

Brii Biosciences

Breakthrough innovation & insight

Brii Biosciences Limited

腾盛博药生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2137



2025

Annual Report

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CORPORATE PROFILE

Brii Bio, a pioneering biotechnology company dedicated to developing innovative therapies to improve patient health and choice across diseases with high unmet medical need, remains committed to its mission to tackle health challenges head-on through breakthrough scientific innovation and critical patients' insights.

The Company actively advanced its late-stage hepatitis B virus programs towards a functional cure while strengthening its early discovery efforts across broader groups of patients to facilitate long-term value creation.

At the center of the Company's clinical development today is HBV functional cure program, which remains its near-term clinical development priority. The HBV functional cure program is advancing through a combination-based strategy built around BRIL-179 and elebsiran, supported by three ongoing Phase 2b studies, namely ENSURE, ENRICH and ENHANCE studies.

All three of these Phase 2b HBV studies have completed enrollment. In addition, 24-week post-end-of-treatment follow-up results from Cohort 4 of the ongoing Phase 2b ENSURE study were presented at the 2025 AASLD The Liver Meeting® and simultaneously published in *Nature Medicine*. These results support the potential of BRIL-179 to improve functional cure outcomes and broaden its applicability across diverse patient populations. Based on insights derived from the data generated from Cohort 4 of the ENSURE study, the ENHANCE study protocol was amended in 2025 to evaluate an alternative triple combination regimen designed to reduce the duration of PEG-IFN α treatment. Outcome data from the confirmatory Phase 2b ENRICH and ENHANCE studies are expected in the second half of 2026.

Following the establishment of our discovery capabilities in 2024 under the leadership of our Chief Scientific Officer Dr. Brian Johns, we further strengthened and scaled this early discovery capabilities through the operation of a translational research laboratory in Beijing and the establishment of a fully integrated discovery laboratory in Shanghai. Both laboratories are staffed by an experienced discovery team and operating in coordination with the discovery team in the United States. This global model enhances target selection, candidate optimization and progression through defined discovery milestones by combining China-based R&D efficiency and innovation with deep global drug discovery expertise.

Building on this foundation, the Company entered into a collaboration with OpenBench in December 2025 to incorporate structure-based artificial intelligence tools into its discovery research process, supporting and accelerating the progress of early discovery programs.

The Company's strategy to partner non-core assets continued to create value. In July 2025, the Company announced an out-licensing agreement with Joincare Group for soralimixin in the Greater China region, enabling regional development while maintaining internal focus on HBV and discovery. Evaluation of partnership opportunities for the HIV therapeutic candidates is ongoing.

Looking forward, the Company aims to build sustained momentum across both its late-stage HBV program and its early discovery programs.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent non-executive Directors

Mr. Gregg Huber ALTON
Dr. Martin J MURPHY JR
Ms. Grace Hui TANG
Mr. Yiu Wa Alec TSUI
Dr. Taiyin YANG

AUDIT AND RISK COMMITTEE

Ms. Grace Hui TANG (*Co-Chairlady*)
Dr. Taiyin YANG (*Co-Chairlady*)
Mr. Yiu Wa Alec TSUI

REMUNERATION COMMITTEE

Dr. Martin J MURPHY JR (*Chairman*)
Ms. Grace Hui TANG
Mr. Yiu Wa Alec TSUI

NOMINATION COMMITTEE

Mr. Gregg Huber ALTON (*Chairman*)
Dr. Zhi HONG
Dr. Martin J MURPHY JR
Ms. Grace Hui TANG

STRATEGY COMMITTEE

Dr. Ankang LI (*Chairman*)
Mr. Gregg Huber ALTON
Dr. Taiyin YANG

JOINT COMPANY SECRETARIES

Dr. Ankang LI
Ms. Wing Tsz Wendy HO

AUTHORISED REPRESENTATIVES

(for the purpose of the Listing Rules)

Dr. Ankang LI
Ms. Wing Tsz Wendy HO

LEGAL ADVISORS

As to Hong Kong laws:
Edwin Kwok & Co

As to PRC laws:
Global Law Office, Shanghai

As to Cayman Islands law:
Maples and Calder (Hong Kong) LLP

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor

COMPLIANCE ADVISOR

Somerley Capital Limited

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

CORPORATE INFORMATION

CORPORATE HEADQUARTERS

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International Science Park
No. 1 North Yongtaizhuang Road
Haidian District, Beijing 100192
China

WeWork One City Center
Suite 05-110, 110 N Corcoran St
Durham, NC 27701
United States of America

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1920, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman KY1-1104
Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKS

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

COMPANY WEBSITE

www.briibio.com

STOCK CODE

2137

LISTING DATE

July 13, 2021

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five years (prepared in accordance with IFRS) are set out as below. This summary does not form part of the audited consolidated financial statements.

Operating Results

	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	–	51,626	617	–	18,605
Other income	99,032	107,857	163,728	141,440	68,777
Other gains and losses, net	45,062	(12,289)	252,402	(197,665)	14,761
Research and development expenses	(494,615)	(440,634)	(402,705)	(249,847)	(212,899)
Administrative expenses	(208,404)	(168,629)	(196,499)	(153,155)	(109,450)
Selling and marketing expenses	–	(26,861)	(1,419)	–	–
Fair value loss on financial liabilities at fair value through profit or loss	(3,598,847)	–	–	–	–
Finance costs	(1,175)	(851)	(494)	(2,366)	(1,961)
Listing expenses	(32,137)	–	–	–	–
Loss before tax	(4,191,084)	(489,781)	(184,370)	(512,381)	(222,167)
Income tax expense	–	–	–	–	(1,900)
Loss for the year	(4,191,084)	(489,781)	(184,370)	(512,381)	(224,067)
Total comprehensive expense for the year	(4,248,951)	(238,456)	(159,687)	(482,186)	(272,253)

Financial position

	As at December 31,				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	197,758	314,950	415,473	292,503	397,001
Current assets	3,413,941	3,076,899	2,782,778	2,414,122	1,962,570
Total assets	3,611,699	3,391,849	3,198,251	2,706,625	2,359,571
Non-current liabilities	19,730	5,239	–	23,124	3,888
Current liabilities	280,713	229,113	125,869	77,421	32,314
Total liabilities	300,443	234,352	125,869	100,545	36,202
Net (liabilities) assets	3,311,256	3,157,497	3,072,382	2,606,080	2,323,369

CHAIRMAN'S STATEMENT

2025 was a year marked by strong execution for the Company. We made meaningful progress in advancing our HBV clinical programs and expanding our discovery capabilities, while maintaining a strong focus on operational efficiency.

During 2025, we continued to advance our HBV functional cure program, which remains our top clinical priority. Throughout 2025, we reported key data, refined our study designs and progressed our studies toward a registrational development pathway. Our confirmatory Phase 2b ENRICH and ENHANCE studies are now fully enrolled, and we expect to report both on-treatment and off-treatment results in the second half of 2026. These data will inform our decision regarding the registrational studies.

In parallel, we progressed our non-HBV portfolio through selective partnering. In July 2025, we announced a licensing and technology transfer agreement with Joincare Group for soralimixin, targeting critically ill patients with MDR gram-negative bacterial infections in the Greater China. This collaboration allows the program to move forward with a strong regional partner, while enabling us to prioritize our resources toward our HBV programs and discovery initiatives.

More importantly, we strengthened our discovery platform by expanding our internal research capabilities. Our efforts included building new research infrastructure and establishing collaborations that integrate AI-enabled discovery tools into our research workflow. Together, these investments position us to accelerate the discovery of future therapies, and with this foundation in place, we expect to continue nominating new programs from our discovery engine in the future.

Alongside the advancement of our pipeline programs and discovery efforts, we remain committed to maintaining strong alignment with Shareholders' interests. In 2025, the Board approved a reduction plan for senior management's annual bonus arrangements for 2025 and 2026, reinforcing the linkage between management incentives and long-term Shareholders' value. We will continue to assess market conditions and take appropriate actions to ensure that management compensation remains closely aligned with our business performance, capital market outcomes, and long-term value creation for Shareholders.

Together, these actions reflect a disciplined approach to building durable value – advancing the clinical development of our HBV programs while deliberately strengthening the discovery foundation for future innovation. We remain committed to frontier innovation and to generating long-term value for our Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Brii Bio is a clinical-stage biotechnology company focusing on developing therapies to improve patient health across diseases with high unmet medical need.

In 2025, the Company continued to advance its late-stage HBV program, reflecting its commitment towards functional cure. The exploratory Phase 2b ENSURE study generated encouraging and inspirational data sets, supporting further evaluation in the two confirmatory Phase 2b studies, which are ENRICH and ENHANCE studies. The publication of the ENSURE study results in *Nature Medicine* validated the Company's clinical approach, demonstrating the contribution of elebsiran and the potential of BR11-179 in identifying patients more likely to achieve HBsAg loss. These findings informed protocol refinements for the ENHANCE study and the broader combination-treatment strategy.

Anchored by a translational research laboratory in Beijing and a fully integrated discovery laboratory in Shanghai, the Company continued to advance its early discovery initiatives during 2025. The Company's discovery platform is led by an experienced scientific team with backgrounds spanning large multinational pharmaceutical companies and innovative biotechnology companies, and with comprehensive internal expertise in cell and molecular biology, medicinal chemistry, ADME/DMPK, toxicology and CMC.

In December 2025, the Company further strengthened its discovery capabilities through a collaboration with OpenBench to integrate structure-based AI screening into its research workflows, with the objective of accelerating lead identification and expanding the platform's scope.

In parallel, the Company implemented targeted operational adjustments to better align resources with its evolving R&D model, optimize talent deployment, and maintain financial discipline while supporting continued investment in both late-stage clinical development programs and discovery-stage initiatives.

Looking ahead, Brii Bio will advance its HBV portfolio toward registrational readiness, while continuing to scale its early-stage discovery programs to support long-term pipeline growth. Leveraging its integrated global R&D infrastructure, an experienced scientific team and strengthened internal capabilities, the Company is positioned to deliver both near-term clinical development objectives while fostering sustainable innovation over the long term.

MANAGEMENT DISCUSSION AND ANALYSIS

Pipeline Summary

We have developed an extensive pipeline targeting infectious diseases. Our lead programs are centered on HBV functional cure, primarily in China, the world's largest HBV market. The table below outlines the status of our key product candidates as of the date of this annual report:

Indication	Program	Modality	Pre-clinical	IND	Phase 1	Phase 2	Phase 3	NDA/BLA	Commercial	Our Rights	Partner	
HBV Cure	BRII-179	Therapeutic Vaccine	▶								Worldwide	-
	Elebsiran	siRNA	▶								Greater China ⁽¹⁾	Vir Biotechnology
HDV	Elebsiran + Tobeivart	siRNA + mAb	▶ ⁽²⁾								Greater China ⁽¹⁾	Vir Biotechnology
MDR	Soralimixin ⁽³⁾	Cyclic Peptide	▶								Ex-China ⁽⁴⁾	Joincare
HIV	BRII-732	Long-acting QW oral	▶								Worldwide	-
	BRII-753	Long-acting injectable	▶							Worldwide	-	

- (1) Brie Bio obtained exclusive license from Vir Biotechnology for the research, development, and commercialization of elebsiran and tobevibart in the Greater China. Greater China includes Mainland China, Macau, Hong Kong and Taiwan.
- (2) Our collaborator, Vir Biotechnology, is currently conducting Phase 3 studies of elebsiran and tobevibart for the treatment of HDV infection.
- (3) Soralimixin was formerly known as BRII-693.
- (4) Joincare Group has obtained an exclusive license from Brie Bio for the research, development, and commercialization of soralimixin in the Greater China. Brie Bio retains the rights to soralimixin outside the Greater China.

BUSINESS REVIEW

During the Reporting Period, the Company continued to advance its pipeline while optimizing its business operations. Progress was made across the HBV portfolio toward late-stage clinical development, alongside a measured increase in investment in early-stage discovery programs to support future pipeline growth.

All three Phase 2b HBV functional cure studies progressed to full enrollment during the Reporting Period. In addition, key clinical findings from the Phase 2b ENSURE study were published in *Nature Medicine*.

To support its next phase of development, the Company expanded its early discovery activities, supported by an integrated wet lab operation in China and an AI-enabled collaboration with OpenBench.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company also continued to realize value from non-core assets through the out-licensing of soralimix in to Joincare Group for the Greater China region.

With this foundation in place, the Company's strategic priorities are to advance its HBV functional cure program toward registrational study readiness while continuing to scale its early discovery programs to support the development of a sustainable long-term pipeline. The Company continues to assess potential partnership opportunities for HIV therapeutic candidates and other non-core programs.

The Company's key achievements as of the date of this annual report, along with planned next steps and anticipated milestones, are set out below.

Clinical Pipeline Highlights and Upcoming Milestones

HBV Program

The Company continues to advance its HBV clinical pipeline with a strategic focus on achieving higher rates of functional cure through differentiated combination regimens.

Multiple ongoing Phase 2b combination studies are currently ongoing, namely the ENSURE, ENRICH and ENHANCE studies, evaluating the Company's HBV candidates, including elebsiran, an HBV-targeting siRNA, and BR11-179, a recombinant protein-based HBV immunotherapeutic.

BR11-179 Related Studies and Plans

BR11-179 is a novel recombinant protein-based HBV immunotherapeutic candidate that expresses the Pre-S1, Pre-S2 and S HBV surface antigens and is designed to induce enhanced B-cell and T-cell immune responses. The Company holds exclusive global rights to develop and commercialize BR11-179.

BR11 179 is currently being evaluated in three Phase 2b studies conducted by the Company, comprising the ENSURE study and two confirmatory Phase 2b ENRICH and ENHANCE studies. These studies aim to further define the role of BR11-179 in HBV treatment regimens and to inform the optimal regimen for advancement to a registrational study. All three studies have been fully enrolled.

The Phase 2b ENSURE study is designed to assess the efficacy and safety of combination approaches aimed at improving functional cure outcomes. Cohorts 1-3 evaluate elebsiran in combination with PEG-IFN α compared to PEG-IFN α monotherapy, while Cohort 4 evaluates the potential role of BR11-179 in identifying immunologically responsive patients and improving HBsAg loss rates.

MANAGEMENT DISCUSSION AND ANALYSIS

- In 2025, Cohort 4 of the ENSURE study demonstrated encouraging results with BR11-179. Key data were presented at the Asian Pacific Association for the Study of the Liver, the European Association for the Study of the Liver Congress and The Liver Meeting® of the American Association for the Study of Liver Diseases, reinforcing BR11-179's potential to contribute to functional cure improvements for chronic hepatitis B:

Key findings included:

- Median baseline range HBsAg were numerically higher in BR11-179-induced anti-HBs responders (520 [34-2,165] IU/mL) compared with non-responders (185 [51-672] IU/mL).
- At 24 weeks post-EOT, HBsAg loss was observed in 42.1% (8/19) of BR11-179-induced anti-HBs responders compared with 8.3% (1/12) of non-responders.
- While all participants with sustained HBsAg loss had baseline HBsAg below 1,500 IU/mL in the ENSURE study, 50% (4/8) of anti-HBs responders had baseline HBsAg levels between 1,514 and 3,086 IU/mL when enrolled in the previous study, suggesting BR11-179 may induce anti-HBs responses across a broader range of baseline HBsAg levels.

Long-term follow-up data from the ENSURE study are expected in the first half of 2026 and will be presented at a future academic conference.

- To further define the role of BR11-179 in HBV treatment and identify an optimal combination regimen for potential registrational development, the Company is evaluating BR11-179 in two additional ongoing Phase 2b studies:
 - ENRICH study: Evaluates the role of BR11-179 in priming HBV-specific immune responses and/or identifying immunologically responsive patients with a higher likelihood of achieving functional cure.
 - ENHANCE study: Evaluates a triple combination treatment regimen of BR11-179 and elebsiran plus PEG-IFN α to enhance the functional cure rate. Based on insights from Cohort 4 of the ENSURE study, the study protocol was amended to assess a simplified triple combination regimen designed to shorten PEG-IFN α treatment duration to 24 weeks.

All studies are now fully enrolled, with data from both the ENRICH and ENHANCE studies expected to be announced in the second half of 2026.

- In parallel, the Company has engaged with the CDE to discuss potential Phase 3 study designs and primary endpoints. Results from the ongoing ENRICH and ENHANCE studies are expected to inform future registrational development decisions.

Elebsiran and Tobeivart Related Studies and Plans

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

- In May 2025, the Company presented 24-week follow-up data from Cohorts 1-3 of its ENSURE study at the EASL Congress 2025. Data showed sustained off-treatment benefits in patients treated with elebsiran in combination with PEG-IFN α compared to those treated with PEG-IFN α alone.
- The data from Cohorts 1-3 of the ENSURE study continue to suggest the industry's first evidence delineating the contribution of siRNA (elebsiran) towards a functional cure, in addition to PEG-IFN α therapy, through a head-to-head comparison with PEG-IFN α alone. This highlights elebsiran's potential to make a substantial impact on achieving a higher HBV functional cure rate.
- The Company's collaborator, Vir Biotechnology, is evaluating the combination of tobevibart and elebsiran for the treatment of CHD, including in its ongoing ECLIPSE registrational program, with ECLIPSE 1 and ECLIPSE 3 fully enrolled. Vir Biotechnology expects to report topline data from ECLIPSE 1 trial in the fourth quarter of 2026 and topline data from ECLIPSE 2 and ECLIPSE 3 in the first quarter of 2027.

Additional Clinical Program

Multi-drug Resistant Gram-Negative Bacteria Infections Program

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

HIV Infection Program

The Company is actively seeking external partnerships to advance the development and commercialization of its therapeutic candidates for HIV, including:

- **BR11-753** is an NRTTI, which is an internally discovered NCE prodrug of EFdA currently in pre-clinical development. It is being developed as a long-acting subcutaneous injection with the potential to be given once monthly, once quarterly or twice yearly. It can be used as a combination therapy for HIV treatment and as monotherapy for pre-exposure prophylaxis.
- **BR11-732** is a proprietary NCE prodrug that, upon oral administration, is rapidly metabolized into EFdA and is under evaluation as a potential HIV treatment or prevention option. EFdA is an NRTTI, acting as both a chain terminator and translocation inhibitor of HIV. BR11-732 has completed Phase 1 studies with the potential for development as part of an oral, once-weekly, long-acting combination treatment option for HIV patients.

Discovery and Early Development Program Highlights and Upcoming Milestones

By the end of 2025, the Company had operated a translational research laboratory in Beijing and a fully integrated discovery laboratory in Shanghai, both supported by an experienced discovery team. Leveraging its global R&D footprint across China and the United States, Bii Bio aims to combine the innovation and execution efficiency of China-based R&D with deep global expertise in drug discovery and development. This operating model enables rapid translation of scientific insights into testable therapeutic hypotheses, efficient target selection and consistent advancement of early-stage programs through key discovery milestones.

In December 2025, the Company announced a collaboration with OpenBench to incorporate artificial intelligence-enabled capabilities into its discovery workflow. The Company has also strengthened its clinical development team in China to support the efficient progression of candidates into the clinic.

Additional updates on our new discovery programs are expected throughout 2026 as we advance towards the clinic.

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

Other Corporate Developments

As part of its continued focus on strengthening alignment between management incentives and long-term Shareholders' interests, the Board approved a reduction plan for senior management's annual bonus arrangements for 2025 and 2026. Under this plan, in each of these years, the Company's total compensation expense for executive annual bonuses will be significantly reduced to approximately one-quarter of the original level. This action reinforces the Company's commitment to disciplined financial management and aligns management compensation more closely with its business performance, capital market outcomes, and long-term Shareholders' value creation.

Research and Development

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Our multi-pronged R&D strategies are designed with flexibility in mind, resulting in expenses that vary according to the number and scale of projects each year. Our R&D expenses for the year ended December 31, 2025 amounted to RMB212.9 million. We remain committed to leveraging our technology and R&D capabilities to broaden our life sciences research and application capabilities and product candidate portfolio.

Commercialization

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

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

FUTURE DEVELOPMENT

In the year ahead, the Company remains focused on disciplined execution and continued innovation across both its late-stage HBV programs and early-stage discovery efforts.

With clinical data readouts from the ENRICH and ENHANCE studies anticipated in 2026, the Company expects these results to inform key development and registrational pathway decisions for its HBV programs, consistent with its long-standing commitment to achieving a functional cure for chronic hepatitis B.

In parallel, the Company will continue to advance its AI-empowered discovery initiatives, leveraging its integrated global R&D model that combines efficient execution capabilities in China with deep expertise in disease biology and external collaboration networks in the United States.

Supported by an agile operating structure, strengthened internal capabilities, and a strong cash position, the Company is well-positioned to build a differentiated profile over time through disciplined execution and Joicare Group.

SUBSEQUENT EVENTS

Save as disclosed in this annual report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to December 31, 2025 and up to the date of this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

1. Revenue

Revenue increased by RMB18.6 million from nil for the year ended December 31, 2024 to RMB18.6 million for the year ended December 31, 2025, primarily attributable to the upfront payment received under an intellectual property license and technology transfer agreement entered into with Joincare Group.

2. Other income

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Bank interest income	51,538	87,154
Government grants	16,943	49,936
Others	296	4,350
	68,777	141,440

Our other income decreased by RMB72.6 million from RMB141.4 million for the year ended December 31, 2024 to RMB68.8 million for the year ended December 31, 2025. This was mainly due to the decrease in bank interest income of RMB35.6 million attributable to the declining interest rates on USD and HKD time deposits and the decrease in income recognized from government grants of RMB33.0 million. These grants mainly represent the incentive and other subsidies from the PRC government which are intended to incentivize R&D activities and are recognized upon compliance with the attached conditions.

3. Other gains and losses

Our other gains and losses changed from losses of RMB197.7 million for the year ended December 31, 2024 to gains of RMB14.8 million for the year ended December 31, 2025. The decrease in other losses of RMB212.5 million was of non-cash nature and primarily attributable to the changes in fair value of the financial assets and the impairment loss recognized on intangible assets.

4. Fair value loss on equity instrument at FVTOCI

Our fair value loss on equity instrument at FVTOCI decreased by RMB7.9 million from loss of RMB7.9 million for the year ended December 31, 2024 to nil for the year ended December 31, 2025. The amount represents the equity investment in a biopharmaceutical company in the USA. As the biopharmaceutical company was delisted from the NASDAQ Global Market on August 8, 2024, the fair value of the equity investment was determined to be zero. This biopharmaceutical company has completed a restructuring proceeding under the Companies' Creditors Arrangement Act (Canada) and as a result, the Group no longer holds any equity interest in this company.

