968)	(296,623)
At 31 December 2024	473,839	64,514	106,054

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 US\$'000	2024 US\$'000
Within operating activities	4,581	4,737
Within financing activities	8,987	9,576
Total	13,568	14,313

## Notes to Financial Statements

31 December 2025

### 37. PLEDGE OF ASSETS

Details of the Group's restricted bank balance are included in Note 24 to the financial statements.

Details of the Group's pledged property, plant and equipment, and leasehold land are included in Note 14 to the financial statements.

### 38. COMMITMENTS

(a) The Group had the following capital commitments at the end of the year:

	2025 US\$'000	2024 US\$'000
Contracted, but not provided for:		
Property, plant and equipment	26,124	32,335
Capital commitments to unlisted equity investments	27,810	31,917

(b) The Group has various lease contracts that have not yet commenced as at 31 December 2025. The future lease payments for these non-cancellable lease contracts are US\$430,000 due within one year and US\$139,000 due in two to five years.

## Notes to Financial Statements

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### 39. RELATED PARTY TRANSACTIONS

Details of the Group's principal related parties are as follows:

Company	Relationship
Tara	Associate
Huatai	Associate
Legend Nanjing	Legend's subsidiary
Legend USA	Legend's subsidiary

Note: For presentation purpose, the Company presented the related party balances with Legend Group as at December 31, 2024 and 2025, and related party transactions with Legend Group during the years ended 31 December 2024 and 2025, including transactions incurred prior to the Deconsolidation of Legend Group.

- (a) Addition to the rental transactions detailed in Note 16 provided to Legend Nanjing, the Group had the following material transactions with related parties during the year:

	2025 US\$'000	2024 US\$'000
Sales of products and service to Legend Nanjing	12,569	6,886
Sales of products and service to Legend USA	2,734	641
Sales of service to Huatai	925	929
Sales of products and service to Tara	308	141
Purchase of products from Legend Nanjing	28,366	320
Purchase of products from Tara	3,256	1,467

Note: The prices are mutually agreed after taking into account the prevailing market prices.

**Notes to Financial  
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31 December 2025

**39. RELATED PARTY TRANSACTIONS (Continued)**

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

The Group had the following significant balances with its related parties including trade receivables and other receivables at the end of the Reporting Period:

(i) Due from related parties

	2025 US\$'000	2024 US\$'000
Legend Nanjing	3,386	2,052
Legend USA	386	966
Tara	173	–
<b>Total</b>	<b>3,945</b>	<b>3,018</b>

(ii) Due to related parties

	2025 US\$'000	2024 US\$'000
Legend Nanjing	1,735	–
Tara	359	745
<b>Total</b>	<b>2,094</b>	<b>745</b>

**(c) Compensation of key management personnel of the Group:**

	2025 US\$'000	2024 US\$'000
Short-term employee benefits	3,401	3,770
Pension scheme contributions	47	59
Equity-settled share-based compensation expense	2,561	4,163
<b>Total compensation paid to key management personnel</b>	<b>6,009</b>	<b>7,992</b>

Further details of directors' emoluments are included in Note 8 to the financial statements.

## Notes to Financial Statements

31 December 2025

### 40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the Reporting Period are as follows:

#### 2025

##### Financial assets

	Financial assets at fair value through profit or loss designated as such upon initial recognition US\$'000	Financial assets at amortised cost US\$'000	Total US\$'000
Financial assets at fair value through profit or loss	523,748	–	523,748
Financial assets included in other non-current assets	–	4,243	4,243
Time deposits	–	169,793	169,793
Trade and bills receivables	–	133,934	133,934
Financial assets included in prepayments, other receivables and other assets	–	9,968	9,968
Restricted cash	–	31,129	31,129
Cash and cash equivalents	–	142,488	142,488
<b>Total</b>	<b>523,748</b>	<b>491,555</b>	<b>1,015,303</b>

##### Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition US\$'000	Financial liabilities at amortised cost US\$'000	Total US\$'000
Financial liabilities at fair value through profit or loss	264,381	–	264,381
Financial liability measured at amortised cost	–	85,930	85,930
Trade and bills payables	–	36,787	36,787
Financial liabilities included in other payables and accruals	–	44,656	44,656
Interest-bearing bank loans	–	194,669	194,669
Lease liabilities	–	64,168	64,168
<b>Total</b>	<b>264,381</b>	<b>426,210</b>	<b>690,591</b>

**Notes to Financial  
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**40. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)**

**2024**

Financial assets

	Financial assets at fair value through profit or loss designated as such upon initial recognition US\$'000	Financial assets at amortised cost US\$'000	Total US\$'000
Financial assets at fair value through profit or loss	313,517	–	313,517
Financial assets included in other non-current assets	–	3,567	3,567
Time deposits	–	297,708	297,708
Trade and bills receivables	–	116,291	116,291
Financial assets included in prepayments, other receivables and other assets	–	2,703	2,703
Restricted cash	–	17,919	17,919
Cash and cash equivalents	–	131,990	131,990
<b>Total</b>	<b>313,517</b>	<b>570,178</b>	<b>883,695</b>

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition US\$'000	Financial liabilities at amortised cost US\$'000	Total US\$'000
Financial liabilities at fair value through profit or loss	473,839	–	473,839
Financial liability measured at amortised cost	–	79,435	79,435
Trade and bills payables	–	29,838	29,838
Financial liabilities included in other payables and accruals	–	54,521	54,521
Interest-bearing bank loans	–	106,054	106,054
Lease liabilities	–	64,514	64,514
<b>Total</b>	<b>473,839</b>	<b>334,362</b>	<b>808,201</b>

## Notes to Financial Statements

31 December 2025

### 41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	<b>523,748</b>	313,517	<b>523,748</b>	313,517
<b>Financial liabilities</b>				
Financial liabilities at fair value through profit or loss	<b>264,381</b>	473,839	<b>264,381</b>	473,839

Management has assessed that the fair values of time deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, restricted cash, cash and cash balances, trade and bills payables, financial liability measured at amortised cost, financial liabilities included in other payables and accruals, interest-bearing bank loans and lease liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the finance manager. At each reporting date, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the finance manager. The valuation process and results are discussed with the directors twice a year for interim and annual financial reporting.

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

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31 December 2025

**41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)**

**Fair value hierarchy**

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

Assets measured at fair value:

**As at 31 December 2025**

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets* (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'00	Significant unobservable inputs (Level 3) US\$'000	
Financial assets at fair value through profit or loss	78,188	445,560	–	523,748

**As at 31 December 2024**

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets* (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial assets at fair value through profit or loss	31,734	281,783	–	313,517

\* Financial assets measured at fair value represent money market funds, which are classified as Level 1 in the fair value hierarchy.

## Notes to Financial Statements

31 December 2025

### 41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### Fair value hierarchy (Continued)

Liabilities measured at fair value:

**As at 31 December 2025**

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial liabilities at fair value through profit or loss	–	–	264,381	264,381

**As at 31 December 2024**

	Fair value measurement using			Total US\$'000
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial liabilities at fair value through profit or loss	–	107	473,732	473,839

The movement in fair value measurements within Level 3 is as follows:

	2025 US\$'000
Financial liabilities at fair value through profit or loss	
As at 1 January	473,732
Acquired by the Group's subsidiary	(239,512)
Fair value change during the year	30,161
As at 31 December	264,381

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

## Notes to Financial Statements

31 December 2025

### 41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### Fair value hierarchy (Continued)

Valuation techniques and significant inputs used to determine fair values:

(a) *Level 2 financial instruments:*

**Financial assets:**

The fair value of investments in unlisted equity investments was calculated based on a) the net assets value of the investee which approximates the fair value and b) the investees' recent transaction prices.

The fair value of wealth management products issued by banks and reputation investment management Companies was estimated based on the expected return that reflects the credit risk of the products.