MANAGEMENT DISCUSSION AND ANALYSIS

5. Research and development expenses

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Third-party contracting cost	118,186	139,145
Employee cost	90,902	107,057
Depreciation	664	127
Others	3,147	3,518
	212,899	249,847

Our research and development expenses decreased by RMB36.9 million from RMB249.8 million for the year ended December 31, 2024 to RMB212.9 million for the year ended December 31, 2025. The decrease was primarily attributable to the decrease in third-party contracting cost of RMB21.0 million as the Company continued to prioritize HBV functional cure program, partially offset by the increase in investment in early-stage discovery programs to support future pipeline growth. The decrease was also attributable to the decrease in employee cost of RMB16.2 million, mainly resulting from organizational optimization and adjustments to the senior management compensation framework.

6. Administrative expenses

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Employee cost	62,049	86,843
Professional fees	22,301	32,662
Depreciation	5,077	8,723
Office expense	3,178	3,909
Others	16,845	21,018
	109,450	153,155

Our administrative expenses decreased by RMB43.7 million from RMB153.2 million for the year ended December 31, 2024 to RMB109.5 million for the year ended December 31, 2025. The decrease was primarily attributable to the decrease in employee cost of RMB24.8 million and professional fees of RMB10.4 million. The decrease was also attributable to organizational optimization, adjustments to the senior management compensation framework and effective cost control.

MANAGEMENT DISCUSSION AND ANALYSIS

7. Liquidity and capital resources

As of December 31, 2025, our bank and cash balances, including restricted bank balances and time deposits, decreased to RMB1,941.0 million from RMB2,413.4 million as of December 31, 2024. The decrease was primarily due to payout of daily operations, third-party contracting costs and acquisition of BR11-179-related assets.

8. Non-IFRS measures

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

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

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

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss for the year	(224,067)	(512,381)
Added:		
Share-based compensation	6,504	16,051
Adjusted loss for the year	(217,563)	(496,330)

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Research and development expenses for the year	(212,899)	(249,847)
Added:		
Share-based compensation	4,028	1,326
Adjusted research and development expenses for the year	(208,871)	(248,521)

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Administrative expenses for the year	(109,450)	(153,155)
Added:		
Share-based compensation	2,476	14,725
Adjusted administrative expenses for the year	(106,974)	(138,430)

9. Key financial ratios

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

	As at December 31, 2025	As at December 31, 2024
Current ratio ⁽¹⁾	6,073%	3,118%
Gearing ratio ⁽²⁾	N/A	N/A

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

10. Indebtedness

Borrowings

As at December 31, 2025, the Group did not have any unutilized bank facilities, material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured.

Contingent liabilities

As at December 31, 2025, the Group did not have any contingent liabilities.

Lease liabilities

We lease our office places under operating lease arrangements. Leases for office places are negotiated for terms ranging mainly from two to three years. As at December 31, 2025, the Group had lease liabilities of RMB8.9 million recognized under IFRS 16.

11. Significant investments, material acquisitions and disposals

As at December 31, 2025, we did not hold any significant investments. For the year ended December 31, 2025, we did not have material acquisitions or disposals of subsidiaries, associates, and joint ventures.

12. Charge on the Group's assets

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

13. Foreign exchange exposure

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

As at December 31, 2025, the Group's restricted bank deposits, time deposits with original maturity over three months and bank balances and cash were denominated as to 55.4% in US dollars, 28.2% in Hong Kong dollars, 16.2% in RMB and 0.2% in Australian dollars.

MANAGEMENT DISCUSSION AND ANALYSIS

14. Employees and remuneration

As at December 31, 2025, we had a total of 75 employees. The following table sets forth the total number of employees by function as of December 31, 2025:

Function	Number of employees	% of total
Research and development	55	73%
Administration	20	27%
Total	75	100%

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

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

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

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

We continue to conduct portfolio optimization and organizational streamlining. In addition, the Board approved a reduction plan for senior management's annual bonus arrangements for 2025 and 2026. Under this plan, in each of these years, the Company's total compensation expense for executive annual bonuses will be significantly reduced to approximately one-quarter of the original level.

The total remuneration cost incurred by the Group for the year ended December 31, 2025 was RMB153 million, representing a decrease of 21% compared with RMB194 million for the year ended December 31, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

15. Treasury policy

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

16. Future plans for material investments or capital assets

As at December 31, 2025, the Group did not have detailed future plans for material investments or capital assets.

ADDITIONAL INFORMATION

Passive Foreign Investment Company (“PFIC”) Status

Based on the nature and composition of our income, assets and activities for our taxable year ended December 31, 2025, and certain assumptions with respect to the characterization of our income and assets as active or passive, the Company was classified as a PFIC for our taxable year ended December 31, 2025. If we are classified as a PFIC in any taxable year, a U.S. Holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A notification letter addressed to our U.S. Holder, containing the available PFIC annual information statements for the year ended December 31, 2025, has been published on the website of the Stock Exchange in a separate announcement. For details of the impact and relevant guidance for action as our U.S. Holder of PFIC, please refer to the announcement of the Company dated March 22, 2024.

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Dr. Zhi HONG, aged 62, was appointed as a Director on March 2, 2018, and re-designated as an executive Director and appointed as the chairman of the Board on March 24, 2021. He has been the chief executive officer of the Company since February 23, 2018 and a member of the Nomination Committee since September 1, 2022. He was the chairman of the Nomination Committee from July 13, 2021 to September 1, 2022, and the chairman of the Strategy Committee from July 13, 2021 to September 30, 2022. Since January 2018, Dr. Hong has been serving as a director and the chief executive officer of Bii Biosciences, Inc. Since February 2019, he has been serving as a director and the chairman of the board of Bii Biosciences (Shanghai) Co. Limited* (騰盛博藥醫藥技術(上海)有限公司) (“**Brii Shanghai**”) and Bii Biosciences (Beijing) Co. Limited* (騰盛博藥醫藥技術(北京)有限公司) (“**Brii Beijing**”). In addition, since May 2018 and November 2018 respectively, he has been serving as a director of Bii Biosciences Offshore Limited and Bii Biosciences (Hong Kong) Co. Limited (騰盛博藥醫藥技術(香港)有限公司) (“**Brii HK**”).

Dr. Hong has over 25 years of experience in the biopharmaceutical industry. Prior to founding the Group, he was a senior vice president of GlaxoSmithKline plc. (“**GSK**”), a pharmaceuticals, vaccines and consumer healthcare products company listed on the New York Stock Exchange in the United States (stock code: GSK), and he was responsible to head the infectious diseases therapy area unit from April 2007 to March 2018. He was also a director of ViiV Healthcare Limited (“**ViiV**”), a subsidiary of GSK in the United Kingdom engaged in the research and development of HIV medicines, and he was responsible for overseeing the research and development of HIV treatment and prevention therapies from October 2009 to March 2018. He was an executive vice president of research and chief scientific officer of Ardea Biosciences, Inc., a biopharmaceutical company in the United States, and he was responsible for the research and development of infectious diseases and oncology from December 2006 to March 2007. He was a vice president and head of research of Bausch Health Companies Inc. (formerly known as Valeant Pharmaceuticals International), a pharmaceutical company listed on the New York Stock Exchange in the United States (stock code: BHC), and he was responsible for the research and development of infectious diseases, oncology and neuroscience R&D from June 2000 to March 2007.

Dr. Hong obtained his Bachelor of Science in Biochemistry from Fudan University in China in July 1985 and a Ph.D. in Biochemistry from State University of New York in the United States in January 1992.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Ankang LI (李安康), aged 48, was appointed as an executive Director and the chairman of the Strategy Committee with effect from September 30, 2022 and as the chief executive officer of TSB Therapeutics (Beijing) Co. Limited, an indirect non-wholly owned subsidiary of the Company, with effect from September 16, 2022. He was appointed as the chief operating officer of the Company with effect from November 18, 2025 and has been serving as the joint company secretary since April 8, 2021, overseeing the corporate and business development, finance and accounting, reporting and control, legal and intellectual property, and investor relations and corporate communications of the Group. He also leads both R&D and non-R&D business of the Company in China. He was the chief financial officer and the chief strategy officer of the Company from September 1, 2020 to November 18, 2025 and from March 22, 2022 to November 18, 2025, respectively, before his new appointment as the chief operating officer of the Company. Dr. Li has also been serving as a director of Bii Beijing, Bii Shanghai, Bii HK and Bii Biosciences Pty Ltd. since August 2021, July 2021, June 2021 and March 2023, respectively.

Dr. Li has more than fifteen years of experience in investment banking, business development, legal transaction and biomedical research. Prior to joining the Group, he was the chief financial officer of Terns Pharmaceuticals, Inc., a clinical-stage biopharmaceutical company listed on the NASDAQ Stock Exchange in the United States (stock code: TERN), and he was responsible for overseeing financial operation from June 2019 to August 2020. He was an executive director within the corporate finance department division of Goldman Sachs, an investment bank, and he was responsible for providing financial advisory services from January 2018 to June 2019. He was a director of the business development department of MSD R&D (China) Co., Ltd., a China subsidiary of a global pharmaceutical company Merck Sharp & Dohme Corporation (“MSD”), and he was responsible for overseeing business development and licensing transactions of MSD Asia Pacific Innovation Hub from September 2016 to December 2017. He was an associate of Ropes & Gray LLP, a global law firm, and he was responsible for providing legal advisory services in corporate transactions from August 2014 to September 2016. He was an associate of Davis Polk & Wardwell LLP, a global law firm, and he was responsible for providing legal advisory services in corporate transactions from September 2012 to August 2014. From September 2007 to September 2009, he was a research associate of Salk Institute for Biological Studies, a scientific research institute in the United States, conducting postdoctoral scientific research.

Dr. Li obtained his Bachelor of Science in Biochemistry from Fudan University in China in July 1999, a Master of Science in Biological Sciences from National University of Singapore in Singapore in October 2002, a Ph.D. in Biomedical Sciences from Baylor College of Medicine in the United States in June 2007 and a Juris Doctor degree from The University of Chicago Law School in the United States in June 2012. Dr. Li was also admitted to the New York Bar in January 2013 and was qualified as a Chartered Financial Analyst of the CFA Institute in August 2016.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

Dr. Martin J MURPHY JR, aged 83, was appointed as an independent non-executive Director with effect from July 13, 2021. Dr. Murphy Jr has also been serving as the chairman of the Remuneration Committee and a member of the Nomination Committee since July 13, 2021. He was a member of the Audit and Risk Committee from July 13, 2021 to September 1, 2022.

Dr. Murphy Jr has been serving as the chairman and the chief executive officer of AlphaMed Consulting, Inc., a biomedical consulting company, since March 2003. He provides executive consultation on cancer drug development, clinical trial design, key thought leader identification and strategic analysis of big data and artificial intelligence to both corporate executives as well as cancer drug developers. Dr. Murphy Jr was the founding chief executive officer of CEO Roundtable on Cancer, a non-profit organization that works to develop and implement initiatives that reduce the risk of cancer, from August 2000 to January 2020. He received the Charles A. Sanders Life Sciences Award presented by Life Sciences Consortium and CEO Roundtable on Cancer in November 2019. Dr. Murphy Jr has been the Emeritus Director of the CEO Roundtable on Cancer since January 2021. He has also been a fellow of the American Society of Clinical Oncology since 2013.

Dr. Murphy Jr was awarded a Master of Science in Biology from New York University in the United States in February 1967, a Ph.D. in Biology from New York University in the United States in June 1969 and a Doctor of Medical Science (honoris causa) from Queen's University of Belfast in the United Kingdom in July 2009.

Ms. Grace Hui TANG, aged 66, was appointed as an independent non-executive Director on June 22, 2021 (with effect from July 13, 2021). Ms. Tang has also been serving as the co-chairlady of the Audit and Risk Committee and a member of the Remuneration Committee since July 13, 2021. With effect from June 3, 2025, Ms. Tang was also appointed as a member of the Nomination Committee.

Ms. Tang has been serving as an independent director and the chairperson of the remuneration committee of Pirelli & C. S.p.A, a company listed on the Milan Stock Exchange in Italy (stock code: PIRC) since July 2023, an independent director, the chair of the audit committee, the compensation committee and nominating committee, and a member of the ESG committee of NetEase, Inc., a company dual-listed on the Stock Exchange (stock code: 9999) and the NASDAQ Stock Exchange in the United States (stock code: NTES) since July 2022, a director and the chair of the audit committee of ECARX Holdings Inc, a company listed on the NASDAQ Stock Exchange in the United States (stock code: ECX) since March 2021, and a director and members of the audit committee and the operation committee of Elkem ASA, a company listed on the Oslo Stock Exchange in Norway (stock code: ELK) since April 2021. Ms. Tang was a director and a member of the audit committee of Textainer Group Holdings Limited, a container leasing company listed on the New York Stock Exchange in the United States (stock code: TGH) from July 2020 to March 2024. She has been serving as a professor and interviewer of Peking University's Guanghua School of Management, and she is responsible for teaching graduate accounting program and interviewing MBA candidates since September 2018. She also has been serving as a professor of Beijing Foreign Studies University since September 2022, where she is responsible for teaching accounting and auditing courses to foreign students.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Tang held several positions in China, Hong Kong and US Silicon Valley offices in PricewaterhouseCoopers, an accounting firm, from March 1990 to June 2020 and her last position therein was partner in the assurance department in China office and she was responsible for overseeing audit work.

Ms. Tang obtained her Bachelor of Science with majors in Accounting from the University of Utah in the United States in June 1982 and a Master of Business from Utah State University in the United States in June 1984. Ms. Tang has been a certified public accountant of the California Board of Accountancy of the United States since December 1993. She has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since July 1995. She has been a fellow of the Hong Kong Institute of Certified Public Accountants since March 2003.

Mr. Yiu Wa Alec TSUI (徐耀華), aged 76, was appointed as an independent non-executive Director on June 22, 2021 (with effect from July 13, 2021). Mr. Tsui has also been serving as members of the Audit and Risk Committee and the Remuneration Committee since July 13, 2021. Mr. Tsui was a member of the Nomination Committee from July 13, 2021 to September 1, 2022.

Mr. Tsui has over 40 years of experience in finance and administration, corporate and strategic planning, information technology and human resources management. Mr. Tsui has been an independent non-executive director of a number of companies listed on the Stock Exchange, namely, COSCO Shipping International (Hong Kong) Co., Ltd. (a company engaged in ship-related businesses) (stock code: 517) since February 2004, Pacific Online Limited (a company engaged in the provision of Internet advertising services) (stock code: 543) since November 2007 and Hua Medicine (a company engaged in the development a global first-in-class oral drug for the treatment of diabetes) (stock code: 2552) since September 2018. He has also been serving as an independent director of Melco Resorts & Entertainment Limited (a developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia), a company listed on the NASDAQ Stock Exchange in the United States (stock code: MLCO) since December 2006. Since August 2000, he has also been an independent non-executive director of Industrial & Commercial Bank of China (Asia) Limited, a company previously listed on the Stock Exchange (stock code: 349) and was delisted with effect from December 21, 2010. In addition, Mr. Tsui has been serving as a director of WAG Worldsec Management Consultancy Limited, a consulting company, and he has been responsible for setting the strategic direction of the company and the day-to-day management of the company since April 2006.

Mr. Tsui served as independent non-executive directors in various other Hong Kong listed companies, including China Oilfield Services Limited (an integrated oilfield services providers) (stock code: 2883) from June 2009 to June 2015, China Power International Development Limited (a Chinese electric power company) (stock code: 2380) from March 2004 to December 2016, Summit Ascent Holdings Limited (a company engaged in leisure facilities and services) (stock code: 102) from March 2011 to September 2018, Kangda International Environmental Company Limited (a company engaged in the constructions and operations of wastewater treatment business) (stock code: 6136) from October 2013 to April 2019, and DTXS Silk Road Investment Holdings Company Limited (a company engaged in e-commerce business) (stock code: 620) from December 2015 to May 2020. He also served as an independent non-executive director of Melco Resorts and Entertainment (Philippines) Corporation, a company which owns and operates casinos and is listed on the Philippine Stock Exchange in the Philippines (stock code: MRP), from December 2012 to November 2020 and as an independent director of ATA Creativity Global, a company which provides educational services and is listed on the NASDAQ Stock Exchange in the United States (stock code: AACG), from January 2008 to February 2026.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Tsui was the chairman and director of WAG Worldsec Corporate Finance Limited, a private professional consulting services and financial solutions company, and he was responsible for setting the strategic direction of the company, the supervision of regulatory activities licensed under the SFC and the day-to-day management of the company from November 2003 to February 2017. He was the chief executive of WAG Financial Services Group Limited, a financial service company, and he was responsible for setting the strategic direction of the company, the supervision of regulatory activities licensed under the SFC and the day-to-day management of the company from April 2001 to November 2006. He was also the chairman of Hong Kong Securities Institute from December 2001 to December 2004. He was the consultant of the Shenzhen Stock Exchange from July 2001 to June 2002. He joined the Stock Exchange as the executive director of the finance and operations services division in January 1994 and served various positions in the Stock Exchange, including the chief executive of the Stock Exchange from February 1997 to August 2000 and the chief operating officer of Hong Kong Exchanges and Clearing Limited from March 2000 to August 2000. Before that, he held several positions in the SFC since January 1989, including the general manager of the finance and information technology department. He held several positions in China Light & Power Co., Ltd. (currently known as CLP Power Hong Kong Limited, a wholly-owned subsidiary of CLP Holdings Limited which is listed on the Stock Exchange (stock code: 2)) from May 1980 to December 1988 and his last position therein was manager of the financial planning and analysis department. He was an analyst of Arthur Andersen & Co., an accounting firm, from October 1976 to May 1979.

Mr. Tsui was admitted as a member of the Hong Kong Securities and Investment Institute in November 1998 and became the senior fellow of the Hong Kong Securities and Investment Institute in September 2014.

Mr. Tsui obtained his Bachelor of Science in Industrial Engineering from the University of Tennessee in the United States in June 1975 and a Master of Engineering from the University of Tennessee in the United States in August 1976. He also completed the Program for Senior Managers in Government at the John F. Kennedy School of Government at Harvard University in the United States in August 1993.

Mr. Gregg Huber ALTON, aged 60, was appointed as an independent non-executive Director on June 22, 2021 (with effect from July 13, 2021). Mr. Alton has also been serving as the chairman of the Nomination Committee and a member of the Strategy Committee since July 13, 2021 and September 1, 2022, respectively.

Mr. Alton has been serving as a director and a member of the audit committee of Novavax, Inc., a vaccine development company listed on the NASDAQ Stock Exchange in the United States (stock code: NVAX) since November 2020 and December 2020, respectively. He has been serving as a director, the chairman of the audit committee, and a member of the compensation committee of Corcept Therapeutics Incorporated, a pharmaceuticals company listed on the NASDAQ Stock Exchange in the United States (stock code: CORT) since March 2020.

Mr. Alton was a director, a member of the audit committee and the chair of the nominating and corporate governance committee of Renovaro Inc. (formerly known as Enochian Biosciences Inc.), a pharmaceuticals company listed on the NASDAQ Stock Exchange in the United States (stock code: RENB) from December 2019 to October 2024. Mr. Alton held several positions in Gilead Sciences, Inc. (“Gilead”), a biopharmaceutical company listed on the NASDAQ Stock Exchange in the United States (stock code: GILD) from October 1999 to January 2020, including general counsel, chief patient officer, interim chief executive officer and senior advisor of Gilead, and he was responsible for the company’s government affairs, public affairs, patient outreach and engagement initiatives, and led the company’s international commercial operations and corporate affairs groups. Mr. Alton was an associate at Cooley Godward, LLP, a law firm, from November 1993 to December 1996, and from June 1998 to October 1999. He was an associate attorney at Mintz Levin P.C., a law firm, from January 1997 to May 1998.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Alton obtained his Bachelor of Arts with a major in Legal Studies from the University of California in Berkeley, the United States in May 1989, and a Doctor of Jurisprudence from The Leland Stanford Junior University in the United States in June 1993. Mr. Alton was also admitted as an attorney and counselor at law by the supreme court of the state of California between June 1994 and July 2019.

Dr. Taiyin YANG (楊台瑩), aged 72, was appointed as an independent non-executive Director on September 1, 2022. Dr. Yang has been serving as the co-chairlady of the Audit and Risk Committee with effect from September 1, 2022 and a member of the Strategy Committee with effect from September 30, 2022.

Dr. Yang has more than four decades of experience in developing and manufacturing medicines in several therapeutic categories. Dr. Yang has been serving as a director of the board and a member of the audit committee of Kodiak Sciences Inc., a biopharmaceutical company listed on the NASDAQ Stock Exchange in the United States (stock code: KOD), since December 2019. She has been serving as a member of the scientific advisory board of Sionna Therapeutics, a clinical-stage biopharmaceutical company, since August 2022.

Dr. Yang was a director of the board and a member of the nominating and governance committee of Kronos Bio, Inc., a biopharmaceutical company listed on the NASDAQ Stock Exchange in the United States (stock code: KRON), from March 2021 to June 2025. She served as a member of the expert scientific advisory committee of Medicines for Malaria Venture, a non-profit research and development organization, from March 2020 to March 2024. Dr. Yang held several positions in Gilead from March 1993 to July 2022, including director of analytical chemistry and senior vice president of pharmaceutical development and manufacturing. Her last position at Gilead was executive vice president of pharmaceutical development and manufacturing, during which she was responsible for development and manufacturing for Gilead's small molecules, biologics and antibody-drug conjugates in development programs and commercial products. She directed operations of process, device and formulation development, manufacturing, packaging, analytical operations, laboratory information systems and data science, quality assurance, regulatory affairs, chemistry, manufacturing and controls processes program management, product distribution, supply chain management and site operations including production, quality control, technical services, facility, engineering and environment, health and safety. Under her leadership, Gilead developed the world's first human immunodeficiency virus single tablet regimen in 2006 and advanced numerous compounds from early-stage development to market, reaching millions of people around the world. During her tenure at Gilead, she also served as the executive sponsor for Gilead Asian Interest Network, an employee resource group established in April 2018, to promote, support and encourage inclusion and diversity. Before that, she held various positions in Syntex Corporation from January 1980 to March 1993, including staff researcher, department head of methods development and director of chemical analysis, supporting drug development.