Forward currency contracts and option contracts, are measured using valuation techniques similar to forward pricing, using present value calculations. The model incorporates market observable inputs including foreign exchange spot, forward exchange rates and risk-free interest rate curves.

(b) *Level 3 financial instruments:*

**Financial liabilities:**

As at 31 December 2025, the Group measured fair value of ProBio Series C Preferred Shares using discounted cash flows method based on estimate redemption predetermined amount and maturing dates, which involved the use of significant accounting estimates and judgements. The Group estimated the discount rate based on the yield of the U.S. Treasury Constant Maturity with maturity close to the expected exit timing as of the valuation date, and adjusted credit spread that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. Discount rate used in determining fair value of preferred share was 6.49% (31 December 2024: 7.18%). Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis:

	31 December 2025	31 December 2024
Discount rate*	<b>6.49%</b>	7.18%

\* 5% increase/decrease in the discount rate with all other variables held constant would decrease/increase the fair value of ProBio's preferred shares by US\$1,218,000 and US\$1,227,000 as at 31 December 2025, respectively.

## Notes to Financial Statements

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### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank loans, convertible redeemable preferred shares, cash and cash equivalents, time deposits and restricted cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The Group also enters into forward currency contracts and option contracts transaction. The purpose is to manage the currency risks arising from the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

#### Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for time deposits and restricted cash, details of which have been disclosed in Notes 24.

The Group is also exposed to fair value interest rate risk in relation to lease liabilities and variable-rate bank loans. The Company currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk. The management considered that any reasonable changes in the interest rates would not result in a significant change in the Group's results as the Group's exposure to cash flow interest-rate risk arising from lease liabilities and variable-rate bank loans carried at floating rates after considering the effect of hedging is considered to be insignificant.

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 2% (2024: 6%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sales, whilst approximately 3% (2024: 2%) of costs were denominated in currencies other than the units' functional currencies.

## Notes to Financial Statements

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Foreign currency risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's loss before tax and the Group's equity (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (Decrease) in the rate of foreign currency %	(Decrease)/ Increase in profit before tax US\$'000	(Decrease)/ Increase in equity US\$'000
Year ended 31 December 2025			
If US\$ strengthens against RMB	5	6,334	6,377
If US\$ weakens against RMB	(5)	(6,334)	(6,377)
Year ended 31 December 2024			
If US\$ strengthens against RMB	5	(2,126)	(2,084)
If US\$ weakens against RMB	(5)	2,126	2,084

#### Credit risk

The carrying amounts of cash and cash equivalents, time deposits, financial assets at fair value through profit or loss and restricted cash are the Group's maximum exposure to credit risk in relation to its financial assets. The Group expects that there is no significant credit risk associated with above financial assets since they are substantially held in reputable state-owned banks and other medium or large-sized listed bank.

In respect of trade and other receivables, individual credit rating is performed on customers and counterparties. These evaluations focus on the counterparty's business performance, including but not limited to, financing activities, financial position and market economic environment, and past history of payment punctuality. Prepayment requirement is determined, and credit limit is granted based on the credit rating and historical contracting amount, which will be reviewed quarterly. Monitoring procedures have been implemented to ensure that follow-up actions will be taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual transaction and accounts' revenue volume, outstanding balances, long-time past due invoices and payment records monthly to ensure that adequate impairment losses are made for irrecoverable amounts.