Dr. Yang obtained a Bachelor of Science degree in Chemistry from the National Taiwan University in Taiwan, the People's Republic of China in June 1974, and a Ph.D. in Organic Chemistry from University of Southern California in the United States in January 1980. Dr. Yang was also inducted as a fellow of the American Institute for Medical and Biological Engineering in March 2021 and elected as a member of the National Academy of Engineering in February 2022.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our senior management team, in addition to our executive Directors listed above, is as follows:

Mr. Haifeng Cao (曹海峰), aged 53, has been appointed as the Head of China Development of the Company since October 1, 2025, responsible for strategic and operational leadership to clinical studies. Mr. Cao is also responsible for the execution of the clinical operations strategy and provide leadership and guidance to regulatory affairs function. He was the Vice President (Clinical Operation and Regulatory Affairs) of the Company from November 24, 2023 to September 30, 2025.

Prior to joining the Group, Mr. Cao accumulated more than 20 years' experiences in clinical development, holding positions of increasing responsibility. He was the Senior Vice President & Chief Operating Officer of Reistone Biopharma Co. Ltd. ("Reistone") from August 2018 to September 2023, where he led functions including regulatory affairs, pharmacovigilance, quality assurance, clinical research liaison and corporate strategy. He also served as the project lead for Reistone's multiple prioritized clinical programs, advancing them from Phase 1 through NDA filing. Before that, he worked as the head of regulatory affairs in China at both GSK from August 2012 to August 2018, and Boehringer Ingelheim Biopharmaceuticals (China) Ltd. from May 2008 to August 2012. From September 2005 to May 2008, he began his industry career as a regulatory affairs specialist at Johnson & Johnson Pharmaceutical Ltd. and was later promoted to a senior regulatory affairs manager at Wyeth pharmaceuticals Co., Ltd.

Mr. Cao obtained his Bachelor of Science degree in Chemistry from Jilin University in China in July 1995, a Master of Science degree in Chemistry from Chinese Academy of Sciences in China in July 1998 and a Master of Business Administration degree from Renmin University in China in June 2008.

Dr. Eleanor (Eilee) DE GROOT, aged 57, was appointed as the Chief Technology Officer of the Company with effect from August 23, 2022. Dr. de Groot has more than two decades of experience leading a wide range of streamlined global operations across growing biotechnology companies, from early to late-stage clinical development and commercial-scale manufacturing.

Prior to joining the Group, Dr. de Groot held key leadership roles during her career with Alauos Therapeutics, Inc. from July 2015 to May 2022, most recently serving as Executive Vice President of Operations, where she oversaw the development of novel cell therapy programs and led clinical manufacturing, quality and process development. In addition, Dr. de Groot held multiple roles of increasing responsibility within chemistry, manufacturing, and controls processes management in Helsinn Therapeutics, Inc. and its predecessor companies from April 2002 to July 2015, where she directed preparations for drug product commercialization, including global regulatory engagement, technology transfers and collaborations with key business partners worldwide.

Dr. de Groot holds both a Ph.D. and a Master of Science degree in Chemical Engineering from Stanford University in the United States in June 1995 and June 1991, respectively. She also held a Bachelor of Science degree in Chemical Engineering from Massachusetts Institute of Technology in the United States in June 1990 and a Master of Business Administration from Rice University in the United States in May 2014.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Brian A. JOHNS, aged 55, was appointed as the Chief Scientific Officer of the Company with effect from January 3, 2024. Dr. Johns brings a wealth of experience from the pharmaceutical industry, with a proven track record of successfully building and leading teams in the discovery and early development of novel medicines.

Prior to joining the Group, Dr. Johns was the Chief Scientific Officer of HemoShear Therapeutics, Inc. from September 2019 to December 2023 and the Vice President of External Discovery Sciences at ViiV from October 2018 to September 2019. From April 2016 to September 2019, he was the Co-director of UNC HIV Cure Center and Qura Therapeutics, Inc. and served as an Adjunct Research Associate Professor of University of North Carolina at Chapel Hill. Before that, Dr. Johns held various leading positions in GSK (and predecessor company GlaxoWellcome) from September 1999 to October 2018. His last position in GSK was the Vice President of the HIV discovery performance unit, where he led the GSK discovery business unit for the HIV therapy area. In that role, Dr. Johns was accountable for all aspects of the drug discovery strategy and execution. Dr. Johns is a co-inventor of two HIV medicines, dolutegravir and cabotegravir, used worldwide for the treatment and prevention of HIV.

Dr. Johns holds a Bachelor of Science in Chemistry from Andrews University in the United States in June 1993 and received his Ph.D. in Organic Chemistry from Wayne State University in the United States in August 1997. He also completed training as a National Institutes of Health Postdoctoral Fellow at the University of Virginia in the United States in August 1999.

Dr. David MARGOLIS, aged 51, has been serving as the Chief Medical Officer of the Company since June 15, 2023. He was the Vice President (Head of Infectious Diseases Therapy Area) of the Company from October 1, 2020 to June 14, 2023.

Prior to joining the Group, Dr. Margolis was the Medical Director and Senior Medical Director at both GSK from January 2010 to May 2015 and ViiV from June 2015 to September 2020, serving as the lead physician for the clinical development program for the long-acting integrase inhibitor, cabotegravir. Within this role, he created and executed the strategic plan for the clinical development of this first long-acting treatment regimen in HIV, CAB+RPV, inclusive of the clinical collaborations with Janssen Pharmaceuticals, Inc., The International Maternal Pediatric Adolescent AIDS Clinical Trials (IMPAACT) Network and the AIDS Clinical Trials Group, resulting in worldwide regulatory submissions and the first approval and launch of this novel approach to HIV therapy. Dr. Margolis also oversaw the clinical collaboration with the U.S. National Institutes of Health for the evaluation of cabotegravir for the prevention of HIV and has worked across all stages of clinical development from pre-clinical discovery through Phase 3 and post-marketing studies. While at GSK and ViiV, Dr. Margolis maintained a clinical infectious disease practice, serving as an Assistant Consulting Professor in the Infectious Diseases Department of Duke University Medical Center for eight years, caring for patients with infectious diseases and serving as the lead attending for the infectious disease fellow's clinic.

Dr. Margolis received his MD from Duke University School of Medicine in the United States in June 2002, concurrent with a Master of Public Health at the University of North Carolina, Chapel Hill, the United States in May 2000 and then completed an Internal Medicine residency at University of Colorado Health Science Center in the United States in June 2005 and a fellowship in Infectious Diseases at University of California at San Diego in La Jolla in the United States in December 2009, with a research focus on infectious diseases in the immunocompromised host.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Karen D. NEUENDORFF, aged 50, has been serving as the Chief People Officer (Head of Human Resources) of the Company since January 27, 2022.

Prior to joining the Group, Ms. Neuendorff served as the Senior Vice President, Human Resources at WeDriveU from June 2019 to January 2022, a division of the premier transportation firm National Express LLC, where she led HR strategy, recruiting and talent management, and acted as a trusted advisor to senior leaders and operational talent alike. Prior to her time at WeDriveU, Ms. Neuendorff served as the Vice President, Global Human Resources at Nexant Inc. for 14 years from October 2005 to June 2019, where she managed operational functions for the organization to create a unified, value-based culture and brand globally. Throughout her career, she has converted business vision into HR initiatives that improved performance, profitability, growth and employee engagement on a global scale.

Ms. Neuendorff holds a Bachelor of Arts degree in Psychology from the University of San Francisco in the United States in May 1997. She is also certified by the Human Resource Certification Institute as a Senior Professional in Human Resources (SPHR, SHRM-SCP) from June 2010 and July 2015, a Global Professional in Human Resources (GPHR) from June 2012, and a California Professional in Human Resources (PHR-CA) from May 2011.

Dr. Qing ZHU, aged 57, was appointed as the Head of Pre-clinical Sciences and Translational Research of the Company with effect from December 5, 2025. She was the Head of China R&D of the Company from October 1, 2022 to December 4, 2025, the Senior Vice President (Head of Biopharmaceutical Research) of the Company from July 16, 2020 to September 30, 2022 and the Vice President (Head of Biopharmaceutical Research) of the Company from April 2, 2018 to July 15, 2020.

Prior to joining the Group, Dr. Zhu held several positions in MedImmune, LLC (a subsidiary of AstraZeneca plc, which is a pharmaceutical company listed on the London Stock Exchange in the United Kingdom (stock code: AZN) and the New York Stock Exchange in the United States (stock code: AZN)) from August 2007 to March 2018, and her last position therein was Director and Head of Virology Group and she was responsible for research and development of antiviral programs. Before that, she was a scientist in Novartis Pharmaceuticals Corporation, a pharmaceutical company in the United States, and she was responsible for translational research from April 2006. She was a scientist in Chiron Corporation, a biotech company in the United States, and she was responsible for leading research projects from April 2004 to April 2006. She was a postdoctoral associate in Fox Chase Cancer Center, a research institute in the United States, and she completed postdoctoral training from May 2001 to April 2004.

Dr. Zhu obtained her Bachelor of Science in Microbiology from ShanXi University in China in August 1989 and a Ph.D. in Molecular and Cell Biology Program from University of Maryland in the United States in July 2000.

REPORT OF DIRECTORS

The Board is pleased to present the report of directors together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

We are a biotech company primarily engaged in pharmaceutical R&D activity. The principal activities of the Group are research and develop advancing therapies for significant infectious diseases, with primary operations based in China and the United States.

An analysis of the principal activities of the Group during the Reporting Period is set out in note 6 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report.

FINAL DIVIDENDS

The Board did not recommend the payment of a final dividend for the year ended December 31, 2025 (2024: nil).

ANNUAL GENERAL MEETING

The AGM will be held on Tuesday, June 16, 2026. The notice of the AGM will be despatched, if necessary, to the Shareholders and will be published on the respective websites of the Stock Exchange and the Company in due course.

BUSINESS REVIEW

A review of the business of the Group during the Reporting Period as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) is provided in the “Management Discussion and Analysis” of this annual report. An analysis of the Group’s performance during the Reporting Period using key financial performance indicators is provided in the “Financial Review” on pages 14 to 20 of this annual report. The results of the Group for the Reporting Period are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 82 to 83 of this annual report.

Risks and Uncertainties Relating to the Group’s Business

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

- The Group depends substantially on the success of our drug candidates, all of which are currently in pre-clinical or clinical development. The Group may be unable to successfully complete development, obtain regulatory approval and commercialize the drug candidates of the Group, or experience significant delays.

- The Group faces substantial competition, which may result in others discovering, developing or commercializing competing drugs before or more successfully than the Group does.
- The Group has incurred significant net losses in each period since the inception, is expected to incur net losses for the foreseeable future and may never achieve or maintain profitability.
- The Group will need to obtain additional financing to fund our operations and, if financing is not available on terms acceptable to the Group or at all, the Group may be unable to complete the development and commercialization of the Group's drug candidates.
- The Group relies on collaboration partners for certain aspects of the development, manufacturing, and/or commercialization of drug candidates, but has limited control over their performance under contractual arrangements or their allocation of resources and strategic decisions. Disagreements, misalignment of priorities or underperformance by these partners may arise, potentially resulting in delays, increased costs or disruptions to the advancement of our programs. Our business may be adversely affected if our collaboration partners fail to perform their obligations under existing agreements, or if collaborations are delayed, modified or terminated. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and future prospects.
- The Group may be unable to establish, protect or enforce intellectual property rights of the Group adequately.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

Environmental Policies and Performance

The Company is committed to operating its business in compliance with applicable environmental protection laws and regulations and has implemented relevant environmental protection measures in compliance with the required standards under applicable PRC laws and regulations.

Further details of the Company's environmental policies and performance are disclosed in the environmental, social and governance report of the Company for the year ended December 31, 2025.

Compliance with Laws and Regulations

During the Reporting Period, as far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years are set out in the section headed "Financial Summary" of this annual report. This summary does not form part of the audited consolidated financial statements of the Group for the year ended December 31, 2025.

REPORT OF DIRECTORS

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

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

Details of the planned applications of the net proceeds from the Global Offering were disclosed in the Prospectus and subsequently revised and disclosed in the annual results announcements of the Company dated March 24, 2023 and March 21, 2025. The table below sets out the planned applications of the net proceeds and the actual usage up to December 31, 2025:

Use of proceeds	Percentage of total net proceeds	Allocation of net proceeds (HK\$ million)	Unutilized amount as at December 31, 2024 (HK\$ million)	Utilized amount during the Reporting Period (HK\$ million)	Utilized amount up to December 31, 2025 (HK\$ million)	Unutilized amount as at December 31, 2025 (HK\$ million)
1. Used for our HBV functional cure programs	56%	1,466.6	784.8	136.6	818.4	648.2
To fund ongoing and planned clinical trials and preparation for regulatory filings for developing combination regimens containing BR11-179, ebsiran or tobevibart	46%	1,195.9	514.1	136.6	818.4	377.5
Used for IP-related payments for BR11-179	5%	140.0	140.0	-	-	140.0
Used for the launch and commercialization of HBV curative treatment regimens	5%	130.7	130.7	-	-	130.7
2. Used for our HIV programs, funding the ongoing and planned non-clinical studies, clinical trials and preparation for registration filings for BR11-732 and BR11-753	6%	151.7	-	-	151.7	-
3. Used for our MDR gram-negative infections programs	3%	67.5	-	-	67.5	-
To fund the ongoing and planned clinical trials and preparation for registration filings for BR11-636, BR11-672 and soralimixin	2%	59.0	-	-	59.0	-
Used for regulatory milestone payments for BR11-636, BR11-672 and soralimixin	0%	8.5	-	-	8.5	-

REPORT OF DIRECTORS

Use of proceeds	Percentage of total net proceeds	Allocation of net proceeds (HK\$ million)	Unutilized	Utilized	Utilized	Unutilized
			amount as at December 31, 2024 (HK\$ million)	amount during the Reporting Period (HK\$ million)	amount up to December 31, 2025 (HK\$ million)	amount as at December 31, 2025 (HK\$ million)
4. Used for our CNS programs, funding the ongoing and planned non-clinical studies, clinical trials and preparation for registration filings for BRIL-296, BRIL-297 and other pre-clinical/clinical candidates	11%	274.6	-	-	274.6	-
5. Used for discovery and business development activities for pipeline expansion	15%	392.0	297.5	50.6	145.1	246.9
6. Used for working capital and general corporate purposes	10%	261.4	-	-	261.4	-
Total	100%	2,613.8	1,082.3	187.2	1,718.7	895.1

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

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

MAJOR CUSTOMERS AND SUPPLIERS

The Group recognizes the importance of maintaining a good relationship with its stakeholders (including Shareholders, employees, suppliers, customers and other business partners), which is one of the keys to the Group's success. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders. For the Company's principal relationships with its key stakeholders, please refer to the ESG report of the Company for the year ended December 31, 2025 separately published by the Company.

Major customers

For the year ended December 31, 2025, the Group's five largest customers and the Group's largest customer accounted for approximately 100% (2024: nil) and 100% (2024: nil), respectively, of the Group's total revenue.

REPORT OF DIRECTORS

Major suppliers

For the year ended December 31, 2025, the Group's five largest suppliers accounted for 36.3% (2024: 40.0%) of the Group's total purchases and our single largest supplier accounted for 11.8% (2024: 11.6%) of the Group's total purchases.

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) had any interest in the Group's five largest suppliers or customers.

PLANT AND EQUIPMENT

Details of movements in the plant and equipment of the Company and the Group during the Reporting Period are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL, SHARE OPTIONS AND SHARE AWARDS

Details of movements in the share capital, share options and share awards of the Company during the Reporting Period are set out in notes 23 and 24 to the consolidated financial statements, respectively.

DEBENTURES

The Company did not issue any debentures since its incorporation.

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

BANK LOANS AND OTHER BORROWINGS

As of December 31, 2025, the Group did not have any unutilized bank facilities, material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report are as follows:

Executive Directors

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

Dr. Ankang Li

Independent non-executive Directors

Mr. Gregg Huber Alton

Dr. Martin J Murphy Jr

Ms. Grace Hui Tang

Mr. Yiu Wa Alec Tsui

Dr. Taiyin Yang

In accordance with article 16.19 of the Articles of Association, Dr. Zhi Hong, Dr. Martin J Murphy Jr and Dr. Taiyin Yang shall retire by rotation and, being eligible, have offered themselves for re-election as Directors at the AGM.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out in section headed “Directors and Senior Management” of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a written annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers them to be independent during the Reporting Period.

DIRECTORS’ SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the appointment effective date. Either party has the right to give not less than 30 days’ written notice to terminate the service contract.

Each of the independent non-executive Directors has entered into an appointment letter with the Company. The initial term for their appointment letters shall commence from the appointment effective date and shall continue for three years, which may be terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month’s prior notice in writing.

None of the Directors has a service contract or an appointment letter which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

REPORT OF DIRECTORS

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

MANAGEMENT CONTRACTS

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

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

The Company has no controlling shareholders (as defined in the Listing Rules) during the Reporting Period.

EMOLUMENT POLICY

The Remuneration Committee was set up to review the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Company, having regard to the Group's operating results, individual qualifications, industry experience, position and performance of the Directors and senior management and comparable market practices.

The Group also has adopted several share incentive schemes for the purpose of providing incentives and rewards to its employees, including Directors. Please refer to the paragraph headed "Share Schemes" in this annual report for further details.

As of December 31, 2025, the Group had an aggregate of 75 full-time employees (2024: 98).

Details of the emoluments of the Directors and the five highest paid individuals during the Reporting Period are set out in note 12 to the consolidated financial statements.

No Directors have waived or agreed to waive any emoluments during the Reporting Period.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in note 29 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

Name of Director/Chief executive	Capacity/Nature of Interest	Number of Shares/ underlying Shares	Approximate Percentage of Shareholding in the Company ⁽¹⁾	Long position/Short position/Lending pool
Zhi Hong ⁽²⁾	Trustee	17,212,750	2.35%	Long position
	Founder of discretionary trust	16,000,000	2.18%	Long position
	Beneficial owner	10,382,053	1.41%	Long position
Ankang Li ⁽³⁾	Beneficial owner	8,385,000	1.14%	Long position
Martin J Murphy Jr ⁽⁴⁾	Beneficial owner	87,000	0.01%	Long position
Grace Hui Tang ⁽⁵⁾	Beneficial owner	87,000	0.01%	Long position
Yiu Wa Alec Tsui ⁽⁶⁾	Beneficial owner	87,000	0.01%	Long position
Gregg Huber Alton ⁽⁷⁾	Beneficial owner	87,000	0.01%	Long position
Taiyin Yang ⁽⁸⁾	Beneficial owner	327,000	0.04%	Long position

Notes:

- The calculation is based on the total number of 733,900,562 Shares in issue (including treasury shares (as defined in the Listing Rules) of the Company) as of December 31, 2025.
- Dr. Zhi Hong is interested or deemed to be interested in an aggregate of 43,594,803 Shares, including (i) 564,803 Shares directly held by him; (ii) his entitlements to receive up to 8,305,500 Shares pursuant to the exercise of options granted to him under the 2023 Share Option Scheme, subject to the vesting conditions; (iii) 1,511,750 Shares underlying the RSUs granted to him under the Post-IPO Share Award Scheme and the 2023 Share Award Scheme, subject to the vesting conditions; (iv) 17,212,750 Shares held by an administrative family trust under the JINGFAN HUANG 2020 Revocable Trust, aka JINGFAN HUANG FAMILY TRUST UA DTD 9/24/2020, and the Zhi Hong 2020 Revocable Trust, of which he is the trustee; and (v) 16,000,000 Shares held by the Hong Family 2020 Irrevocable Trust, of which he is the grantor.

REPORT OF DIRECTORS

3. Dr. Ankang Li is interested in an aggregate of 8,385,000 Shares, including (i) 1,746,957 Shares directly held by him; (ii) his entitlements to receive up to 3,066,668 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Incentive Plan, subject to the vesting conditions; (iii) his entitlements to receive up to 2,712,500 Shares pursuant to the exercise of options granted to him under the Post-IPO Share Option Scheme and the 2023 Share Option Scheme, subject to the vesting conditions; and (iv) 858,875 Shares underlying the RSUs granted to him under the Post-IPO Share Award Scheme and the 2023 Share Award Scheme, subject to the vesting conditions.
4. Dr. Martin J Murphy Jr directly held 87,000 Shares.
5. Ms. Grace Hui Tang directly held 87,000 Shares.
6. Mr. Yiu Wa Alec Tsui directly held 87,000 Shares.
7. Mr. Gregg Huber Alton directly held 87,000 Shares.
8. Dr. Taiyin Yang directly held 327,000 Shares.

Save as disclosed above, as at December 31, 2025, to the best knowledge of the Directors, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

As at December 31, 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company ⁽¹⁾	Long position/Short position/Lending pool
ARCH Venture Fund IX, L.P. ⁽²⁾	Beneficial interest	45,205,210	6.16%	Long position
ARCH Venture Fund IX Overage, L.P. ⁽²⁾	Beneficial interest	45,205,208	6.16%	Long position
ARCH Venture Partners IX, L.P. ⁽²⁾	Interest of controlled corporation	45,205,210	6.16%	Long position
ARCH Venture Partners IX Overage, L.P. ⁽²⁾	Interest of controlled corporation	45,205,208	6.16%	Long position
ARCH Venture Partners IX, LLC ⁽²⁾	Interest of controlled corporation	90,410,418	12.32%	Long position
Robert Taylor Nelsen ⁽²⁾	Interest of controlled corporation	90,410,418	12.32%	Long position
Clinton Bybee ⁽²⁾	Interest of controlled corporation	90,410,418	12.32%	Long position
Keith Crandell ⁽²⁾	Interest of controlled corporation	90,410,418	12.32%	Long position

Notes:

- The calculation is based on the total number of 733,900,562 Shares in issue (including treasury shares (as defined in the Listing Rules) of the Company) as of December 31, 2025.
- ARCH Venture Fund IX, L.P. directly held 45,205,210 Shares. The general partner of ARCH Venture Fund IX, L.P. is ARCH Venture Partners IX, L.P., the general partner of which is ARCH Venture Partners IX, LLC. ARCH Venture Partners IX, LLC is owned by several individuals, but its voting power is controlled as to one-third by each of Mr. Robert Taylor Nelsen, Mr. Clinton Bybee and Mr. Keith Crandell. In addition, ARCH Venture Fund IX Overage, L.P. directly held 45,205,208 Shares. The general partner of ARCH Venture Fund IX Overage, L.P. is ARCH Venture Partners IX Overage, L.P., the general partner of which is ARCH Venture Partners IX, LLC.