## Notes to Financial Statements

31 December 2025

### 42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

#### Maximum exposure and year-end staging

As at 31 December 2025

	12 months ECLs	Lifetime ECLs			Total US\$'000
	Stage 1 US\$'000	Stage 2 US\$'000	Stage 3 US\$'000	Simplified approach US\$'000	
Financial assets included in other non-current assets	4,243	-	-	-	4,243
Trade and bills receivables*	-	-	-	133,934	133,934
Financial assets included in prepayments, other receivables and other assets					
– Normal**	9,968	-	-	-	9,968
– Doubtful**	-	-	-	-	-
Restricted cash	31,129	-	-	-	31,129
Time deposits					
– not yet past due	169,793	-	-	-	169,793
Cash and cash bank balance					
– not yet past due	142,488	-	-	-	142,488
<b>Total</b>	<b>357,621</b>	<b>-</b>	<b>-</b>	<b>133,934</b>	<b>491,555</b>

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31 December 2025

**42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)**

**Maximum exposure and year-end staging (Continued)**

**As at 31 December 2024**

	12 months	Lifetime ECLs			Total US\$'000
	ECLs	Simplified			
	Stage 1 US\$'000	Stage 2 US\$'000	Stage 3 US\$'000	approach US\$'000	
Financial assets included in other non-current assets	3,567	–	–	–	3,567
Trade and bills receivables*	–	–	–	116,291	116,291
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,703	–	–	–	2,703
– Doubtful**	–	–	–	–	–
Restricted cash	17,919	–	–	–	17,919
Time deposits					
– not yet past due	297,708	–	–	–	297,708
Cash and cash bank balance					
– not yet past due	131,990	–	–	–	131,990
<b>Total</b>	<b>453,887</b>	<b>–</b>	<b>–</b>	<b>116,291</b>	<b>570,178</b>

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 22 to the financial statements.

\*\* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade and other receivables are disclosed in Notes 22 and 23 to the financial statements, respectively.

## Notes to Financial Statements

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of the Reporting Period, based on contractual undiscounted payments, is as follows:

#### Year ended 31 December 2025

	Notes	Less than 1 year US\$'000	Over 1 year US\$'000	Total US\$'000
Interest-bearing bank loans		196,701	–	196,701
Trade and bills payables		36,787	–	36,787
Other payables and accruals		44,656	–	44,656
Lease liabilities		12,043	66,618	78,661
Financial liabilities at fair value through profit or loss	i	–	290,849	290,849
Financial liability measured at amortised cost	ii	–	99,585	99,585
<b>Total</b>		<b>290,187</b>	<b>457,052</b>	<b>747,239</b>

## Notes to Financial Statements

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk (Continued)

Year ended 31 December 2024

	Notes	Less than 1 year US\$'000	Over 1 year US\$'000	Total US\$'000
Interest-bearing bank loans		90,147	18,094	108,241
Trade and bills payables		29,838	–	29,838
Other payables and accruals		54,520	–	54,520
Lease liabilities		10,658	71,262	81,920
Financial liabilities at fair value through profit or loss	i	–	531,768	531,768
Financial liability measured at amortised cost	ii	–	99,585	99,585
<b>Total</b>		<b>185,163</b>	<b>720,709</b>	<b>905,872</b>

Notes:

- (i) The liquidity risk of the ProBio Series C Preferred Shares is the initial investment amount principal plus the pre-determined agreed interest rate in the documents of the Series C Financing, assuming that they will be due in July 2027, without any conversion into ordinary share of ProBio Cayman.
- (ii) The liquidity risk of the ProBio Series B Preferred Shares and Bestzyme Series A Preferred Shares.

The liquidity risk of ProBio Series B Preferred Shares is the initial investment amount principal plus the pre-determined agreed interest rate in the documents of the Series B Financing, assuming that it will be due in July 2027 without any conversion into ordinary share of ProBio Cayman.

The liquidity risk of the Bestzyme Series A Capital Increase is the initial investment amount principal plus the pre-determined agreed interest rate in the documents of the Series A Financing, assuming that it will be due in June 2029.

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise Shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group was constantly monitored by the Company and aimed to monitor its working capital and financial resources to maintain a solid financial position. The use of any capital instruments, including banking facilities, by each subsidiary was under the central coordination and arrangement of the Company. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

## Notes to Financial Statements

31 December 2025

### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Capital management (Continued)

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The gearing ratios as at the end of the years were as follows:

	2025 US\$'000	2024 US\$'000
Total liabilities	888,587	954,907
Total assets	4,853,277	5,278,269
Gearing ratio	18.3%	18.1%

### 43. COMPARATIVE AMOUNTS

Certain comparative amounts in consolidated financial statements have been reclassified to conform with the current year's presentation.