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

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

REPORT OF DIRECTORS

SHARE SCHEMES

Pre-IPO Share Incentive Plan

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

Purpose

The purpose of the Pre-IPO Share Incentive Plan is to promote the success of the Company and the interests of its shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of award recipients with those of the Company's shareholders generally. Further details of the Pre-IPO Share Incentive Plan are set out in the Prospectus and note 24 to the consolidated financial statements.

Eligible Participants

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

Maximum Number of Shares Available for Issue

The overall limit on the number of underlying Shares which may be delivered pursuant to awards granted under the Pre-IPO Share Incentive Plan is 35,816,502 Shares, representing approximately 4.97% of the total issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company) as at December 31, 2025. The total number of Shares available for issue under the Pre-IPO Share Incentive Plan was 5,887,468 Shares, representing approximately 0.82% of the issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the date of this annual report.

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

Consideration

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

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

Determination of Exercise Price

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

Life of the Pre-IPO Share Incentive Plan

The Pre-IPO Share Incentive Plan commenced on October 30, 2018 (the “**Effective Date**”) and will terminate at the close of business on the day before the 10th anniversary of the Effective Date. After the termination of the Pre-IPO Share Incentive Plan either upon such stated expiration date or its earlier termination by the Board, no additional awards may be granted under the Pre-IPO Share Incentive Plan, but previously granted awards (and the authority of the Administrator with respect thereto, including the authority to amend such awards) shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of the Pre-IPO Share Incentive Plan. The remaining life of the Pre-IPO Share Incentive Plan is approximately 2.8 years.

Outstanding Share Options

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Incentive Plan as of December 31, 2025. No options were granted since the Listing Date and up to December 31, 2025. For further details of the movement of the options during the Reporting Period, please see note 24 to the consolidated financial statements.

In connection with the listing of the Shares on the Stock Exchange on the Listing Date, the Board has approved that upon listing, the Company will not grant any additional share options or share awards under the Pre-IPO Share Incentive Plan, so the total number of share options or share awards available for grant under the scheme mandate of the Pre-IPO Share Incentive Plan as at January 1, 2025 and December 31, 2025 is nil and nil, respectively.

As at December 31, 2025, pursuant to the Pre-IPO Share Incentive Plan, the Company had granted to directors, employees and consultants of the Group outstanding options to subscribe for 6,188,468 Shares, representing approximately 0.86% of the total issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company) as at December 31, 2025. There are no participants with options granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules, no service providers (as defined in Chapter 17 of the Listing Rules) with options granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue (excluding treasury shares (as defined in the Listing Rules) of the Company) for the time being, and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules).

REPORT OF DIRECTORS

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

Name or category of grantee	Exercise price	Date of grant	Vesting commencement date	Outstanding as at January 1, 2025	Number of options				Outstanding as at December 31, 2025	Notes
					Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period		
1. Director										
Dr. Ankang Li	US\$0.13	September 18, 2020	August 31, 2021	1,866,668	-	-	-	-	1,866,668	1
<i>Executive Director</i>	US\$0.13	September 18, 2020	July 13, 2022	1,200,000	-	-	-	-	1,200,000	2
2. Other employee participants										
Other employees (in aggregate)	From US\$0.035 to US\$1.33	From October 30, 2018 to June 4, 2021	From July 1, 2018 to June 7, 2022	3,402,185	-	(715,000) ^(a)	-	(141,000)	2,546,185	1, 2, 3, 4
3. Service providers										
Service providers (in aggregate)	From US\$0.035 to US\$1.33	From October 30, 2018 to May 14, 2021	From July 1, 2018 to May 14, 2022	575,615	-	-	-	-	575,615	3, 4
Total									6,188,468	

Notes:

- In accordance with a vesting schedule, 25% of the options granted on the relevant date of grant will be vested on the vesting commencement date, and the remaining 75% of the options granted on the relevant date of grant will be vested in 36 substantially equal monthly installments with the first installment vesting on the last day of the month following the month in which the vesting commencement date occurs. The options shall be exercisable upon vesting and the exercise period commences on the date when they are vested and ends on the expiry of 10 years from the date of grant.
- In accordance with a vesting schedule and subject to the satisfaction of certain IPO vesting conditions as specified in the relevant award agreement, 25% of the options granted on the relevant date of grant will be vested on the first anniversary of the completion of the IPO, and 75% of the options granted on the relevant date of grant will be vested in a series of 36 successive equal monthly installments for each monthly period of the relevant grantee's continuous full-time employment with the Company thereafter. The options shall be exercisable upon vesting and the exercise period commences on the date when they are vested and ends on the expiry of 10 years from the date of grant.
- In accordance with a vesting schedule, the options granted on the relevant date of grant will be vested in 24 substantially equal monthly installments with the first installment vesting on the vesting commencement date occurs. The options shall be exercisable upon vesting and the exercise period commences on the date when they are vested and ends on the expiry of 10 years from the date of grant.
- In accordance with a vesting schedule, 100% of the options granted on the relevant date of grant will be vested on the vesting commencement date. The options shall be exercisable upon vesting and the exercise period commences on the date when they are vested and ends on the expiry of 10 years from the date of grant.
- The exercise price of the exercised options is between US\$0.035 and US\$0.13.

6. The weighted average closing price of the Shares immediately before the dates on which the options were exercised during the Reporting Period was HK\$2.07.
7. Closing price of the Shares is not applicable as the Shares of the Company were not listed at the date of grant.

Post-IPO Share Option Scheme

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

Purpose

The purpose of the Post-IPO Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Further details of the Post-IPO Share Option Scheme are set out in the Prospectus and note 24 to the consolidated financial statements.

Eligible Participants

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

Maximum Number of Shares Available for Issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of the Group shall not in aggregate exceed 10% of the Shares in issue on the Listing Date, such 10% limit represents 70,620,092 Shares, representing approximately 9.79% of the total issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company) as at December 31, 2025. The total number of Shares available for issue under the Post-IPO Share Option Scheme (including the options granted but not yet exercised) was 10,444,250 Shares, representing approximately 1.45% of the issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the date of this annual report.

REPORT OF DIRECTORS

Maximum Entitlement of Each Participant

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

Exercise of Option

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

Exercise Price

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

Consideration

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

As at December 31, 2025, pursuant to the Post-IPO Share Option Scheme, the Company had granted to directors and employees of the Group outstanding options to subscribe for 11,398,125 Shares, representing approximately 1.58% of the total issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company) as at December 31, 2025. There are no participants with options granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules) or service provider (as defined in Chapter 17 of the Listing Rules). Following the termination of the Post-IPO Share Option Scheme, no further options will be offered or granted under the Post-IPO Share Option Scheme. The total number of options available for grant under the scheme mandate of the Post-IPO Share Option Scheme as at January 1, 2025 and December 31, 2025 is nil and nil, respectively.

REPORT OF DIRECTORS

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

Name or category of grantee	Date of grant	Exercise price	Outstanding as at January 1, 2025	Number of options				Outstanding as at December 31, 2025	Closing price of the Shares immediately before the date of grant	Notes
				Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period			
1. Director										
Dr. Ankan Li	September 21, 2022	HK\$6.45	1,065,000	-	-	-	-	1,065,000	HK\$5.91	3, 5
<i>Executive Director</i>	August 23, 2023	HK\$3.01	545,000	-	-	-	-	545,000	HK\$2.77	3
2. Other employee participants										
Other employees (in aggregate)	September 17, 2021	HK\$47.6	52,500	-	-	-	-	52,500	HK\$48.5	2, 3, 4
	December 3, 2021	HK\$43.41	81,500	-	-	-	-	81,500	HK\$40.8	3
	March 29, 2022	HK\$10.33	459,250	-	-	-	(42,750)	416,500	HK\$9.15	3, 4, 5
	June 24, 2022	HK\$9.16	711,000	-	-	-	(533,250)	177,750	HK\$8.57	3
	September 21, 2022	HK\$6.45	8,085,250	-	-	-	(3,481,375)	4,603,875	HK\$5.91	3, 5
	December 15, 2022	HK\$8.64	495,500	-	-	-	(231,000)	264,500	HK\$8.33	3
	April 12, 2023	HK\$4.54	1,202,500	-	-	-	(439,750)	762,750	HK\$4.48	3
	June 30, 2023	HK\$3.35	897,500	-	-	-	(96,000)	801,500	HK\$3.13	3
August 23, 2023	HK\$3.01	3,705,875	-	-	-	(1,078,625)	2,627,250	HK\$2.77	3	
Total:								11,398,125		

Notes:

- The options granted shall be exercisable upon vesting in accordance with the relevant vesting schedule and the exercise period of the options granted commences on the date on which they are vested in accordance with the relevant vesting schedule and ends on the expiry of 10 years from the relevant date of grant.
- For the options granted on the date of grant, the options shall be vested over three years from the employment commencement date of each grantee or the date of grant subject to the fulfilment of certain performance targets relating to the Company determined by the Board which are specified in the relevant grant letter of the grantees.
- For the options granted on the date of grant, the options shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the Vesting Start Date of each grantee; 25% shall vest on the second anniversary of the Vesting Start Date of each grantee; 25% shall vest on the third anniversary of the Vesting Start Date of each grantee; and 25% shall vest on the fourth anniversary of the Vesting Start Date of each grantee, where the "Vesting Start Date" refers to the employment commencement date of each grantee, or the promotion date of each grantee, or the date of grant.
- For the options granted on the date of grant, the options shall be vested in four tranches as follows: 5% shall vest on the first anniversary of the date of grant; 10% shall vest on the second anniversary of the date of grant; 40% shall vest on the third anniversary of the date of grant; and 45% shall vest on the fourth anniversary of the date of grant.
- For the options granted on the date of grant, the options shall be vested over three years from the employment commencement date of each grantee upon the achievements by the Group of certain program milestones and/or market capitalization milestones determined by the Board which are specified in the relevant grant letter of the grantees.

REPORT OF DIRECTORS

Post-IPO Share Award Scheme

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

Purpose

The purpose of the Post-IPO Share Award Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. Further details of the Post-IPO Share Award Scheme are set out in the Prospectus and note 24 to the consolidated financial statements.

Eligible Participants

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

Share Awards

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

Maximum Number of Shares Available for Issue

Shares which may be issued pursuant to all share awards to be granted under the Post-IPO Share Award Scheme must not in aggregate exceed 5% of the Shares in issue on the Listing Date, such 5% limit represents 35,310,046 Shares, representing approximately 4.90% of the total issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company) as at December 31, 2025. The total number of Shares available for issue under the Post-IPO Share Award Scheme (including the share awards granted but unvested) was 1,557,175 Shares, representing approximately 0.22% of the issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the date of this annual report.

Maximum Entitlement of each Participant

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

Grant of Share Award

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

Acceptance of Share Award

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

As at December 31, 2025, pursuant to the Post-IPO Share Award Scheme, the Company had granted to directors and employees of the Group outstanding RSUs representing 1,684,675 Shares, accounting for approximately 0.23% of the total issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company) as at December 31, 2025. There are no participants with share awards granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules) or service provider (as defined in Chapter 17 of the Listing Rules). Following the termination of the Post-IPO Share Award Scheme, no further share awards will be offered or granted under the Post-IPO Share Award Scheme. The total number of awards available for grant under the scheme mandate of the Post-IPO Share Award Scheme as at January 1, 2025 and December 31, 2025 is nil and nil, respectively.

REPORT OF DIRECTORS

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

Name or category of grantee	Date of grant	Outstanding as at January 1, 2025	Number of RSUs				Outstanding as at December 31, 2025	Closing price of the Shares immediately before the date of grant	Notes
			Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period			
1. Directors									
Dr. Zhi Hong	January 20, 2022	45,500	-	(32,441) ⁽¹⁾⁽²⁾	(13,059)	-	-	HK\$22.65	2, 5, 10
<i>Chairman, chief executive officer and executive Director</i>	September 21, 2022	170,000	-	(60,603) ⁽²⁾⁽³⁾	(24,397)	-	85,000	HK\$5.91	3, 9, 10
	August 23, 2023	272,625	-	(64,794) ⁽³⁾⁽²⁾	(26,081)	-	181,750	HK\$2.77	3, 9, 10
Dr. Ankang Li	January 20, 2022	20,250	-	(20,250) ⁽¹⁾⁽²⁾	-	-	-	HK\$22.65	2, 5, 10
<i>Executive Director</i>	September 21, 2022	570,750	-	(285,375) ⁽²⁾⁽²⁾	-	-	285,375	HK\$5.91	3, 10
	August 23, 2023	108,375	-	(36,125) ⁽³⁾⁽²⁾	-	-	72,250	HK\$2.77	3, 9, 10
Dr. Taiyin Yang	September 21, 2022	109,000	-	(109,000) ⁽⁴⁾⁽²⁾	-	-	-	HK\$5.91	8, 9, 10
<i>Independent non-executive Director</i>									
2. Other employee participants									
Other employees (in aggregate)	January 20, 2022	131,475	-	(119,094) ⁽⁵⁾	(12,381)	-	-	HK\$22.65	2, 3, 4, 5, 10
	March 29, 2022	394,900	-	(154,229) ⁽⁶⁾	(37,496)	(76,625)	126,550	HK\$9.15	3, 6, 7, 10
	June 24, 2022	232,000	-	(54,529) ⁽⁷⁾	(11,471)	(152,875)	13,125	HK\$8.57	3, 10
	September 21, 2022	1,264,750	-	(310,258) ⁽⁸⁾	(88,867)	(462,125)	403,500	HK\$5.91	3, 7, 10
	December 15, 2022	124,250	-	(26,125) ⁽⁹⁾	-	(72,000)	26,125	HK\$8.33	3, 10
	April 12, 2023	233,250	-	(57,313) ⁽²⁰⁾	(12,562)	(89,375)	74,000	HK\$4.48	3, 10
	June 30, 2023	216,375	-	(57,152) ⁽²¹⁾	(14,973)	(37,750)	106,500	HK\$3.13	3, 10
	August 23, 2023	718,875	-	(161,822) ⁽²²⁾	(39,303)	(207,250)	310,500	HK\$2.77	3, 10
Total:							1,684,675		

Notes:

1. All the RSUs were granted to the grantees at nil consideration. Once the RSUs are vested in accordance with the relevant vesting schedule, the underlying Shares will be transferred to the grantees at nil consideration.
2. For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 25% shall vest on September 17, 2022; 25% shall vest on September 17, 2023; 25% shall vest on September 17, 2024; and 25% shall vest on September 17, 2025.
3. For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the Vesting Start Date of each grantee; 25% shall vest on the second anniversary of the Vesting Start Date of each grantee; 25% shall vest on the third anniversary of the Vesting Start Date of each grantee; and 25% shall vest on the fourth anniversary of the Vesting Start Date of each grantee, where the “Vesting Start Date” refers to the employment commencement date of each grantee, or the promotion date of each grantee, or the date of grant.
4. For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 5% shall vest on the first anniversary of September 17, 2021; 10% shall vest on the second anniversary of September 17, 2021; 40% shall vest on the third anniversary of September 17, 2021; and 45% shall vest on the fourth anniversary of September 17, 2021.
5. For the RSUs granted on the date of grant, the RSUs shall be vested upon the achievements by the Group of certain milestones determined by the Board which are specified in the relevant award agreement of the grantees.
6. For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 5% shall vest on the first anniversary of the date of grant; 10% shall vest on the second anniversary of the date of grant; 40% shall vest on the third anniversary of the date of grant; and 45% shall vest on the fourth anniversary of the date of grant.
7. For the RSUs granted on the date of grant, the RSUs shall be vested over three years from the employment commencement date of each grantee upon the achievements by the Group of certain program milestones and/or market capitalization milestones determined by the Board which are specified in the relevant award agreement of the grantees.
8. For the RSUs granted on the date of grant, the RSUs shall be vested in three tranches as follows: one-third of the grant shall vest on September 1, 2023, one-third of the grant shall vest on September 1, 2024 and the remaining one-third of the grant shall vest on September 1, 2025.
9. The RSUs granted would be satisfied by way of purchase of existing Shares on the secondary market using the Company’s internal resources.
10. During the Reporting Period, the purchase price of the vested RSUs or the cancelled RSUs is nil.
11. The closing price of the Shares immediately before the date on which the RSUs were vested during the Reporting Period is HK\$2.18.
12. The closing price of the Shares immediately before the date on which the RSUs were vested during the Reporting Period is HK\$2.06.
13. The closing price of the Shares immediately before the date on which the RSUs were vested during the Reporting Period is HK\$2.00.

REPORT OF DIRECTORS

14. The closing price of the Shares immediately before the date on which the RSUs were vested during the Reporting Period is HK\$1.86.
15. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$2.07.
16. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.46.
17. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.88.
18. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$2.05.
19. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.83.
20. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.49.
21. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.80.
22. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.98.
23. As the RSUs held by the grantee were vested only once during the Reporting Period according to the respective vesting schedules, the weighted average closing price of the Shares immediately before the date on which the RSUs were vested equals to the closing price of the Shares immediately before the date on which the RSUs were vested.
24. Any unvested Shares held by the trustee of the Post-IPO Share Award Scheme appointed by the Company, Kastle Limited, will abstain from voting on matters that require Shareholders' approval under the Listing Rules.

2023 Share Option Scheme

The adoption of the 2023 Share Option Scheme was approved by the Shareholders on September 1, 2023. The 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption of the scheme on September 1, 2023. The remaining life of the 2023 Share Option Scheme is approximately 7.6 years. For details of the principal terms of the 2023 Share Option Scheme, please refer to the circular of the Company dated August 4, 2023.

Purpose

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

Eligible Participants

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

Scheme Mandate Limit and Service Provider Sublimit

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

The scheme mandate limit is the total number of Shares which may be issued or transferred in respect of all options and awards involving issue of new Shares that may be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the adoption date of the above schemes (i.e. 72,813,078 Shares). The service provider sublimit, being a sublimit under the scheme mandate limit, is the total number of Shares which may be issued or transferred in respect of all options and awards involving issue of new Shares that may be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company to the service providers, and shall not in aggregate exceed 1% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the adoption date of the above schemes (i.e. 7,281,307 Shares). The total number of Shares available for issue under the 2023 Share Option Scheme (including the options granted but not yet exercised and the options available for future grants) was 68,045,953 Shares, representing approximately 9.43% of the issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the date of this annual report.

Maximum Entitlement of Each Participant

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

Exercise of Option

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

REPORT OF DIRECTORS

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

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

Consideration

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

Exercise Price

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

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

As at December 31, 2025, pursuant to the 2023 Share Option Scheme, the Company had granted to directors, employees and a service provider (as defined in Chapter 17 of the Listing Rules) of the Group outstanding options to subscribe for 26,276,625 Shares, representing approximately 3.64% of the total issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company) as at December 31, 2025. There are no participants with options granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules, no service providers (as defined in Chapter 17 of the Listing Rules) with options granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue (excluding treasury shares (as defined in the Listing Rules) of the Company), and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules). The total number of options available for grant under the scheme mandate of the 2023 Share Option Scheme as at January 1, 2025 and December 31, 2025 is 51,259,078 and 41,983,953, respectively, and the total number of options available for grant under the service provider sublimit of the 2023 Share Option Scheme as at January 1, 2025 and December 31, 2025 is 7,281,307 and 6,681,307, respectively.

REPORT OF DIRECTORS

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

Name or category of grantee	Date of grant	Exercise price	Outstanding as at January 1, 2025	Number of options				Outstanding as at December 31, 2025	Closing price of the Shares immediately before the date of grant	Fair value of options as at the date of grant ⁽⁶⁾	Notes
				Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period				
1. Directors											
Dr. Zhi Hong	October 25, 2024	HK\$1.062	6,928,000	-	-	-	-	6,928,000	HK\$1.06	HK\$0.630	2
<i>Chairman, chief executive officer and executive Director</i>	October 28, 2025	HK\$1.832	-	1,377,500	-	-	-	1,377,500	HK\$1.85	HK\$1.081	3
Dr. Ankang Li	October 25, 2024	HK\$1.062	386,500	-	-	-	-	386,500	HK\$1.06	HK\$0.630	2
<i>Executive Director</i>	October 28, 2025	HK\$1.832	-	716,000	-	-	-	716,000	HK\$1.85	HK\$1.081	3
2. Other employee participants											
Other employees (in aggregate)	March 28, 2024	HK\$0.964	5,104,500	-	(96,250) ⁽⁷⁾	-	(835,375)	4,172,875	HK\$0.93	HK\$0.489- HK\$0.536	2
	October 25, 2024	HK\$1.062	6,758,500	-	(131,500) ⁽⁷⁾	-	(1,839,500)	4,787,500	HK\$1.06	HK\$0.578- HK\$0.589	2
	October 28, 2025	HK\$1.832	-	8,027,000	-	-	(718,750)	7,308,250	HK\$1.85	HK\$0.992- HK\$1.081	3
3. Service provider											
Service provider	October 31, 2025	HK\$1.82	-	600,000	-	-	-	600,000	HK\$1.85	HK\$1.079	4
Total:								26,276,625			

Notes:

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

REPORT OF DIRECTORS

3. For the options granted on the date of grant, the options shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the Vesting Start Date of each grantee; 25% shall vest on the second anniversary of the Vesting Start Date of each grantee; 25% shall vest on the third anniversary of the Vesting Start Date of each grantee; and 25% shall vest on the fourth anniversary of the Vesting Start Date of each grantee, where the “Vesting Start Date” refers to the last day of the calendar quarter of employment commencement of each grantee, or the promotion date of each grantee, or the date of grant.
4. For the options granted on the date of grant, the options shall be vested in two tranches as follows: 50% shall vest on the first anniversary of the date of grant; and 50% shall vest on the second anniversary of the date of grant.
5. None of the above options granted under the 2023 Share Option Scheme was subject to any performance target.
6. The weighted average closing price of the Shares immediately before the dates on which the options were exercised during the Reporting Period is HK\$1.88.
7. The weighted average closing price of the Shares immediately before the dates on which the options were exercised during the Reporting Period is HK\$1.82.
8. Details of the fair value of the options granted during the Reporting Period under the 2023 Share Option Scheme at the date of grant and the accounting standard and policy adopted are set out in note 24 to the consolidated financial statements.