### 44. EVENTS AFTER THE REPORTING PERIOD

There were no material events undertaken after 31 December 2025 and up to the date of approval of these financial statements.

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31 December 2025

### 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the Reporting Period is as follows:

	2025 US\$'000	2024 US\$'000
NON-CURRENT ASSETS		
Due from subsidiaries	1,504	91,833
Investments in subsidiaries	235,378	222,064
Investment in an associate	3,056,090	3,653,932
Financial assets at fair value through profit or loss	–	65,344
Total non-current assets	<b>3,292,972</b>	4,033,173
CURRENT ASSETS		
Due from subsidiaries	425,365	110,105
Prepayments, other receivables and other assets	58	154
Financial assets at fair value through profit or loss	41,499	60,606
Time deposits	–	61,811
Cash and cash equivalents	2,131	1,624
Total current assets	<b>469,053</b>	234,300
CURRENT LIABILITIES		
Due to subsidiaries	68,365	2,504
Trade and bills payables	–	10
Other payables and accruals	88	950
Total current liabilities	<b>68,453</b>	3,464
NET CURRENT ASSETS	<b>400,600</b>	230,836
TOTAL ASSETS LESS CURRENT LIABILITIES	<b>3,693,572</b>	4,264,009
NON-CURRENT LIABILITIES		
Deferred tax liabilities	–	244
Total non-current liabilities	–	244
Net assets	<b>3,693,572</b>	4,263,765
EQUITY		
Share capital	2,185	2,142
Shares held for RSU Schemes	(3,832)	(6,091)
Reserves	3,695,219	4,267,714
Total equity	<b>3,693,572</b>	4,263,765

## Notes to Financial Statements

31 December 2025

### 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: A summary of the Company's reserves is as follows:

	Share premium US\$'000	Share-based compensation reserve US\$'000	Exchange fluctuation reserve US\$'000	Retained profits US\$'000	Total US\$'000
<b>At 1 January 2024</b>	665,595	57,662	21,071	466,406	1,210,734
Profit for the year	–	–	–	3,088,484	3,088,484
Other comprehensive loss for the year:					
Share of other comprehensive loss of a significant associate	–	–	(53,427)	–	(53,427)
Total comprehensive income for the year	–	–	(53,427)	3,088,484	3,035,057
Exercise of share options	4,421	(3,357)	–	–	1,064
Equity-settled share-based compensation arrangements	–	14,499	–	–	14,499
Share of other reserves of a significant associate	–	6,360	–	–	6,360
<b>At 31 December 2024 and 1 January 2025</b>	670,016	75,164	(32,356)	3,554,890	4,267,714
Loss for the year	–	–	–	(710,074)	(710,074)
Other comprehensive income for the year:					
Share of other comprehensive income of a significant associate	–	–	90,078	–	90,078
Total comprehensive loss for the year	–	–	90,078	(710,074)	(619,996)
Exercise of share options	5,861	(2,266)	–	–	3,595
Equity-settled share-based compensation arrangements	–	13,355	–	–	13,355
Share of other reserves of a significant associate	–	30,551	–	–	30,551
<b>At 31 December 2025</b>	675,877	116,804	57,722	2,844,816	3,695,219

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in Note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised or be transferred to retained profits should the related options expire or be forfeited.

### 46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 15 March 2026.

## DEFINITION

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

“2019 RSU Scheme”	the restricted share unit scheme of the Company adopted on 22 March 2019 and subsequently amended on 21 June 2024 and 15 December 2025;
“2021 RSU Scheme”	the restricted share unit scheme of the Company adopted on 23 August 2021 and subsequently amended on 26 May 2022, 21 June 2024, and 15 December 2025;
“ADS”	American Depositary Shares;
“AGM”	the forthcoming annual general meeting of the Company to be held on Friday, 5 June 2026;
“AI”	artificial intelligence;
“Andy Cheung”	Mr. Yiu Leung Andy Cheung, an independent non-executive Director;
“Articles”	the fourth amended and restated memorandum and articles of association, adopted by the Shareholders on 21 June 2024, and as amended from time to time
“Audit Committee”	the audit committee of the Board;
“Bestzyme ESOP”	the employee stock ownership plan adopted by Bestzyme Nanjing on 16 June 2022;
“Bestzyme”	Bestzyme Biotech Corporation;
“Board Committee”	the committees established by the Board;
“Board Diversity Policy”	the board diversity policy of the Company;
“Board”	the Board of Directors;
“Bestzyme Nanjing”	Nanjing Bestzyme Bioengineering Co., Ltd. <sup>†</sup> (南京百斯傑生物工程有限公司), an indirect non-wholly owned subsidiary of the Company;
“Bestzyme Series A Capital Increase”	a capital increase of RMB37,609,070 of Bestzyme Nanjing pursuant to a capital increase agreement dated 26 May 2023 entered into among Bestzyme Nanjing and certain investors;
“Bestzyme Series A Investors”	investors party to the capital increase agreement dated 26 May 2023, pursuant to which Bestzyme Nanjing issued additional registered capital in connection with the Bestzyme Series A Capital Increase;

## Definition

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“Bestzyme Series A Redemption Obligations”	Each of Bestzyme Series A Investors shall be entitled to request Bestzyme Nanjing to redeem all or part of such registered capital at a price per share at earliest occurrence of any redemption events agreed in Bestzyme Series A Capital Increase documents;
“CAR-T”	chimeric antigen receptor T-cell;
“CG Code”	the <i>Corporate Governance Code</i> as contained in Appendix C1 to the Listing Rules;
“CGT”	cell and gene therapy;
“Chief Executive”	has the meaning ascribed thereto under the Listing Rules;
“cilta-cel”	ciltacabtagene autoleucel;
“CMC”	Chemistry, Manufacturing, and Controls;
“Company” or “GenScript”	Genscript Biotech Corporation, an exempted company incorporated under the laws of the Cayman Islands with limited liability (stock code: 1548);
“Company Secretary”	the company secretary of the Company;
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the content requires otherwise, refers to the controlling shareholders of the Company, namely Frank Zhang, Larry Wang, Sally Wang and GS Corp, or any of them;
“CRDMO”	contract research, development and manufacturing organisation;
“Deconsolidation Date”	the effective date of the deconsolidation of Legend Biotech from the Company (i.e. 18 October 2024);
“Deconsolidation”	the deconsolidation of Legend Biotech from the Company on 18 October 2024, which was reclassified as an associate thereafter;
“Deed of Non-competition”	the deed of non-competition dated 7 December 2015 signed by the Controlling Shareholders;
“Director Nomination Policy”	the director nomination policy of the Company;
“Director(s)”	the director(s) of the Company;
“DNA”	deoxyribonucleic acid;
“ECLs”	Expected credit losses;

## Definition

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“Edward Dai”	Mr. Zumian Dai, a former independent non-executive Director;
“Equity-settled Transactions”	Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render in exchange for equity instruments;
“Ernst & Young”	Ernst & Young, Certified Public Accountants and Registered Public Interest Entity Auditor;
“ESG”	Environmental, Social & Governance;
“Ethan Pan”	Mr. Jiuan Pan, an independent non-executive Director;
“Frank Zhang”	Dr. Fangliang Zhang, an executive Director;
“GBS”	GenScript Business System, a Group-wide program launched in 2025;
“GenScript Jiangsu”	Jiangsu GenScript Biotech Co., Ltd. <sup>†</sup> (江蘇金斯瑞生物科技股份有限公司), a wholly-owned subsidiary of the Company;
“GenScript Life Science Group”	the life-science services and products segment of the Group;
“GMP”	Good Manufacturing Practice;
“Group”	the Company together with its subsidiaries;
“GS China”	Nanjing GenScript Biotech Co., Ltd. <sup>†</sup> (南京金斯瑞生物科技有限公司), a wholly-owned subsidiary of the Company;
“GS Corp”	GenScript Corporation;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKICPA”	Hong Kong Institute of Certified Public Accountants;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huatai”	Nanjing Huatai GenScript Biotech Venture Capital LP <sup>†</sup> (南京華泰金斯瑞生物醫藥創業投資合夥企業(有限合夥));
“IBR”	incremental borrowing rate;
“IITs”	investigator-initiated trials;