2023 Share Award Scheme

The adoption of the 2023 Share Award Scheme was approved by the Shareholders on September 1, 2023. The 2023 Share Award Scheme shall be valid and effective for a period of 10 years commencing on the adoption of the scheme on September 1, 2023. The remaining life of the 2023 Share Award Scheme is approximately 7.6 years. For details of the principal terms of the 2023 Share Award Scheme, please refer to the circular of the Company dated August 4, 2023.

Purpose

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

Eligible Participants

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

Scheme Mandate Limit and Service Provider Sublimit

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

The scheme mandate limit is the total number of Shares which may be issued or transferred in respect of all options and awards involving issue of new Shares that may be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company, and shall not in aggregate exceed 10% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the adoption date of the above schemes (i.e. 72,813,078 Shares). The service provider sublimit, being a sublimit under the scheme mandate limit, is the total number of Shares which may be issued or transferred in respect of all options and awards involving issue of new Shares that may be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company to the service providers, and shall not in aggregate exceed 1% of the total number of issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the adoption date of the above schemes (i.e. 7,281,307 Shares). The total number of Shares available for issue under the 2023 Share Award Scheme (including the share awards granted but unvested and the share awards available for future grants) was 46,386,328 Shares, representing approximately 6.43% of the issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company) as at the date of this annual report.

Maximum Entitlement of Each Participant

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

Share Awards

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

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

REPORT OF DIRECTORS

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

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

Consideration

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

Purchase Price

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

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

As at December 31, 2025, pursuant to the 2023 Share Award Scheme, the Company had granted to directors and employees of the Group outstanding RSUs representing 3,708,875 Shares, accounting for approximately 0.51% of the total issued share capital of the Company (excluding treasury shares (as defined in the Listing Rules) of the Company) as at December 31, 2025. There are no participants with share awards granted and to be granted in excess of the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules and no grants to related entity participant (as defined in Chapter 17 of the Listing Rules) or service provider (as defined in Chapter 17 of the Listing Rules). The total number of awards available for grant under the scheme mandate of the 2023 Share Award Scheme as at January 1, 2025 and December 31, 2025 is 51,259,078 and 41,983,953, respectively, and the total number of awards available for grant under the service provider sublimit of the 2023 Share Award Scheme as at January 1, 2025 and December 31, 2025 is 7,281,307 and 6,681,307, respectively.

REPORT OF DIRECTORS

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

Name or category of grantee	Date of grant	Outstanding as at January 1, 2025	Number of RSUs				Outstanding as at December 31, 2025	Closing price of the Shares immediately before the date of grant	Fair value of RSUs as at the date of grant ⁽⁹⁾	Notes	
			Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period					
1. Directors											
Dr. Zhi Hong	October 25, 2024	700,000	-	(124,775) ⁽⁶⁾⁽⁸⁾	(50,225)	-	525,000	HK\$1.06	HK\$1.04	2, 5	
<i>Chairman, chief executive officer and executive Director</i>	October 28, 2025	-	720,000	-	-	-	720,000	HK\$1.85	HK\$1.82	3	
Dr. Ankang Li	October 25, 2024	231,000	-	(57,750) ⁽⁶⁾⁽⁸⁾	-	-	173,250	HK\$1.06	HK\$1.04	2, 5	
<i>Executive Director</i>	October 28, 2025	-	328,000	-	-	-	328,000	HK\$1.85	HK\$1.82	3	
2. Other employee participants											
Other employees	March 28, 2024	760,750	-	(166,228) ⁽⁷⁾	(39,147)	(9,750)	545,625	HK\$0.93	HK\$0.91	2, 5	
(in aggregate)	October 25, 2024	624,000	-	(80,662) ⁽⁶⁾⁽⁸⁾	(36,338)	(156,000)	351,000	HK\$1.06	HK\$1.04	2, 5	
	October 28, 2025	-	1,066,000	-	-	-	1,066,000	HK\$1.85	HK\$1.82	3	
Total:							3,708,875				

Notes:

- All the RSUs were granted to the grantees at nil consideration. Once the RSUs are vested in accordance with the relevant vesting schedule, the underlying Shares will be transferred to the grantees at nil consideration.
- For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the Vesting Start Date of each grantee; 25% shall vest on the second anniversary of the Vesting Start Date of each grantee; 25% shall vest on the third anniversary of the Vesting Start Date of each grantee; and 25% shall vest on the fourth anniversary of the Vesting Start Date of each grantee, where the "Vesting Start Date" refers to the employment commencement date of each grantee, or the promotion date of each grantee, or the date of grant.
- For the RSUs granted on the date of grant, the RSUs shall be vested in four tranches as follows: 25% shall vest on the first anniversary of the date of grant; 25% shall vest on the second anniversary of the date of grant; 25% shall vest on the third anniversary of the date of grant; and 25% shall vest on the fourth anniversary of the date of grant.
- None of the above RSUs granted under the 2023 Share Award Scheme was subject to any performance target.
- During the Reporting Period, the purchase price of the granted RSUs, the vested RSUs or the cancelled RSUs is nil.

REPORT OF DIRECTORS

6. The closing price of the Shares immediately before the date on which the RSUs were vested during the Reporting Period is HK\$1.77.
7. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period is HK\$1.19.
8. As the RSUs held by the grantee were vested only once during the Reporting Period according to the respective vesting schedules, the weighted average closing price of the Shares immediately before the date on which the RSUs were vested equals to the closing price of the Shares immediately before the date on which the RSUs were vested.
9. Details of the fair value of the awards granted during the Reporting Period under the 2023 Share Award Scheme at the date of grant and the accounting standard and policy adopted are set out in note 24 to the consolidated financial statements.
10. Any unvested Shares held by the trustee of the 2023 Share Award Scheme appointed by the Company, Kastle Limited, will abstain from voting on matters that require Shareholders' approval under the Listing Rules.

Additional Information

The number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the Reporting Period divided by the weighted average number of the Shares in issue (excluding treasury shares (as defined in the Listing Rules) of the Company) for the Reporting Period is 2%.

EQUITY-LINKED AGREEMENTS

Save as the share schemes of the Company disclosed above, no equity-linked agreements that will or may result in the Company issuing Shares, or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the year ended December 31, 2025 or subsisted at the end of the year ended December 31, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

REPORT OF DIRECTORS

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

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

Saved as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, including sales of treasury shares (as defined in the Listing Rules) during the Reporting Period. As at December 31, 2025, the Company held 12,723,500 treasury shares (as defined in the Listing Rules), which are intended to be held for potential future resale or used for other purposes in compliance with the Listing Rules.

TAX RELIEF AND EXEMPTION

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

PRE-EMPTIVE RIGHTS

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details on related party transactions for the year ended December 31, 2025 are set out in note 25 to the consolidated financial statements. None of the related party transactions as disclosed in note 25 to the consolidated financial statements constitutes connected transaction or continuing connected transaction of the Company which has to be disclosed in accordance with Chapter 14A of the Listing Rules. There was no connected transaction nor continuing connected transaction of the Company which has to be disclosed in accordance with Chapter 14A of the Listing Rules during the Reporting Period. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

REPORT OF DIRECTORS

DONATIONS

During the Reporting Period, the Group made no charitable and other donations.

SIGNIFICANT LEGAL PROCEEDINGS

Save as disclosed in this annual report, during the Reporting Period, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he may incur or sustain in or about the execution of his duties in his office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

SUBSEQUENT EVENTS

On April 16, 2026, the Company submitted a Demand for Arbitration to the United States-based Judicial Arbitration and Mediation Services, Inc. against Vir Biotechnology (the “**Arbitration**”) for a contractual dispute arising from the Collaboration Agreement and the SLA. The Company alleges that Vir Biotechnology has breached the Collaboration Agreement and the SLA, and requests that Vir Biotechnology, among other forms of relief, (1) specifically perform its obligations under the Collaboration Agreement and the SLA to transfer the manufacturing of elebsiran to the Company or its contractor(s); and (2) pay the Company for all damages it suffered as a result of Vir Biotechnology’s alleged breach of the Collaboration Agreement and the SLA to date, including without limitation, the Company’s lost profits due to Vir Biotechnology’s alleged breach and the amounts the Company has invested to date in the collaboration in reliance upon Vir Biotechnology’s express promises and good faith covenants. The Group will continue to seek legal advice and to take expedient actions to safeguard the best interest of the Group.

As of the date of this annual report, as the Arbitration is still in its initial stage, the Group is unable to accurately predict the final outcome of the Arbitration or evaluate the impact of the Arbitration on the Group’s financial position. Should there be any further information regarding the Arbitration, the Company will make further announcements to inform the Shareholders and the public as and when appropriate in accordance with relevant requirements.

For details, please refer to the announcement of the Company dated April 16, 2026 (the “**Announcement**”). The capitalized terms used in the above paragraphs shall have the same meanings as those defined in the Announcement.

AUDIT AND RISK COMMITTEE

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

The Audit and Risk Committee, together with the management and external auditor of the Company, has reviewed the accounting principles and policies adopted by the Company and discussed risk management, internal control system and financial reporting matters of the Group (including the review of the consolidated financial statements of the Group for the year ended December 31, 2025), and is of the view that the annual results of the Group for the year ended December 31, 2025 is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. Information on the corporate governance practices adopted by the Company is set out in the section headed “Corporate Governance Report” of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company’s total issued Shares (excluding treasury shares (as defined in the Listing Rules) of the Company), which is the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at all times during the Reporting Period and the period thereafter up to the date of this annual report.

AUDITOR

Deloitte Touche Tohmatsu was appointed as the auditor of the Company during the Reporting Period. The Company did not change its auditor since the Listing Date.

Deloitte Touche Tohmatsu shall retire at the AGM and, being eligible, will offer itself for re-appointment as auditor of the Company. A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the AGM.

On behalf of the Board

Dr. Zhi Hong

Chairman

Hong Kong, March 19, 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended December 31, 2025.

CORPORATE CULTURE AND STRATEGY

Brii Biosciences Limited, as a biotechnology company focusing on developing innovative therapies to improve patient health and choice across diseases with high unmet medical need, is devoted to tackling health challenges through breakthrough scientific innovation and critical patients' insights. To achieve the mission, the Company strives to be diligent and devoted to excellence. Led by a visionary and experienced leadership team, the Company has considerable scientific expertise and a proven ability to progress therapeutic assets from discovery to commercial approval. The Company also embraces a value of patients first, trust, integrity and quality, of which, patients' insight and trust from our stakeholders set the forefront of our decision making, and the Company's operation is guided by high standard of business model code and strict quality control of the whole product life cycle.

The Board believes that strong corporate governance provides a solid foundation to achieve the corporate mission and values. With this fundamental, the Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance corporate value and accountability. This philosophy extends from the Board to our management team and employees at all levels and in every aspect of our business. During the Reporting Period, the Company continued to enhance sound corporate governance. On the Board level, four Board committees, namely, the Audit and Risk Committee, the Nomination Committee, the Remuneration Committee and the Strategy Committee, have been established to assume different responsibilities to enhance the function of the Board to cover different corporate governance topics. Professional training sessions were also performed across the Company to facilitate the awareness of well practice in corporate governance and compliance, so as to ensure the Company is in compliance with the latest corporate governance requirements.

CORPORATE GOVERNANCE PRACTICES

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

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

The Board oversees the Group’s businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required of a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time in performing them.

The Board currently comprises the following Directors:

Executive Directors

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

Dr. Ankang Li

Independent non-executive Directors

Mr. Gregg Huber Alton

Dr. Martin J Murphy Jr

Ms. Grace Hui Tang

Mr. Yiu Wa Alec Tsui

Dr. Taiyin Yang

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

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

None of the Directors has any financial, business, family or other material/relevant relationships with one another.

CORPORATE GOVERNANCE REPORT

Board Meetings, General Meetings and Directors' Attendance Records

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

During the Reporting Period, the Board convened four Board meetings. The attendance record of each Director at the Board meetings, Board committee meetings and general meetings of the Company held is listed below:

Name of Directors	Attendance/Number of Meetings					
	Board Meetings	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Strategy Committee	Annual General Meeting
Executive Directors						
Dr. Zhi Hong	4/4	N/A	N/A	2/2	N/A	1/1
Dr. Ankang Li	4/4	N/A	N/A	N/A	1/1	1/1
Independent Non-executive Directors						
Mr. Gregg Huber Alton	4/4	N/A	N/A	2/2	1/1	1/1
Dr. Martin J Murphy Jr	4/4	N/A	1/1	2/2	N/A	1/1
Ms. Grace Hui Tang	4/4	2/2	1/1	1/2 ⁽¹⁾	N/A	1/1
Mr. Yiu Wa Alec Tsui	4/4	2/2	1/1	N/A	N/A	1/1
Dr. Taiyin Yang	4/4	2/2	N/A	N/A	1/1	1/1

Note:

- Ms. Grace Hui Tang was appointed as a member of the Nomination Committee with effect from June 3, 2025.

Apart from regular Board meetings, the chairman of the Board also held a meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

Independent Non-executive Directors

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

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

CORPORATE GOVERNANCE REPORT

Appointment and Re-election of Directors

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

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

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

Responsibilities of the Directors

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

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

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

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

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

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

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

CORPORATE GOVERNANCE REPORT

Board Independence Evaluation

The Company values the interests of Shareholders and has established appropriate mechanisms to ensure independent views and input are available to the Board. At present, the majority of the Board is comprised of independent non-executive Directors which ensures a strong independent element on the Board. The chairman of the Board also meets with the independent non-executive Directors regularly without the presence of other Directors. In addition, all Directors are entitled to seek advice from independent professional advisors at the Company's expense.

The Company has also established channels through formal and informal means whereby Directors can express their views in an open manner, and in a confidential manner, should circumstances require. All Directors are encouraged to express their independent opinions and constructive challenges during the meetings.

During the Reporting Period, the Board has reviewed the implementation and effectiveness of such mechanism and is satisfied with the results. The Board will keep reviewing the mechanism on an annual basis and make adjustments or amendments in due course.

Continuous Professional Development of Directors

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Besides, meetings with senior management of the Company were also arranged.

All Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. During the Reporting Period, all Directors confirmed that they have complied with code provision C.1.4 of the CG Code on Directors' continuous professional development during the Reporting Period by participating in appropriate continuous professional development activities, including reading materials, attending online seminars relating to regulatory updates, reviewing handouts and reviewing the papers and circulars sent by the Company. The table below summarizes the participation of each of the Directors in continuous professional development during the Reporting Period:

Name of Directors	Participated in continuous professional development
Dr. Zhi Hong	√
Dr. Ankang Li	√
Dr. Martin J Murphy Jr	√
Ms. Grace Hui Tang	√
Mr. Yiu Wa Alec Tsui	√
Mr. Gregg Huber Alton	√
Dr. Taiyin Yang	√

BOARD COMMITTEES

The Board has established four committees, namely, the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee are published on the websites of the Company and the Stock Exchange and are available to Shareholders upon request.

The majority of the members of the Remuneration Committee, the Audit and Risk Committee, the Nomination Committee and the Strategy Committee are independent non-executive Directors.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit and Risk Committee

The Audit and Risk Committee currently consists of three independent non-executive Directors, namely Ms. Grace Hui Tang, Dr. Taiyin Yang and Mr. Yiu Wa Alec Tsui. Each of Ms. Grace Hui Tang and Dr. Taiyin Yang, being the co-chairlady of the Audit and Risk Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit and Risk Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit and Risk Committee include, but not limited to, assisting the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

The Audit and Risk Committee is also responsible for performing the functions set out in code provision A.2.1 of the CG Code. These include developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; reviewing and monitoring the Company's financial controls, risk management and internal control systems; reviewing and monitoring the training and continuous professional development of Directors and senior management of the Company; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors of the Company; and reviewing the Company's compliance with the CG Code from time to time adopted by the Company and the disclosure in the corporate governance report to be contained in the Company's annual report. The Audit and Risk Committee has performed the above functions and reported to the Board during the Reporting Period.

The Audit and Risk Committee held two meetings during the Reporting Period to review and consider the final results and the audited financial statements of the Group for the year ended December 31, 2025 and the interim results and the interim report of the Group for the six months ended June 30, 2025, the ESG strategy and the 2025 ESG Report, as well as the effectiveness of the internal control and risk management system of the Group.

CORPORATE GOVERNANCE REPORT

The Audit and Risk Committee also met the external auditor once during the Reporting Period without the presence of the executive Directors and the management.

The Company's annual results for the year ended December 31, 2025 have been reviewed by the Audit and Risk Committee.

Remuneration Committee

The Remuneration Committee currently consists of three independent non-executive Directors, namely Dr. Martin J Murphy Jr, Mr. Yiu Wa Alec Tsui and Ms. Grace Hui Tang. Dr. Martin J Murphy Jr is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Remuneration Committee include, but are not limited to, making recommendations to the Board on our policy and structure for remuneration of all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing policy on such remuneration, determining the specific remuneration packages of all Directors and senior management of the Company and reviewing and approving performance-based remuneration of the management of the Company by reference to corporate goals and objectives resolved by the Board from time to time.

The Remuneration Committee held one meeting during the Reporting Period to review and make recommendations to the Board on the remuneration policy and structure of the Company and the remuneration packages of the executive Directors and senior management of the Company, and other related matters. Pursuant to Rule 17.07A of the Listing Rules, the Remuneration Committee reviewed and approved the grants of options and RSUs to Directors and senior management in accordance with the terms of the 2023 Share Option Scheme and the 2023 Share Award Scheme during the Reporting Period. Having considered that the Directors and senior management will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group, the vesting of the grants of options and RSUs is a recognition for the past contributions of the Directors and senior management to the Group, and the options and RSUs granted to the Directors and senior management will be vested in tranches over a period of four years from the vesting start date, the Remuneration Committee is of the view that the grants of options and RSUs to Directors and senior management without performance targets are market competitive, consistent with the Company's remuneration policy and customary practice, and will align the interests of the Directors and senior management with those of the Company and the Shareholders, motivate them to work towards successes of the Group and reinforce their commitment to the long-term service of the Group, which is in line with the purpose of the 2023 Share Option Scheme and the 2023 Share Award Scheme. In addition, the vesting period of certain options in the first tranche of the grant of options to the Directors and senior management is shorter than 12 months because they should have been granted earlier but had to wait for a subsequent batch during the year for administrative and compliance reasons, hence the shorter vesting period reflects the time from which the options would have been granted, and they will be granted in a mixed vesting schedule in tranches over a period of four years from the vesting start date, which are specific circumstances permitted by the 2023 Share Option Scheme. Having considered the above, and taking into account the grant of options to the Directors and senior management serves as a recognition of their past contributions to the Group and the expected significant contribution they will make to the Group, the Remuneration Committee is of the view that a vesting period shorter than 12 months in the said first tranche for the grant of options to the Directors and senior management is appropriate for retaining, incentivizing and rewarding them, as well as encouraging them to continuously contribute to the operation, development and long-term success and growth of the Group, which is in line with the purpose of the 2023 Share Option Scheme.

CORPORATE GOVERNANCE REPORT

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

Remuneration bands	Number of persons
HK\$0 to HK\$4,000,000	3
HK\$4,000,001 and above	3

Nomination Committee

The Nomination Committee currently consists of one executive Director, namely Dr. Zhi Hong, and three independent non-executive Directors, namely Mr. Gregg Huber Alton, Dr. Martin J Murphy Jr and Ms. Grace Hui Tang. Mr. Gregg Huber Alton is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Nomination Committee include, without limitation, reviewing the structure, size and composition of the Board, assessing the independence of independent non-executive Directors, assisting the Board in maintaining a Board skills matrix, supporting the Company's regular evaluation of the Board's performance and making recommendations to the Board on matters relating to the appointment of Directors.

The Nomination Committee has adopted a nomination policy which is incorporated in the terms of reference of the Nomination Committee and sets out the selection criteria and nomination procedures for identifying and recommending candidates for appointment or re-appointment of Directors. The Nomination Committee shall evaluate and select candidates based on the criteria by reference to character and integrity, business experience relevant and beneficial to the Company, qualifications including professional qualifications, skills and knowledge that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as a member of the Board and other significant commitments, present needs of the Board for particular expertise, skills or experience and whether the candidates would satisfy those needs, requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates for independent non-executive Directors would be considered independent with reference to the independence guidelines set out in the Listing Rules and the Board Diversity Policy (as defined below) and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board. The Directors re-elected as Directors during the Reporting Period were subject to a stringent nomination procedure in accordance with the nomination policy and the Board Diversity Policy of the Company, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

The Nomination Committee held two meetings during the Reporting Period to review the composition and structure of the Board and the independence of the independent non-executive Directors, make recommendation on the re-election of the retiring Directors, and review the Board Diversity Policy and any measurable objectives for implementing the Board Diversity Policy as may be adopted by the Board from time to time.

CORPORATE GOVERNANCE REPORT

Board Diversity Policy

Pursuant to Rule 13.92 of the Listing Rules, the nomination committee (or the Board) shall have a policy concerning diversity of Board members, and shall disclose the policy on diversity or a summary of the policy in the corporate governance report. In order to enhance the effectiveness of the Board and to maintain the high standard of corporate governance, the Company has adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out our objectives and approach to achieve and maintain diversity of the Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates to the Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to the Board.

The Board Diversity Policy specifies that the appointment of Directors will be based on meritocracy, and candidates will be evaluated against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, ethnicity, language, cultural and educational background, industry and professional experience.

The Nomination Committee is responsible for reviewing the diversity of the Board, and it will continue to monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee reviews the implementation of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives on an annual basis.

Currently, the Board comprises seven members, including two executive Directors and five independent non-executive Directors. Among which, two of the seven-members Board are female Directors. The Directors have a balanced mix of gender, knowledge, skills, perspectives and experience, including overall management and strategic development, business, science, investment, accounting and consulting. They obtained professional and academic qualifications including business administration, medical science, biology, economics, accounting, industrial engineering and legal studies. Furthermore, the Board possesses members spanning a wide range of ages, from 48 years old to 83 years old.

The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation. Taking into account our existing business model and specific needs as well as the different background of the Directors, in the opinion of the Board, the current composition of the Board satisfies the Board Diversity Policy, and the Board and the Nomination Committee will assess the Board composition regularly, at least on an annual basis. We will also continue to take steps to promote gender diversity at all levels of the Company, including but without limitation at the Board and senior management levels.