## Definition

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“IT”	information technology;
“IVD”	in-vitro diagnostics;
“Janssen”	Janssen Biotech, Inc.;
“Jin 2024 Trust”	Weihong Jin 2024 Grantor Retained Annuity Trust II;
“Jin 2025 Trust”	Weihong Jin 2025 Grantor Retained Annuity Trust;
“Jinan Bestzyme”	Jinan Bestzyme Bio-Engineering Co., Ltd. <sup>†</sup> (濟南百斯傑生物工程有限公司), a wholly-owned subsidiary of the Company;
“LaNova License Agreement”	a restated and amended license agreement dated 12 November 2024 entered into between Nanjing ProBio Biotech Co., Limited <sup>†</sup> (南京蓬勃生物科技有限公司) and LaNova Medicines Ltd.;
“LaNova”	LaNova Medicines Ltd.;
“Larry Wang”	Wang Luquan, a former non-executive Director;
“Legend Group”	Legend together with its subsidiaries;
“Legend Nanjing”	Nanjing Legend Biotechnology Co., Ltd. <sup>†</sup> (南京傳奇生物科技有限公司);
“Legend” or “Legend Biotech”	Legend Biotech Corporation, a significant associate of the Company, whose shares are listed by way of ADS on the Nasdaq Global Select Market in the U.S.;
“Legend USA”	Legend Biotech USA Inc.;
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on 30 December 2015;
“Listing Rules”	the <i>Rules Governing the Listing of Securities</i> on the Stock Exchange as amended or supplemented from time to time;
“LVV”	lentiviral vector;
“Macao”	Macao Special Administrative Region;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules;

## Definition

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“NME”	new molecular asset(s);
“Nomination Committee”	the nomination committee of the Board;
“Post-IPO Share Option Scheme”	the share option scheme of the Company adopted on 7 December 2015 and amended on 21 June 2024;
“PRC”, or “China” or “Chinese Mainland”	the People’s Republic of China excluding, for the purpose of this annual report, Hong Kong, Macau Special Administrative Region and Taiwan;
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 15 July 2015;
“Prior Period”	the year ended 31 December 2024;
“ProBio Cayman” or “ProBio”	Probio Technology Limited;
“ProBio RSU Scheme”	the restricted share unit award scheme adopted by ProBio Cayman on 3 August 2021;
“ProBio Series A Preferred Shares”	the series A preferred shares of ProBio Cayman;
“ProBio Series B Financing”	the issuance and sale of 57,314,000 ProBio Series B Preferred Shares by ProBio Cayman to an investor pursuant to the agreement dated 2 July 2022;
“ProBio Series B Preferred Shares”	the series B preferred shares of ProBio Cayman;
“ProBio Series C Preferred Shares”	the series C preferred shares of ProBio Cayman;
“ProBio Warrant”	a warrant issued by ProBio Cayman exercisable for up to an aggregate of 189,393,939 ordinary shares of ProBio Cayman;
“ProBio Zhenjiang”	Zhenjiang ProBio Biotech Co., Ltd.* (鎮江蓬勃生物科技有限公司);
“R&D”	research and development;
“Remuneration Committee”	the remuneration committee of the Board;
“Reporting Period”	the year ended 31 December 2025;
“RMB”	Renminbi;
“RNA”	ribonucleic acid;
“Robin Meng”	Mr. Jiange Meng, the chairman of the Board and an executive Director;

## Definition

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“RSU Schemes”	collectively, the 2019 RSU Scheme, the 2021 RSU Scheme, and the ProBio RSU Scheme;
“RSU(s)”	any restricted share unit representing the same number of Shares that may be offered by the Company pursuant to the restricted share unit schemes adopted by the Company which may vest in the form of Shares issued or otherwise transferred by the Company and/or trust to a selected participant;
“Sally Wang”	Ms. Ye Wang, an executive Director and the president of the Company;
“Sanctions Risk Control Committee”	the sanctions risk control committee of the Company;
“Scheme Mandate Limit”	the limit on grant(s) of share option(s) and/or award(s) over new Shares under all share schemes of the Company approved by the Shareholders, which must not exceed 212,768,651 (being 10% of the total number of issued Shares as at 21 June 2024, being the date of the Shareholders’ approval of the Scheme Mandate Limit);
“Senior Management”	the persons named in the section headed “Senior Management” of this annual report;
“Series A Redemption Price”	the price per share payable upon redemption of ProBio Series A Preferred Shares;
“Series B Redemption Price”	the price per share payable upon redemption of ProBio Series B Preferred Shares;
“Series C Redemption Price”	the price per share payable upon redemption of ProBio Series C Preferred Shares;
“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit for awards over new Shares under the restricted share unit schemes adopted by the Company granted to the service providers, which must not exceed 21,276,865 (being 1% of the total number of issued Shares as at 21 June 2024, being the date of the Shareholders’ approval of the Service Provider Sublimit);
“Service Providers”	dispatched workers, outsourced workers, consultants, advisers or suppliers who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in relation to the principal business or business development of any member of the Group, as determined by the Board in its sole and absolute discretion (excluding any placing agent or financial adviser providing advisory services to the Group for fundraising, mergers or acquisitions, or professional services providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity);
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;

## Definition

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“Share Award(s)”	the share award(s) in the form of RSU(s) granted to the grantees pursuant to the RSU Schemes;
“Share Option Schemes”	collectively, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme;
“Share(s)”	the ordinary shares in the share capital of the Company with a par value of US\$0.001 each;
“Shareholder(s)”	holder(s) of the Shares from time to time;
“Sherry Shao”	Ms. Weihui Shao, CEO of the Company;
“SPPI”	solely payments of principal and interest;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Strategy Committee”	the strategy committee of the Board;
“Tara”	Deyang Tara Biotechnology Co., Ltd.* (德陽塔拉生物科技有限公司);
“TCE”	T cell engager;
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules;
“Trustee”	Computershare Hong Kong Trustees Limited, the trustee appointed by the Company for the administration of the 2019 RSU Scheme and 2021 RSU Scheme;
“U.S.”	the United States of America;
“US\$”	United States dollars;
“Victor Shi”	Dr. Chenyang Shi, an independent non-executive Director;
“Wang Trust”	2017 Wang Ye Family Trust set up by Sally Wang;
“Wu 2017 Trust”	2017 Wu Yongmei Trust set up by Karen Wu;
“Wu 2020 Separate Trust A”	Descendants’ Separate Trust FBO A set up by Karen Wu;
“Wu 2020 Separate Trust L”	Descendants’ Separate Trust FBO L set up by Karen Wu;
“Wu 2022 Trust”	Yongmei Wu 2022 Trust set up by Karen Wu;

## Definition

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“Wu 2023 Trust”	Yongmei Wu 2023 Trust set up by Karen Wu;
“Wu 2024 Trust”	Yongmei Wu 2024 Grantor Retained Annuity Trust set up by Karen Wu;
“Zhang Trust”	2017 Fang Liang Zhang Trust set up by Frank Zhang; and
“%”	per cent.

In this annual report, the terms “associate”, “connected person”, “substantial shareholder” and “subsidiary” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

<sup>†</sup> *For identification purpose only*



**GenScript  
BioTechCorp.**