CORPORATE GOVERNANCE REPORT

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board, the senior management of the Company (including two executive Directors) and other employees of the Group (excluding senior management of the Company), as at the date of this annual report:

	Female	Male
Board	28.6% (2)	71.4% (5)
Senior Management	37.5% (3)	62.5% (5)
Other employees	74.6% (50)	25.4% (17)
Overall workforce	68.8% (55)	31.3% (25)

Taking into account the Company's business model and our objectives in diversity and inclusion, we consider that at present there is a reasonable gender diversity in the Group's workforce, and will continue to monitor the need to maintain or, if desired or necessary, increase diversity.

Strategy Committee

The Strategy Committee currently consists of one executive Director, namely Dr. Ankang Li, and two independent non-executive Directors, namely Mr. Gregg Huber Alton and Dr. Taiyin Yang. Dr. Ankang Li is the chairman of the Strategy Committee.

The main duties of the Strategy Committee include, without limitation, assisting the full Board, in conjunction with the management, in addressing the Company's overall mission, vision and strategic direction. Areas of focus include providing to the Board and the management, as applicable, input and recommendations with respect to key strategic initiatives and major R&D programs and partnerships, assisting the management in establishing a strategic planning process, identifying and addressing organizational challenges and evaluating strategic alternatives.

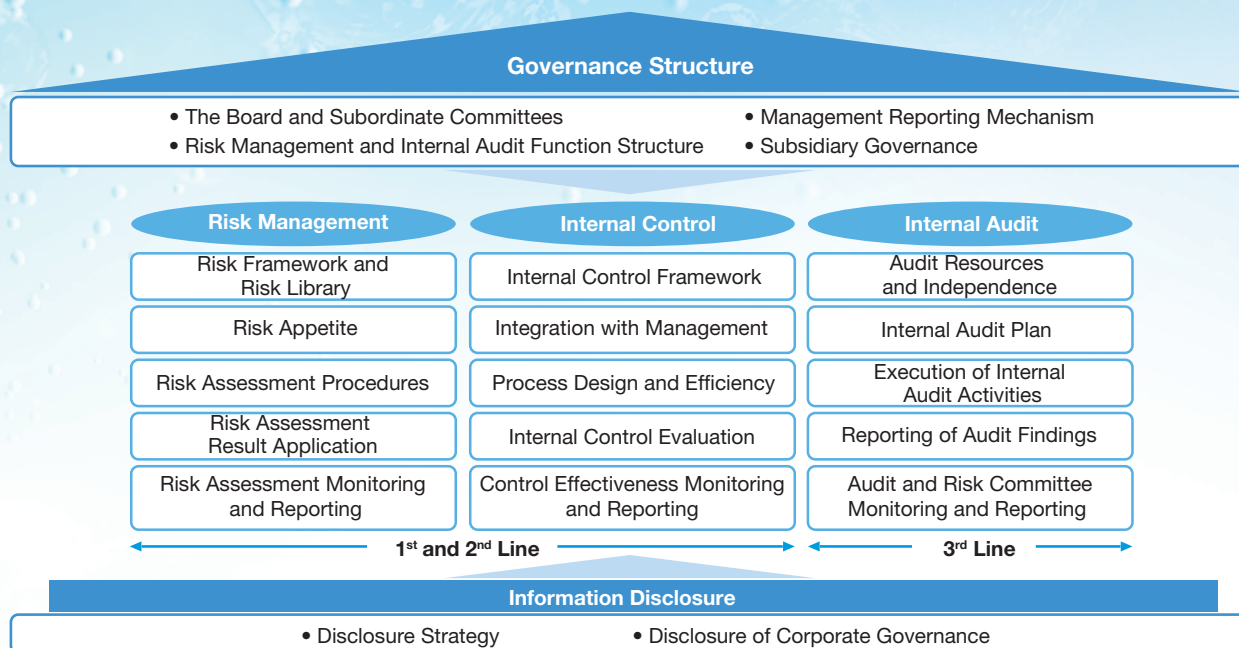
The Strategy Committee held one meeting during the Reporting Period to review the current performance of the Company and discuss the future development strategy of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it has the overall responsibility to maintain sound and effective risk management and internal control systems (the "Systems"), including financial, operational and compliance controls, for the Company and to review their effectiveness to safeguard the Company's assets, to protect Shareholders' values, and to identify and manage the risks so that they can be understood, reduced, mitigated, transferred or avoided to achieve business objectives. The Systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

During the Reporting Period, a comprehensive review of corporate governance situation was conducted to evaluate the compliance with the provisions of the CG Code regarding the Systems. The review has also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, and their training programs and budget. Such a review is performed on an annual basis.

CORPORATE GOVERNANCE REPORT



Governance Structure

The Board has entrusted the Audit and Risk Committee with the responsibility to develop and review the Systems and the Company’s policies and practices on corporate governance and make recommendations to the Board. The management, delegated by the Board, is responsible for leading and directing actions, allocating resources, and achieving the organization’s objectives through the design, implementation, and monitoring of the Systems. The management of the Company also maintains continuous dialogue with the Board and reports on outcomes linked to the objectives of the organization and risks.

Three-line risk management framework

The established three-line risk management framework functions to ensure the Company’s healthy and efficient operations continuously. First-line role performed by the functional departments comprises delivery of products or services and managing risks in daily operation. Second-line role performed by the supporting departments such as finance, legal, compliance and quality assurance provides complementary expertise and support, monitors, controls, and integrates challenges related to the management of risk. In particular, company-wide exercises have been launched to rationalize the existing policies and procedures so as to further emphasize the internal control objectives through the risk management procedures from identification, evaluation, remedy to monitor.

Third-line role performed by audit function provides independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. An external independent third party engaged by the Company has conducted reviews of the Company’s core business processes.

CORPORATE GOVERNANCE REPORT

Key focus of the review is to examine the effectiveness of internal control regarding key aspects of finance, operations and compliance. Identified deficiencies in operations and opportunities were communicated to senior management of the respective business units to enforce the remediation.

In view of the Company's size and stage, the Company has not established internal audit function as of December 31, 2025. The Board will review from time to time to assess the necessity of setting up an internal audit function.

The Company has also in place the Anti-Bribery and Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reporting to the Company's chief executive officer.

Besides, during the Reporting Period, the Company persistently dedicated efforts in enhancing the maturity of the corporate governance infrastructure including the systems across various business units and functions.

01 Respond to Evolving Regulatory and Compliance Requirements - Establish a proactive regulatory response protocol. Leverage both internal capabilities and external legal/consulting partnerships to adapt to dynamic regulatory environment while fostering internal information sharing and coordination.

02 Integrate Risk Management into Strategy and Operations - Build a structured risk assessment framework that integrates risk considerations into routine operations, supported by ongoing monitoring and collaboration with external experts to enable holistic risk evaluation.

03 Refine Pipeline Strategy and Prioritization - Refine resource allocation, expand investment in drug discovery and clearly define priorities across pipelines, with tailored next steps for each program.

04 Progress a Regionalized Manufacturing Strategy for Core Drugs - Advance a regionalized manufacturing strategy for core drugs to mitigate supply chain and tariff risks, supporting the progression of upcoming clinical trials and laying the foundation for future commercialization in line with the Company's long-term development plans.

05 Fuse Internal Capabilities with External Partnerships for R&D - Strengthen capabilities across the entire development continuum, from discovery to clinical execution, by expanding the internal R&D team and proactively forming partnerships with external parties.

06 Build Agile Financial Processes to Ensure Strategic Execution - Align financial operations closely with business priorities to enable dynamic reallocation of resources in response to pipeline developments. This is underpinned by rigorous budget management and cost controls, ensuring adequate financial support for strategic goals.

07 Enhance Talent Development Strategy - Enhance talent development through succession planning, targeted training, and fair assessment mechanisms, while fostering open communication and engagement around the Company's strategic direction.

08 Continuously Optimize Leadership and Organizational Design - Regularly calibrate the executive team's focus and functions and review internal controls to ensure experienced leadership and resources are effectively deployed under sound governance, supporting sustained growth.

CORPORATE GOVERNANCE REPORT

Based on the ongoing efforts devoted by the Company and external reviews carried out by external advisors, the Board concluded that the Systems of the Company are effective and adequate. There are neither material irregularities nor areas of material concerns that would have significant adverse impact on the Company's financial positions or results of operations.

INFORMATION DISCLOSURE

The Company has established policies and procedures to regulate the transactions in the Company's securities conducted by Directors and relevant employees, identification and disclosure of notifiable and connected transactions, as well as management of the Company's inside information.

The Company regulates the handling and dissemination of inside information in compliance with requirements of the SFO and the Listing Rules. The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. For the confidential information related to the Company's business, every employee is required to enter into an invention and confidentiality agreement with the Company, which describes the obligation to hold the Company's confidential information in strictest confidence.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" of this annual report.

DIVIDEND POLICY

The Company has never declared or paid regular cash dividends on its Shares. The Company currently expects to retain all future earnings for use in the operation and expansion of the business and does not anticipate paying cash dividends in the foreseeable future. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Act (As Revised) of the Cayman Islands.

AUDITOR'S REMUNERATION

An analysis of the remuneration paid/payable to the external auditor of the Company, Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Service Category	Fees Paid/Payable RMB'000
Audit Services	2,409
Non-audit Services	
– interim review	900
– tax service	543
TOTAL	3,852

JOINT COMPANY SECRETARIES

Dr. Ankang Li, an executive Director, the chief operating officer and a joint company secretary of the Company, is responsible for making recommendations to the Board on corporate governance matters, and ensuring compliance with the policies and procedures of the Board and applicable laws, rules and regulations.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Wing Tsz Wendy Ho, an executive director of company secretarial services of Tricor Services Limited (a corporate secretarial service provider), as another joint company secretary of the Company to assist Dr. Ankang Li in performing his duties as the company secretary of the Company. The primary corporate contact person of Ms. Wing Tsz Wendy Ho at the Company is Dr. Ankang Li, an executive Director, the chief operating officer and a joint company secretary of the Company.

During the Reporting Period, Dr. Ankang Li and Ms. Wing Tsz Wendy Ho had undertaken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be published on the websites of the Company and the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Pursuant to article 12.3 of the Articles of Association, extraordinary general meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or the Companies Act (As Revised) of the Cayman Islands for Shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph. As regards to proposing a person for election as a Director of the Company, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" which is published on the Company's website.

CORPORATE GOVERNANCE REPORT

Putting Forward Enquiries to the Board

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

CONTACT DETAILS

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

Address: 3rd Floor, Building 7, Zhongguancun Dongsheng International Science Park No. 1 North
Yongtaizhuang Road, Haidian District, Beijing, 100192 China

Email: ir@briibio.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings of the Company. At the annual general meetings of the Company, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The Company maintains a website at www.briibio.com as a communication platform with Shareholders and investors of the Company, where the financial information and other relevant information of the Company are available for public access.

Shareholders' Communication Policy

The Company has put in place a shareholders' communication policy (the "Shareholders' Communication Policy"). The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the Reporting Period and the results were satisfactory.

The Company has established a number of channels, such as Shareholders' enquiries, corporate communication, relevant websites, Shareholders' meetings and investment market communication, for maintaining an on-going dialogue with its Shareholders. For details of these channels, please refer to the Shareholders' Communication Policy published on the website of the Company.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Company has not made any changes to the memorandum and articles of association of the Company. An up-to-date version of the Company's memorandum and articles of association is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.briibio.com).

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BRII BIOSCIENCES LIMITED

腾盛博药生物科技有限公司

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Brii Biosciences Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 82 to 155, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”). 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 International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (the “**IESBA Code**”), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER

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

Key audit matter

How our audit addressed the key audit matter

Impairment assessment on certain in-licenses included in intangible assets

We identified impairment assessment on certain in-licenses which is in the progress of research and development included in intangible assets as a key audit matter because the gross amounts of RMB298,021,000 of these in-licenses were significant and impairment assessment involved significant estimations and assumptions as set out in note 4.

Note 17 to the consolidated financial statements described the reasons of impairment loss made on these in-licenses and details of recoverable amount calculations for these cash-generating units.

During the year ended 31 December, 2025, the Group has not recognized impairment losses on such in-licenses.

Our procedures performed in relation to the impairment assessment on certain in-licenses included:

- Understanding the management consideration and process for the identification of in-licenses which have impairment indicators;
- Understanding of key controls in relation to the impairment assessment and evaluating the design and implementation of these controls;
- For those assessments involving an independent professional valuer, assessing its competence, capabilities and objectivity, and verifying its qualification;
- Inquiring and challenging management's assessment to determine the fair value and evaluating whether the model used by the management to calculate the value-in-use of the individual cash-generating unit is in compliance with the requirement under International Accounting Standard 36 *Impairment of Assets*; and
- Understanding the methodology and the process management applied in preparing the cash flow forecast and assessing whether the management estimates and judgements are appropriate and reasonable with regards to our understanding and the operating performance of the Group, including the key assumptions such as the growth rate and discount rate.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE 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 IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company 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.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

INDEPENDENT AUDITOR'S REPORT

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

From the matter communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter 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 Tse, Alvin Ming Fai.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

March 19, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	NOTES	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Revenue	5	18,605	–
Other income	7	68,777	141,440
Other gains and losses, net	8	14,761	(197,665)
Net impairment losses under expected credit loss (“ECL”) model	19	–	(50,788)
Research and development expenses		(212,899)	(249,847)
Administrative expenses		(109,450)	(153,155)
Finance costs	9	(1,961)	(2,366)
Loss before tax	10	(222,167)	(512,381)
Income tax expense	11	(1,900)	–
Loss for the year		(224,067)	(512,381)
Other comprehensive income (expense):			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		(46,655)	38,821
Fair value loss on equity instrument at fair value through other comprehensive income (“FVTOCI”)		–	(7,920)
		(46,655)	30,901
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,531)	(706)
Other comprehensive income for the year		(48,186)	30,195
Total comprehensive expense for the year		(272,253)	(482,186)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	NOTES	Year ended December 31,	
		2025 RMB'000	2024 RMB'000
Loss for the year attributable to:			
Owners of the Company		(222,624)	(508,162)
Non-controlling interests		(1,443)	(4,219)
		(224,067)	(512,381)
Total comprehensive expense for the year attributable to:			
Owners of the Company		(270,810)	(477,967)
Non-controlling interests		(1,443)	(4,219)
		(272,253)	(482,186)
Loss per share	13		
– Basic and diluted (RMB)		(0.31)	(0.70)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2025

	NOTES	At December 31,	
		2025 RMB'000	2024 RMB'000
Non-current assets			
Plant and equipment	15	3,827	3,243
Right-of-use assets	16	10,346	11,055
Intangible assets	17	298,021	179,710
Financial assets at fair value through profit or loss ("FVTPL")	18	7,430	9,198
Deposits and other receivables	19	77,377	71,068
Restricted bank balances	20	–	18,229
		397,001	292,503
Current assets			
Deposits, prepayments and other receivables	19	21,533	18,962
Restricted bank balances	20	1,532	74,845
Time deposits with original maturity over three months	20	1,332,663	1,316,950
Cash and cash equivalents	20	606,842	1,003,365
		1,962,570	2,414,122
Current liabilities			
Other payables	21	27,273	55,582
Lease liabilities	22	5,041	4,896
Deferred income		–	16,943
		32,314	77,421
Net current assets		1,930,256	2,336,701
Total assets less current liabilities		2,327,257	2,629,204

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2025

		At December 31,	
	NOTES	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities	22	3,888	5,153
Note payables	21	–	17,971
		3,888	23,124
Net assets			
		2,323,369	2,606,080
Capital and reserves			
Share capital	23	24	24
Share premium and reserves		2,375,665	2,656,933
Equity attributable to owners of the Company			
Equity attributable to owners of the Company		2,375,689	2,656,957
Non-controlling interests	31	(52,320)	(50,877)
Total equity			
		2,323,369	2,606,080

The consolidated financial statements on pages 82 to 155 were approved and authorised for issue by the board of directors of the Company on March 19, 2026 and are signed on its behalf by:

ZHI HONG
DIRECTOR

ANKANG LI
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Attributable to owners of the Company											
	Share capital	Treasury shares	Shares held in trust	Share premium	Investments revaluation reserve	Translation reserve	Other reserve	Share-based payment reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	24	-	(67)	9,376,845	(37,262)	351,854	(75,917)	200,602	(6,697,039)	3,119,040	(46,658)	3,072,382
Loss for the year	-	-	-	-	-	-	-	-	(508,162)	(508,162)	(4,219)	(512,381)
Other comprehensive (expense) income	-	-	-	-	(7,920)	38,115	-	-	-	30,195	-	30,195
Total comprehensive (expense) income for the year	-	-	-	-	(7,920)	38,115	-	-	(508,162)	(477,967)	(4,219)	(482,186)
Repurchase of shares by trust (note b)	-	-	(220)	-	-	-	-	-	-	(220)	-	(220)
Recognition of equity-settled share-based payments (Note 24)	-	-	-	-	-	-	-	16,051	-	16,051	-	16,051
Vesting of restricted ordinary shares and restricted share units	-*	-	286	12,711	-	-	-	(12,997)	-	-	-	-
Exercising of share options	-*	-	-	307	-	-	-	(254)	-	53	-	53
At December 31, 2024	24	-	(1)	9,389,863	(45,182)	389,969	(75,917)	203,402	(7,205,201)	2,656,957	(50,877)	2,606,080
Loss for the year	-	-	-	-	-	-	-	-	(222,624)	(222,624)	(1,443)	(224,067)
Other comprehensive (expense) income	-	-	-	-	-	(48,186)	-	-	-	(48,186)	-	(48,186)
Total comprehensive (expense) income for the year	-	-	-	-	-	(48,186)	-	-	(222,624)	(270,810)	(1,443)	(272,253)
Derecognition of investments in equity instrument at FVTOCI (Note 19)	-	-	-	-	45,182	-	-	-	(45,182)	-	-	-
Repurchase of ordinary shares without cancellation (note c)	-	(16,900)	-	-	-	-	-	-	-	(16,900)	-	(16,900)
Repurchase of shares by trust (note b)	-	-	(601)	-	-	-	-	-	-	(601)	-	(601)
Recognition of equity-settled share-based payments (Note 24)	-	-	-	-	-	-	-	6,504	-	6,504	-	6,504
Vesting of restricted ordinary shares and restricted share units	-*	-	600	10,373	-	-	-	(10,973)	-	-	-	-
Exercising of share options	-*	-	-	1,884	-	-	-	(1,345)	-	539	-	539
At December 31, 2025	24	(16,900)	(2)	9,402,120	-	341,783	(75,917)	197,588	(7,473,007)	2,375,689	(52,320)	2,323,369

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

* Amount less than RMB1,000

Notes:

- (a) Other reserve represents the adjustment to the non-controlling interests to reflect the changes in the respective share of the carrying amounts of the net liabilities of a subsidiary upon the capital contribution by the Company which resulted in its additional interest in that subsidiary.
- (b) During the year ended December 31, 2025, the Company repurchased 331,000 ordinary shares (2024: 237,000) at an aggregate consideration of RMB601,000 (2024: RMB220,000), including the transaction costs paid by the Company, for the Group's equity-settled share award scheme.
- (c) During the year ended December 31, 2025, the Company repurchased 12,723,500 ordinary shares at an aggregate consideration of RMB16,900,000, including the transaction costs paid by the Company.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	(222,167)	(512,381)
Adjustments for:		
Bank interest income	(51,538)	(87,154)
Depreciation of plant and equipment	664	2,245
Depreciation of right-of-use assets	5,077	6,203
Amortisation of intangible assets	–	402
Impairment loss of intangible assets	–	90,348
Net impairment losses under ECL model	–	50,788
Net loss on disposal of plant and equipment	408	–
Finance costs	1,961	2,366
Net unrealised foreign exchange (gain) loss	1,404	(1,042)
Share-based payment expenses	6,504	16,051
Fair value gain on money market funds	(15,577)	(16,359)
Fair value loss on financial assets at FVTPL	1,589	126,052
Operating cash flow before movements in working capital	(271,675)	(322,481)
(Increase) decrease in deposits, prepayments and other receivables	(30,214)	554
Decrease in other payables	(18,076)	(17,274)
Decrease in deferred income	(16,943)	(33,689)
Cash used in operations	(336,908)	(372,890)
Withholding tax paid	(1,900)	–
NET CASH USED IN OPERATING ACTIVITIES	(338,808)	(372,890)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Interest received	46,602	82,779
Receipt of return from money market funds	15,577	16,359
Placement of time deposits with original maturity over three months	(1,357,744)	(1,943,360)
Withdrawal of time deposits with original maturity over three months	1,314,420	2,831,733
Placement of restricted bank balances	(977)	(89,168)
Withdrawal of restricted bank balances	92,258	355
Purchase of plant and equipment	(1,656)	(3,228)
Purchase of intangible assets	(125,073)	–
Payments for right-for-use assets	(259)	–
Payments for rental deposits	(593)	–
NET CASH FROM (USED IN) INVESTING ACTIVITIES	(17,445)	895,470
FINANCING ACTIVITIES		
Proceeds from exercise of share options	539	53
Payments of lease liabilities	(5,229)	(6,873)
Payments of Promissory Note	(17,971)	–
Interest paid	(1,961)	(2,366)
Payment on repurchase of shares by trust	(601)	(220)
Payment on repurchase of shares	(16,900)	–
NET CASH USED IN FINANCING ACTIVITIES	(42,123)	(9,406)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(398,376)	513,174
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,003,365	489,650
Effects of exchange rate changes	1,853	541
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	606,842	1,003,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. GENERAL INFORMATION

Brii Biosciences Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on December 8, 2017. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on July 13, 2021. The addresses of the Company’s registered office and principal place of business is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and 3rd Floor, Building 7, Zhongguancun Dongsheng, International Science Park, No. 1 North Yongtaizhuang Road, Haidian District, Beijing, People’s Republic of China (the “**PRC**”), respectively.

The Company and its subsidiaries (collectively referred to as the “**Group**”) are committed to advancing therapies for significant infectious diseases and other illnesses which have significant public health burdens in the PRC and worldwide. The Group has operations in the PRC, the United States of America (the “**USA**”) and Australia and primarily focused on developing therapies for infectious diseases.

The functional currency of the Company and the operating subsidiary incorporated in the USA is United States Dollars (“**US\$**”). The functional currency of the PRC and Australia operating subsidiaries is Renminbi (“**RMB**”) and Australian Dollars, respectively. The presentation currency of these consolidated financial statements is RMB as it best suits the needs of the shareholders and investors.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of these consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
----------------------	-------------------------

The application of these amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

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

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

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

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

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

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

Except for the new and amendments to IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on these consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

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

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

3.2 Material accounting policy information

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

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

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

Revenue from contracts with customers

The Group provides license of its intellectual property ("IP") and revenue is recognized when the customers obtain rights to use the underlying IP as the Group does not require undertaking any activities that significantly affect the IP to which the customer has rights nor the rights granted by the license directly expose the customer to any positive or negative effects of the Group activities. License fee income is recognized at a point of time upon the customer obtains the right to use the license.

The consideration for license comprises a fixed element (including upfront payment) and variable elements (including but not limited to development milestones and commercial milestones). For the variable elements, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognize revenue for a sales-based royalty promised in exchange for a licence of IP only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

The Group recognized revenue for a sales-based royalty promised in exchange for a licence of IP when the subsequent sale occurs.

Other information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 5.

Leases

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

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

The Group applies the short-term lease recognition exemption to leases (i.e. rental of motor vehicles and offices) that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date, less any lease incentives received.

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

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

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

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments included in the measurement of the lease liabilities represents the fixed payments of the lease.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group’s operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Exchange differences relating to the retranslation of the Group’s net assets in US\$ to the Group’s presentation currency (i.e. RMB) are recognized directly in other comprehensive income and accumulated in translation reserve. Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Government grants

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants for research and development activities are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss upon compliance with the attached conditions. Such grants are presented under “other income”.

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

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Share-based payments

Equity-settled share-based payment transactions

Share options/restricted ordinary shares/restricted share units granted to employees and others providing similar services

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

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

When share options are exercised or the restricted ordinary shares/restricted share units are vested, the amount previously recognized in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payment reserve will continue to be held in share-based payment reserve.

Modifications to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Modifications to the terms and conditions of the share-based payment arrangements (Continued)

If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from modification date until the date when the modified equity instruments are vested, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period.

If the modification occurs after vesting period, the incremental fair value granted is recognized immediately, or over the vesting period if additional period of service is required before the modified equity instruments are vested.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

Taxation

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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

Current and deferred tax are recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Plant and equipment

Plant and equipment are tangible assets that are held for use in the research and development or for administrative purposes. Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

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

Intangible assets

Intangible assets acquired separately

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Internally-generated intangible assets – research and development expenditure

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

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

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

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on plant and equipment, intangible assets and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment, intangible assets with finite useful lives and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on plant and equipment, intangible assets and right-of-use assets (Continued)

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

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

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

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

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

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

Financial assets

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

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

Classification and subsequent measurement of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is not a designated and effective hedging instrument.

(i) Amortised cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

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

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including other receivables and deposits, time deposits with original maturity over three months, restricted bank balances and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

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

(i) Significant increase in credit risk

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

The ECL on other receivables are assessed on an individual basis for counterparties with high credit risk and the remaining is collectively using provision matrix.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of other receivables, where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including note and other payables are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgment, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements.

Research and development expenses

Development expenses incurred on the Group's drug product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Research and development expenses which do not meet these criteria are expensed when incurred. Management assesses the progress of each of the research and development projects and determines whether the criteria are met for capitalisation. For the years ended December 31, 2024 and 2025, all research and development costs are expensed when incurred.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are described below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTIES (Continued)

Key sources of estimation uncertainty (Continued)

Impairment assessment of intangible assets from in-license

Intangible assets are stated at costs less accumulated amortisation and impairment, if any. The Group's intangible assets from in-license is not ready for use yet. In determining whether such intangible asset is impaired, the directors of the Company have to exercise judgment and make estimation, particularly in assessing: (1) whether the carrying amount of such intangible asset can be supported by the recoverable amount, which is the higher of fair value less costs of disposal and value in use; and (2) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of such intangible asset individually, the directors of the Company estimate the recoverable amount of the cash generating unit to which such intangible asset belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating unit, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amount.

At December 31, 2025, the carrying amount of intangible assets from in-license is RMB298,021,000 (2024: RMB179,710,000) after netting off with impairment of RMB89,255,000 (2024: RMB91,293,000). Details of the impairment assessment are disclosed in Note 17.

5. REVENUE

Disaggregation of revenue from contracts with customers

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
License fee income	18,605	–
Timing of revenue recognition		
A point in time	18,605	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5. REVENUE (Continued)

License fee income

The Group has entered into an intellectual property license and technology transfer agreement (the “**Licensing Agreement**”) with Joincare Group, which was set forth in the Company’s announcement dated July 4, 2025. Pursuant to the Licensing Agreement, Joincare Group will obtain an exclusive license for the research, development, and commercialization of soralimixin (formerly known as BRIL-693) in mainland China, Hong Kong, Macau and Taiwan.

The Group provides license of its intellectual property and revenue is recognized when the customers obtain rights to use the underlying IP as the Group is not required to undertake any activities that significantly affect the IP to which the customer has rights nor the rights granted by the license directly expose the customer to any positive or negative effects of the Group’s activities. License fee income is recognized at a point in time when the customer obtains the right to use the license.

6. SEGMENT INFORMATION

The Group’s chief operating decision maker (“**CODM**”) has been identified as the Chief Executive Officer of the Group. For the purpose of resource allocation and performance assessment, the CODM reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies as set out in Note 3. Accordingly, the Group has only one reportable segment and only entity-wide disclosures are presented.

Geographical information

At December 31, 2025, the Group has total non-current assets (excluding financial assets at FVTPL, restricted bank balances and certain deposits and other receivables) of RMB381,604,000 (2024: RMB257,325,000), among which, RMB298,021,000 (2024: RMB179,710,000), RMB83,583,000 (2024: RMB77,126,000) and nil (2024: RMB489,000) were located in the Cayman Islands, the PRC and the USA, respectively.

During the year ended December 31, 2025, all of the Group’s revenue was from an external customer located in the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

7. OTHER INCOME

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Bank interest income	51,538	87,154
Government grants (note)	16,943	49,936
Others	296	4,350
	68,777	141,440

Note: Government grants including the incentive and other subsidies from government which are specially for operating activities are recognized upon compliance with the attached conditions. In the current year, no government grants (2024: RMB16.2 million) were received. During the year ended December 31, 2025, RMB16.9 million (2024: RMB49.9 million) of deferred income was recognized as other income upon compliance with the relevant conditions.

8. OTHER GAINS AND LOSSES, NET

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Fair value loss on financial assets at FVTPL	(1,589)	(126,052)
Fair value gain on money market funds	15,577	16,359
Net foreign exchange gain	1,895	1,671
Impairment loss recognized on intangible assets	–	(90,348)
Net loss on disposal of property, plant and equipment	(408)	–
Others	(714)	705
	14,761	(197,665)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9. FINANCE COSTS

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	290	264
Interest on note payables	1,671	2,102
	1,961	2,366

10. LOSS BEFORE TAX

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Loss before tax for the year has been arrived at after charging:		
Directors' emoluments (Note 12)	23,081	35,021
Other staff costs:		
– salaries and other benefits	118,196	127,207
– discretionary bonus (note)	3,610	20,881
– retirement benefit scheme contributions	6,027	6,396
– share-based payments	2,037	4,395
	129,870	158,879
	152,951	193,900
Depreciation of plant and equipment	664	2,245
Depreciation of right-of-use assets	5,077	6,203
Amortisation of intangible assets (included in research and development expenses)	–	402
Impairment loss recognized on intangible assets (included in other gains and losses, net)	–	90,348
Auditors' remuneration	2,213	2,718

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

11. INCOME TAX EXPENSE

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Withholding tax expense	1,900	–

The Company is incorporated in the Cayman Islands and subject to Hong Kong Profits Tax. The Company has no assessable profits for both years.

Brii Biosciences, Inc. is subjected to federal tax rate at 21% and state income tax at rates ranging from 2.5% to 9.9% in the USA. In respect of the royalty income received by Brii Biosciences, Inc. from China, it is subject to 10% withholding tax according the relevant tax rule in China.

Brii Biosciences Pty Ltd. is subjected to income tax rate of 25% in Australia.

Pursuant to the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Except for withholding tax, no provision for income tax expense has been recognized as the Group’s operating subsidiaries had no assessable profits in both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

11. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Loss before tax	(222,167)	(512,381)
Income tax credit calculated at 25%	(55,542)	(128,095)
Tax effect of expenses not deductible for tax purpose	6,607	69,075
Tax effect of income not taxable for tax purpose	(12,265)	(20,586)
Tax effect of tax losses not recognized	82,443	73,911
Tax effect of temporary differences not recognized	(7,844)	10,902
Utilisation of deductible temporary differences previously not recognized	(4,062)	–
Effect of research and development expenses that are additionally deducted (note)	(12,713)	(13,443)
Effect of different tax rates of subsidiaries operating in other jurisdictions	3,376	8,236
Withholding tax on royalty income	1,900	–
	1,900	–

Note: Pursuant to Caishui 2018 circular No. 99, Bii Biosciences (Beijing) Co. Limited and TSB Therapeutics (Beijing) Co. Limited meet the requirement of super deduction of 200% on qualifying research and development expenditures for both years.

At December 31, 2025, the Group has unrecognized tax losses of RMB1,961.8 million (2024: RMB2,349.5 million). At December 31, 2025, the Group recognized the deferred tax assets related to lease liabilities of RMB2,232,000 (2024: RMB2,512,000) and deferred tax liabilities related to right-of-use assets of RMB2,232,000 (2024: RMB2,512,000) on a gross basis, which have been offset for the purpose of presentation in the consolidated statement of financial position. No deferred tax asset has been recognized in respect of tax losses due to the unpredictability of future profit streams. At December 31, 2025, unrecognized tax losses of RMB976.2 million (2024: RMB1,495.4 million) will expire from 2026 to 2030 (2024: 2025 to 2029), while other tax losses of RMB985.6 million (2024: RMB854.1 million) will be carried forward indefinitely.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

12. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Details of the emoluments paid or payable to the directors and the Chief Executive Officer of the Company (including emoluments for services as employees) for their service provided to the Group during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Company Ordinance, are as follows:

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Share-based payments	Discretionary bonus	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended December 31, 2025						
<i>Executive directors:</i>						
Dr. Zhi Hong (note i)	-	8,838	100	2,233	1,145	12,316
Mr. Ankang Li	-	5,224	71	2,068	202	7,565
<i>Independent non-executive directors:</i>						
Dr. Martin J Murphy Jr	714	-	-	-	-	714
Ms. Grace Hui Tang	714	-	-	-	-	714
Mr. Yiu Wa Alec Tsui	714	-	-	-	-	714
Mr. Gregg Huber Alton	714	-	-	-	-	714
Dr. Taiyin Yang	178	-	-	166	-	344
	3,034	14,062	171	4,467	1,347	23,081
For the year ended December 31, 2024						
<i>Executive directors:</i>						
Dr. Zhi Hong (note i)	-	11,662	98	6,914	3,066	21,740
Mr. Ankang Li	-	4,971	70	4,145	1,506	10,692
<i>Non-executive director:</i>						
Mr. Robert Taylor Nelsen (note ii)	-	-	-	-	-	-
<i>Independent non-executive directors:</i>						
Dr. Martin J Murphy Jr	498	-	-	66	-	564
Ms. Grace Hui Tang	498	-	-	66	-	564
Mr. Yiu Wa Alec Tsui	498	-	-	66	-	564
Mr. Gregg Huber Alton	498	-	-	66	-	564
Dr. Taiyin Yang	-	-	-	333	-	333
	1,992	16,633	168	11,656	4,572	35,021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

12. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

Notes:

- (i) Dr. Zhi Hong is the Chief Executive Officer and executive director of the Company.
- (ii) Mr. Robert Taylor Nelsen resigned as non-executive director of the Company on July 13, 2024.

The executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

None of the directors and chief executive has waived any emoluments during both years.

Five highest paid employees

The five individuals with the highest emoluments in the Group for the year ended December 31, 2025 include two (2024: two) directors of the Company, details of whose remuneration are set out as above. The emoluments of the remaining three (2024: three) highest paid individuals for the year ended December 31, 2025 are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Salaries and other benefits	11,356	11,233
Discretionary bonus (note)	407	3,168
Retirement benefit scheme contributions	300	295
Share-based payments	2,986	5,608
	15,049	20,304

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

12. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (Continued)

Five highest paid employees (Continued)

The emoluments of the five highest paid individuals (including directors) were within the following bands:

	Year ended December 31,	
	2025 No. of employees	2024 No. of employees
Hong Kong Dollars ("HK\$") 4,000,001 to HK\$4,500,000	1	–
HK\$5,000,001 to HK\$5,500,000	1	–
HK\$6,000,001 to HK\$6,500,000	1	–
HK\$7,000,001 to HK\$7,500,000	–	2
HK\$7,500,001 to HK\$8,000,000	–	1
HK\$8,000,001 to HK\$8,500,000	1	–
HK\$11,500,001 to HK\$12,000,000	–	1
HK\$13,000,001 to HK\$13,500,000	1	–
HK\$23,500,001 to HK\$24,000,000	–	1
	5	5

Certain directors and five highest paid employees were granted share options or restricted share units in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 24.

Except for those disclosed in Note 24, during the years ended December 31, 2024 and 2025, there are no other loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities. Also, there are no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of both reporting periods or at any time during both years.

In addition, no director's termination benefit subsisted at the end of the year or at any time during the years ended December 31, 2024 and 2025. There are also no consideration provided to or receivable by third parties for making available director's services subsisted at the end of the year or at any time during the years ended December 31, 2024 and 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

13. LOSS PER SHARE

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

	Year ended December 31,	
	2025	2024
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share (RMB'000)	(222,624)	(508,162)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ('000)	721,874	730,246

For the years ended December 31, 2024 and 2025, the weighted average number of ordinary shares for the purpose of basic and diluted loss per share excluded the treasury shares, shares held in trust and unvested restricted share units of the Company, details of which are set out in Note 24.

The computation of diluted loss per share for the years ended December 31, 2024 and 2025 did not assume the exercise of share options and the vesting of unvested restricted share units since their assumed exercise and vesting would be anti-dilutive.

14. DIVIDENDS

No dividend was paid or declared by the Company during the years ended December 31, 2024 and 2025, nor has any dividend been proposed subsequent to the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

15. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment RMB'000	Leasehold improvements RMB'000	Construction in process RMB'000	Total RMB'000
COST				
At January 1, 2024	337	24,839	–	25,176
Additions	3,371	–	–	3,371
At December 31, 2024	3,708	24,839	–	28,547
Additions	124	–	1,532	1,656
Disposals	(526)	–	–	(526)
At December 31, 2025	3,306	24,839	1,532	29,677
DEPRECIATION				
At January 1, 2024	304	22,755	–	23,059
Provided for the year	161	2,084	–	2,245
At December 31, 2024	465	24,839	–	25,304
Provided for the year	664	–	–	664
Disposals	(118)	–	–	(118)
At December 31, 2025	1,011	24,839	–	25,850
CARRYING AMOUNTS				
At December 31, 2025	2,295	–	1,532	3,827
At December 31, 2024	3,243	–	–	3,243

The above items of plant and equipment are depreciated on a straight-line basis, after taking into account of the residual values, at the rate per annum as follows:

Furniture, fixtures and equipment	20%
Leasehold improvements	Shorter of the lease term or 20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

16. RIGHT-OF-USE ASSETS

	At December 31,	
	2025 RMB'000	2024 RMB'000
Carrying amount Properties	10,346	11,055

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Depreciation for the year Properties	5,397	6,203

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	3,150	3,916
Total cash outflow for leases	8,928	11,053
Additions to right-of-use assets	4,368	13,766

For both years, the Group leases various office for its operations. Lease contracts are entered into for fixed term of 24 months to 38 months. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for motor vehicles and offices. At December 31, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

Lease liabilities of RMB8,929,000 are recognized with related right-of-use assets of RMB10,346,000 at December 31, 2025 (2024: lease liabilities of RMB10,049,000 are recognized with related right-of-use assets of RMB11,055,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

17. INTANGIBLE ASSETS

	Technical know-how and patent RMB'000	Software RMB'000	In-licenses RMB'000	Total RMB'000
COST				
At January 1, 2024	13,580	1,208	267,018	281,806
Exchange adjustments	–	–	3,985	3,985
At December 31, 2024	13,580	1,208	271,003	285,791
Exchange adjustments	–	–	(8,800)	(8,800)
Addition (Note 19)	–	–	125,073	125,073
At December 31, 2025	13,580	1,208	387,276	402,064
AMORTISATION AND IMPAIRMENT				
At January 1, 2024	13,580	806	–	14,386
Charge for the year	–	402	–	402
Impairment loss recognized in profit or loss included in other gains and losses, net	–	–	90,348	90,348
Exchange adjustments	–	–	945	945
At December 31, 2024	13,580	1,208	91,293	106,081
Exchange adjustments	–	–	(2,038)	(2,038)
At December 31, 2025	13,580	1,208	89,255	104,043
CARRYING VALUES				
At December 31, 2025	–	–	298,021	298,021
At December 31, 2024	–	–	179,710	179,710

At December 31, 2024 and 2025, these in-licenses capitalised as intangible assets relates to licenses which is in the progress of research and development and thus it has yet to commence amortisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

17. INTANGIBLE ASSETS (Continued)

Other than those in-licenses, the other intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Technical know-how and patent	5 years
Software	3 years

The useful lives of the technical know-how and patent were determined by the management of the Group taking into account the period over which they are expected to be available for use by the Group and the stability of the industry.

In 2025, the directors of the Company have performed impairment assessment of the in-licenses and consequently determined that there was no recognition of impairment as at December 31, 2025 (2024: recognition of impairment of RMB90,348,000).

The in-licenses, which are intangible assets not yet ready for use, are tested for impairment at least annually and whenever there is an indication that they may be impaired based on the recoverable amount of the cash-generating unit (“CGU”) to which the intangible asset is related. The appropriate cash-generating unit is at the pipeline level. Impairment testing on the in-licenses of the Group was conducted by engaging an independent professional valuer. For the purpose of impairment testing, the recoverable amount of each CGU is determined based on its value-in-use, calculated by using the discounted cash flow approach. The assets subject to impairment testing include the pipeline of Tobeivart (previously known as BR11-877) and BR11-179.

For the purposes of impairment testing, intangible assets have been allocated to two individual cash-generating units, comprising BR11-179 and Tobeivart (previously known as BR11-877). The carrying amounts allocated to these units are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
BR11-179	157,445	35,942
Tobeivart (previously known as BR11-877)	140,576	143,768
Total	298,021	179,710

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

17. INTANGIBLE ASSETS (Continued)

In-license for Tobeivibart (previously known as BR11-877)

The management of the Group determined the recoverable amount of in-license of Tobeivibart (previously known as BR11-877) based on the following approach and key assumptions:

- Cash inflows starting to be generated from the expected date of obtaining regulatory approval, and up to the end of the intellectual property expiry date;
- The revenue growth rate ranges from -44.3% to 785.7% (2024: -58.0% to 789.2%). The cash flow projections are made based on financial budgets over a period longer than five years prepared by the management of the Group till peak year, considering the timing of clinical development, regulatory approval of relevant products and pharmaceutical life cycle. Cash flows beyond peak year are projected at decline rates;
- The probability of success was estimated by the management of the Group based on the industrial historical statistics; and
- The pre-tax discount rate used is 16.5% (2024: 16.7%) per annum, which reflects specific risks relating to the relevant products that would be considered by market participants.

Based on the result of the in-licenses impairment testing, the estimated recoverable amount of the cash-generating unit exceeded its carrying amount at December 31, 2024 and 2025. The recoverable amount exceeded its carrying amount by RMB50,953,000 at December 31, 2025 (2024: RMB33,700,000). Thus, no impairment is noted. If the discount rate was changed to 19.7% (2024: 19.1%) per annum or the revenue growth rate was changed to -48.1% to 781.9% (2024: -64.2% to 783.0%), while other parameters remain constant, the recoverable amount would equal its carrying amount.

In-license for BR11-179

The management of the Group determined the recoverable amount of in-license of BR11-179 based on the following approach and key assumptions:

- Cash inflows starting to be generated from the expected date of obtaining regulatory approval, and up to the end of the intellectual property expiry date;
- The revenue growth rate ranges from -48.1% to 255.4%. The cash flow projections are made based on financial budgets over a period longer than five years prepared by the management of the Group till peak year, considering the timing of clinical development, regulatory approval of relevant products and pharmaceutical life cycle. Cash flows beyond peak year are projected at decline rates;
- The probability of success was estimated by the management of the Group based on the industrial historical statistics; and
- The pre-tax discount rate used is 16.2% per annum, which reflects specific risks relating to the relevant products that would be considered by market participants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

17. INTANGIBLE ASSETS (Continued)

In-license for BR11-179 (Continued)

Based on the result of the in-licenses impairment testing, the estimated recoverable amount of the cash-generating unit exceeded its carrying amount at December 31, 2025. The recoverable amount exceeded its carrying amount by RMB31,220,000 at December 31, 2025. Thus, no impairment is noted. If the discount rate was changed to 17.5% per annum or the revenue growth rate was changed to -45.6% to 257.8%, while other parameters remain constant, the recoverable amount would equal its carrying amount.

18. FINANCIAL ASSETS AT FVTPL

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Listed equity securities	7,430	9,198

The Group's financial assets at FVTPL represents investments in a listed entity on the NASDAQ Global Market focusing on infectious diseases. The fair value of the listed equity investment is measured based on quoted market price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At December 31,	
	2025 RMB'000	2024 RMB'000
Prepayments	4,528	6,597
Receivables for prepayments and deposits paid for intangible assets (note)	–	50,788
Rental and other deposits	1,926	1,319
Value-added tax recoverable	69,413	63,305
Interests receivable	16,180	11,582
Deposits paid for acquisition of plant and equipment	–	13
Other receivables	6,863	7,214
	98,910	140,818
Less: impairment loss allowance for other receivables (note)	–	(50,788)
	98,910	90,030
Analysed as:		
Current	21,533	18,962
Non-current	77,377	71,068
	98,910	90,030

Note:

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

On February 13, 2024, the Group had issued the Promissory Notes of US\$2,500,000 (equivalent to RMB17,971,000) to VBI as prepayment for the BR11-179 Acquisition Consideration, which was subsequently announced as PreHevbri License consideration, while respective liabilities was recorded as note payable in note 21. Such Promissory Note carried interest at a variable annual rate equal to the greater of (i) 8% and (ii) the sum of 1 year loan prime rate of the United States plus 4% per annum, maturing in 2026 and were secured by the Collateral pursuant to the Collateral Agreements, among which that the Group had deposited the same amount US\$2,500,000 (equivalent to RMB17,971,000) into the escrow account on the date of the BR11-179 Purchase Agreement, as recorded as restricted deposits in note 20.

However, subsequently on July 30, 2024, as a result of financial difficulties, VBI initiated restructuring proceedings and was delisted from the NASDAQ Global Market on August 8, 2024.

As at December 31, 2024, the directors of the Company assessed that the recoverability of the prepayment for the PreHevbri consideration and other prepayments totalling US\$7.1 million (equivalent to RMB50.8 million) were in doubt and thus full provision of ECL impairment was recognized, which had been subsequently fully written off during the year ended December 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

19. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

According to the Nominee Designation Agreement executed on December 30, 2024, the US\$2,500,000 Promissory Notes were assigned by VBI to one of its creditors, K2HV, and the Rehovot Assets Acquisition had also been terminated.

In January 2025, VBI announced, that, in connection with its creditor protection proceedings under the Companies' Creditors Arrangement Act (Canada) and its previously announced sale and investment solicitation process, VBI completed the transactions and the Group also paid US\$18,000,000 (equivalent to RMB129,380,000) in cash for the completion of BR11-179 Acquisition, including principally the consideration for related intangible asset of BR11-179 in the amount of US\$17,400,000 (equivalent to RMB125,073,000), as determined after arm's length negotiations. In addition, the US\$2,500,000 Promissory Notes has also been settled prior to its maturity by the Group during the year ended December 31, 2025 as a condition to the closing of the BR11-179 Acquisition. Upon settlement of the Promissory Notes, the related restricted bank deposits in escrow in the amount of US\$2,500,000 was released to the Group.

Following completion of the transaction, all of the Group's previously issued and outstanding common shares of VBI have been redeemed and cancelled without consideration. Accordingly, during the year ended December 31, 2025, the equity investment in VBI held by the Group, which was previously accounted for as the Group's financial asset at FVTOCI and carried at nil amount, were derecognized and the debit balance of investment valuation reserve amounting to RMB45,182,000 was transferred to accumulated losses, correspondingly.

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

At December 31, 2025, restricted bank balances included bank deposits held by the trust as part of trust fund which are restricted for transactions related to share award scheme and carry fixed rate interests at 0.01% (2024: 0.01%) per annum.

At December 31, 2024, restricted bank balances also comprised principal amounts of US\$12,500,000 (equivalent to RMB89,855,000), including non-current portion of US\$2,500,000 (equivalent to RMB17,971,000) deposited in an escrow account for the purpose of securing the issue of Promissory Notes and the current portion of US\$10,000,000 (equivalent to RMB71,884,000) deposited in an escrow account for the Rehovot Assets Acquisition, respectively. During the year ended December 31, 2025, such restricted bank balances were released from escrow upon termination of the Rehovot Assets Acquisition and early settlement of the Promissory Notes. Details of which was set out in note 19. These restricted bank balances carried interest from 1.3% to 3% per annum.

At December 31, 2025, time deposits with original maturity over three months from the date of placement carry fixed rate interest ranging from 1.20% to 4.27% (2024: 3.71% to 4.42%) per annum. These time deposits will mature within 12 months.

Cash and cash equivalents comprise cash held by the Group, short-term bank deposits with original maturity of three months or less and low volatility net assets value money market funds. At December 31, 2025, the short-term bank deposits and bank balances carry interests at market rates ranging from 0.01% to 3.80% (2024: from 0.01% to 4.85%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

20. RESTRICTED BANK BALANCES/TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/CASH AND CASH EQUIVALENTS (Continued)

At December 31, 2025, the low volatility net asset value money market funds are measured at fair value of RMB379,514,000 (2024: RMB515,449,000).

21. NOTE AND OTHER PAYABLES

	At December 31,	
	2025 RMB'000	2024 RMB'000
Note payables (Note 19)	–	17,971
Payables for research and development expenses	9,153	7,845
Other payables for		
– legal and professional fee	53	7,416
– others	1,325	1,458
Other tax payables	1,213	1,189
Payroll payables	12,896	27,810
Accrued research and development expenses	2,633	9,864
	27,273	55,582
	27,273	73,553
Analysed as:		
Current	27,273	55,582
Non-current	–	17,971
	27,273	73,553

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

21. NOTE AND OTHER PAYABLES (Continued)

The average credit period for purchases of goods/services of the Group is normally within 30 days. Ageing analysis of the Group's payables for research and development expenses based on the invoice dates at the end of the reporting period is as follows:

	At December 31,	
	2025 RMB'000	2024 RMB'000
0-30 days	9,079	7,057
31-60 days	–	751
61-90 days	34	33
Over 90 days	40	4
	9,153	7,845

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

	At December 31,	
	2025 RMB'000	2024 RMB'000
0-360 days	–	17,971

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

	At December 31,	
	2025 RMB'000	2024 RMB'000
1-2 years	–	17,971

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

22. LEASE LIABILITIES

	At December 31,	
	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	5,041	4,896
Within a period of more than one year but not more than two years	2,447	4,153
Within a period of more than two years but not more than five years	1,441	1,000
	8,929	10,049
Less: amount due for settlement with 12 months shown under current liabilities	(5,041)	(4,896)
Amount due for settlement after 12 months shown under non-current liabilities	3,888	5,153

The weighted average incremental borrowing rate applied to lease liabilities is at 3.35% per annum at December 31, 2025 (2024: 3.70%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

23. SHARE CAPITAL/TREASURY SHARES

(A) Share capital

	Number of Ordinary Shares	Share capital US\$
Ordinary shares		
Ordinary shares of US\$0.000005 each		
Authorised		
At January 1, 2024, December 31, 2024 and December 31, 2025	1,200,000,000	6,000
	Ordinary Shares	Equivalent amount of ordinary shares
	Number of shares	Amount US\$ RMB'000
Issued and fully paid		
At January 1, 2024	729,385,446	3,647 24
Issuance of ordinary shares in relation to exercise of share options (Note 24)	132,500	1 -*
Issuance of ordinary shares in relation to vesting of restricted share units (Note 24)	1,791,844	9 -*
At December 31, 2024	731,309,790	3,657 24
Issuance of ordinary shares in relation to exercise of share options (Note 24)	942,750	5 -*
Issuance of ordinary shares in relation to vesting of restricted share units (Note 24)	1,648,022	8 -*
At December 31, 2025	733,900,562	3,670 24

* Less than RMB1,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

23. SHARE CAPITAL/TREASURY SHARES (Continued)

(B) Treasury shares

During the year, the Company repurchased its own ordinary shares through The Stock Exchange of Hong Kong Limited as follows:

Month of repurchase	Number of shares	Price per share		Aggregate consideration paid RMB'000
		Highest HK\$	Lowest HK\$	
January 2025	4,433,000	1.16	0.99	4,511
April 2025	8,290,500	1.75	1.50	12,389
	12,723,500			16,900

The above ordinary shares were not cancelled and remained as treasury shares at the end of the reporting period.

24. SHARE-BASED PAYMENT TRANSACTIONS

Post-IPO Share Award Scheme

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

24. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Post-IPO Share Award Scheme (Continued)

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

24. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Post-IPO Share Award Scheme (Continued)

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

	Number of Post-IPO RSUs
At January 1, 2024	10,973,543
Vested	(1,992,611)
Cancelled	(754,117)
Forfeited	(3,614,440)
At December 31, 2024	4,612,375
Vested	(1,549,110)
Forfeited	(1,378,590)
At December 31, 2025	1,684,675

The following table summarised the Group's RSUs movement under 2023 share award scheme (the "2023 Share Award Scheme") during the period.

	Number of RSUs under 2023 Share Award Scheme
At January 1, 2024	–
Granted	2,376,500
Vested	(60,750)
At December 31, 2024	2,315,750
Granted	2,114,000
Vested	(429,415)
Forfeited	(291,460)
At December 31, 2025	3,708,875

The fair value is measured at the market price of the Company's shares at the grant date. The closing price of the Company's shares on October 28, 2025, which was the grant date of RSUs, was HK\$1.82.

The closing prices of the Company's shares on March 28, 2024 and October 25, 2024, which were the grant dates of RSUs, were HK\$0.91 and HK\$1.04, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

24. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Post-IPO Share Award Scheme (Continued)

The total expenses recognized in the consolidated statement of profit or loss and other comprehensive income in relation to RSUs granted are RMB2,731,000 (2024: RMB1,371,000) for the year ended December 31, 2025.

Equity-settled share option scheme of the Company

(i) *Incentive plan*

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

(ii) *Post-IPO Share Option Scheme*

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

(iii) *2023 share award scheme and share option scheme*

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

On October 25, 2024, the management of the Group conducted an overall assessment of the Group's pipeline programs and considers that certain of the re-determined research and development activities and commercial milestones can no longer be fulfilled. In addition, as the market condition has dramatically changed since the time-based share options were granted under the above-mentioned equity-settled share option scheme of the Company, the management of the Group considered that the grant of time-based share options can no longer serve the original purpose. Therefore, the management of the Group decided to cancel certain of the outstanding milestone-based and time-based share options and granted new time-based share options with reduced exercise price, which is considered a cancellation in accordance with IFRS 2 Share-based Payment.

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

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FOR THE YEAR ENDED DECEMBER 31, 2025

24. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

For the year ended December 31, 2025

Option	Type of grantee	Date of grant	Vesting period	Exercisable period	Exercise price	Outstanding at 1.1.2025	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 31.12.2025
Time-based										
Option A	Consultants and employees	30.10.2018	Note i	Note iii	US\$0.035	985,000	-	(395,000)	-	590,000
Option B	Consultants and employees	3.4.2019 – 16.9.2019	Note i	Note iii	US\$0.05	440,000	-	(120,000)	-	320,000
Option C	Employees	4.2.2020 – 11.12.2020	Note i	Note iii	US\$0.13 – US\$0.68	3,803,668	-	(200,000)	-	3,603,668
Option D	Consultants and employees	18.2.2021 – 3.12.2021	Note i	Note ii	US\$0.68 – US\$1.33 HK\$43.41 – HK\$47.60	749,800	-	-	(141,000)	608,800
Option E	Employees	29.3.2022 – 15.12.2022	Note i	Note ii	HK\$6.454 – HK\$10.33	9,998,000	-	-	(3,726,875)	6,271,125
Option I	Employees	12.4.2023 – 23.8.2023	Note i	Note ii	HK\$3.01 – HK\$4.54	6,350,875	-	-	(1,614,375)	4,736,500
Option J	Employees	28.3.2024	Note i	Note ii	HK\$0.964	5,104,500	-	(96,250)	(835,375)	4,172,875
Option K	Employees	25.10.2024	Note i	Note ii	HK\$1.062	14,073,000	-	(131,500)	(1,839,500)	12,102,000
Option L	Employees	28.10.2025	Note i	Note ii	HK\$1.832	-	10,120,500	-	(718,750)	9,401,750
Option M	Consultants	31.10.2025	Note i	Note ii	HK\$1.82	-	600,000	-	-	600,000
Sub-total						41,504,843	10,720,500	(942,750)	(8,875,875)	42,406,718
Milestone-based										
Option F	Employees	18.9.2020	Note ii	Note iii	US\$0.13 – US\$0.68	1,200,000	-	-	-	1,200,000
Option G	Employees	4.6.2021 – 3.12.2021	Note ii	Note iii	US\$1.06 HK\$43.41 – HK\$47.60	-	-	-	-	-
Option H	Employees	29.3.2022 – 21.9.2022	Note ii	Note iii	HK\$6.454 – HK\$10.33	818,000	-	-	(561,500)	256,500
Sub-total						2,018,000	-	-	(561,500)	1,456,500
Total						43,522,843	10,720,500	(942,750)	(9,437,375)	43,863,218
Exercisable at the end of the year										19,091,093
Weighted average exercise price						HK\$3.21	HK\$1.83	HK\$0.63	HK\$4.31	HK\$2.66

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FOR THE YEAR ENDED DECEMBER 31, 2025

24. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

For the year ended December 31, 2024

Option	Type of grantee	Date of grant	Vesting period	Exercisable period	Exercise price	Outstanding at 1.1.2024	Granted during the year	Exercised during the year	Cancelled during the year	Forfeited during the year	Outstanding at 31.12.2024
Time-based											
Option A	Consultants and employees	30.10.2018	Note i	Note iii	US\$0.035	985,000	-	-	-	-	985,000
Option B	Consultants and employees	3.4.2019 – 16.9.2019	Note i	Note iii	US\$0.05	574,000	-	(121,500)	-	(12,500)	440,000
Option C	Employees	4.2.2020 – 11.12.2020	Note i	Note iii	US\$0.13 – US\$0.68	12,151,068	-	(11,000)	(6,000,000)	(336,400)	3,803,668
Option D	Consultants and employees	18.2.2021 – 3.12.2021	Note i	Note iii	US\$0.68 – US\$1.33	3,458,325	-	-	(1,275,500)	(1,433,025)	749,800
					HK\$43.41 – HK\$47.60						
Option E	Employees	29.3.2022 – 15.12.2022	Note i	Note iii	HK\$6.454 – HK\$10.33	22,294,250	-	-	(5,127,000)	(7,169,250)	9,998,000
Option I	Employees	12.4.2023 – 23.8.2023	Note i	Note iii	HK\$3.01 – HK\$4.54	13,448,000	-	-	(3,369,500)	(3,727,625)	6,350,875
Option J	Employees	28.3.2024	Note i	Note iii	HK\$0.964	-	5,752,500	-	-	(646,000)	5,104,500
Option K	Employees	25.10.2024	Note i	Note iii	HK\$1.062	-	14,660,000	-	-	(587,000)	14,073,000
Sub-total						52,910,643	20,412,500	(132,500)	(17,772,000)	(13,913,800)	41,504,843
Milestone-based											
Option F	Employees	18.9.2020	Note ii	Note iii	US\$0.13 – US\$0.68	5,200,000	-	-	(4,000,000)	-	1,200,000
Option G	Employees	4.6.2021 – 3.12.2021	Note ii	Note iii	US\$1.06	3,626,416	-	-	(3,626,416)	-	-
					HK\$43.41 – HK\$47.60						
Option H	Employees	29.3.2022 – 21.9.2022	Note ii	Note iii	HK\$6.454 – HK\$10.33	1,256,167	-	-	(181,667)	(256,500)	818,000
Sub-total						10,082,583	-	-	(7,808,083)	(256,500)	2,018,000
Total						62,993,226	20,412,500	(132,500)	(25,580,083)	(14,170,300)	43,522,843
Exercisable at the end of the year											14,033,110
Weighted average exercise price						HK\$10.02	HK\$1.03	HK\$0.44	HK\$13.69	HK\$8.33	HK\$3.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

24. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

Notes:

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

The share options outstanding at 31 December, 2025 had a weighted average remaining contractual life of 8 years (2024: 8 years).

The fair value of the options granted during the reporting period was determined using the Binominal Tree model. These fair values and corresponding inputs into the model were as follows:

For the year ended December 31, 2025

Option Granted	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield	Fair value at grant date
Option L	HK\$0.99 – HK\$1.08	HK\$1.832	67.18%	10 years	2.88%	0%	HK\$10,507,652
Option M	HK\$1.08	HK\$1.820	67.15%	10 years	2.98%	0%	HK\$647,580

For the year ended December 31, 2024

Option Granted	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield	Fair value at grant date
Option J	HK\$0.48 – HK\$0.54	HK\$0.964	67.27%	10 years	3.76%	0%	HK\$2,886,741
Option K	HK\$0.58 – HK\$0.63	HK\$1.062	69.25%	10 years	3.16%	0%	HK\$8,967,629

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Treasury Bonds with a maturity life close to the option life of the share option. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share options. Dividend yield is based on management estimation at the grant date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The total expenses recognized in the consolidated statement of profit or loss and other comprehensive income for the equity-settled share option granted are RMB3,773,000 (2024: RMB14,680,000) for the year ended December 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

25. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Short term benefits	34,168	36,543
Discretionary bonus (note)	1,895	10,299
Post-employment benefits	739	758
Share-based payments	8,104	19,299
	44,906	66,899

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

26. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to investors through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes lease liabilities disclosed in Note 22, net of cash and cash equivalents and equity of the Group, comprising issued share capital, accumulated losses, other reserves and non-controlling interests.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendation of the management of the Group, the Group will balance its overall capital structure through the new share issues and share buy-backs as well as the issue of new debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

27. CAPITAL COMMITMENTS

	At December 31,	
	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of the acquisition of contracted for leasehold improvement but not provided in the consolidated financial statements	1,241	–

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	At December 31,	
	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at FVTPL	7,430	9,198
Cash equivalents at FVTPL	379,514	515,449
Amortised cost	1,586,492	1,918,055

	At December 31,	
	2025 RMB'000	2024 RMB'000
Financial liabilities		
Amortised cost	10,531	34,690

(b) Financial risk management objectives and policies

The Group's major financial assets and liabilities include deposits and other receivables, financial assets at FVTPL, equity instrument at FVTOCI, restricted bank balances, time deposits with original maturity over three months, cash and cash equivalents and note and other payables. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with these financial assets and liabilities include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

The Group's activities expose it primarily to currency risk, interest rate risk and other price risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

(i) *Currency risk*

Certain bank balances and cash and other payables in foreign currencies of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The management consider that exposure of the Group's entities with the functional currency of US\$ to HK\$ is insignificant as that HK\$ is pegged to US\$.

The carrying amounts of the group entities' foreign currency denominated monetary assets and liabilities at the end of each reporting period are mainly as follows:

	At December 31,	
	2025 RMB'000	2024 RMB'000
Assets		
HK\$	546,704	847,841
RMB	291,338	358,665
US\$	142,893	75,541
Liabilities		
US\$	479	1,960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) *Currency risk (Continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the group entities' relevant functional currencies against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A negative number below indicates an increase in loss for the year where the group entities' relevant functional currencies strengthen 5% against the relevant foreign currencies. For a 5% weakening of the group entities' relevant functional currencies against the relevant foreign currencies, there would be an equal and opposite impact on the loss for the year.

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Impact on profit or loss		
RMB	(14,567)	(17,933)
US\$	(7,121)	(3,679)

The directors of the Company considered the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) *Interest rate risk*

The Group is primarily exposed to fair value interest rate risk in relation to lease liabilities, restricted bank balances and time deposits. The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and note payables. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant, therefore no sensitivity analysis on such risk has been prepared.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Other price risk

The Group is exposed to other price risk arising from listed equity investment at FVTOCI, equity investments at FVTPL and money market funds at FVTPL.

Sensitivity analysis

Equity investments at FVTPL

The sensitivity analyses below have been determined based on the exposure to equity price risk at each reporting date for equity investments at FVTPL.

If the equity value of the common shares of the investments at FVTPL had been changed based on the 5% higher/lower, the loss for the year would decrease/increase by approximately RMB372,000 (2024: RMB460,000) for the year ended December 31, 2025.

Money market funds

No sensitivity analysis is performed as the directors of the Company consider that the exposure of other price risk arising from the money market funds is insignificant because investments in money market funds are mainly on government treasury securities with high credit rating and liquidity.

Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

In order to minimise credit risk, the Group has tasked its finance team to develop and maintain the Group's credit risk gradings to categories exposures according to their degree of risk of default. Management uses publicly available financial information and the Group's own historical repayment records to rate other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst counterparties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount At December 31,	
					2025 RMB'000	2024 RMB'000
Financial assets at amortised cost						
Deposits and other receivables	19	N/A	Low risk	12m ECL	24,969	20,115
	19	N/A	Loss	Lifetime ECL – credit-impaired	–	50,788
Restricted bank balances	20	Aa3	N/A	12m ECL	1,532	93,074
Time deposits with original maturity over three months	20	Aaa	N/A	12m ECL	1,332,663	1,316,950
Bank balances	20	Aa3 to Aaa	N/A	12m ECL	227,328	487,916
					1,586,492	1,968,843

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

For the purpose of impairment assessment for other receivables and deposits, the Group has applied the general approach in IFRS 9 to measure the impairment loss allowance at 12m ECL, excluding for counterparty with high credit risk. In determining the ECL for these financial assets, the directors of the Company determines the ECL on these items on an individual basis for counterparty with high credit risk, and have taken into account the financial positions of the counterparties in estimating the probability of default of each of other receivables and deposits, occurring within their respective loss assessment time horizon, as well as the loss upon default in each case for the remaining. The directors of the Company considered that the 12m ECL allowance is insignificant.

The following table shows reconciliation of loss allowances that has been recognized for credit-impaired other receivables.

	Lifetime ECL (credit-impaired) RMB'000
At January 1, 2024	–
Impairment losses recognized	50,788
At December 31, 2024	50,788
Write-offs	(50,788)
At December 31, 2025	–

The credit risk on restricted bank balances, time deposits with original maturity over three months and bank balances is limited because the counterparties are reputable banks and financial institutions with high credit ratings assigned by international credit rating agencies. The management is of the opinion that the loss rate is insignificant and no impairment was provided at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of liquidity risk, the management of the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group issues shares as a significant source of liquidity.

The directors of the Company are satisfied that the Group will have sufficient financial resource to meet its financial obligation as they fall due for the foreseeable future after taking into account of the aforesaid proceeds from the shares issuance and the expected working capital requirements for the next twelve months from the end of the reporting period.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Within 1 year or on demand RMB'000	1 to 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
At December 31, 2025					
Other payables	–	10,531	–	10,531	10,531
Lease liabilities	3.35	5,531	3,984	9,515	8,929
Total		16,062	3,984	20,046	19,460
At December 31, 2024					
Other payables	–	16,719	–	16,719	16,719
Promissory Notes	12.50	2,084	19,762	21,846	17,971
Lease liabilities	3.70	5,197	5,292	10,489	10,049
Total		24,000	25,054	49,054	44,739

(c) Fair value measurements of financial instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

28. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

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

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Notes	Fair value at December 31,		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input
		2025 RMB'000	2024 RMB'000			
Listed equity investment at FVTPL	18	7,430	9,198	Level 1	Active market quoted transaction price	N/A
Money market funds	20	379,514	515,449	Level 2	Based on the net asset values of the funds, which are determined with reference to observable and quoted prices of underlying investment portfolio	N/A

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

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in these consolidated financial statements approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

29. RETIREMENT BENEFIT PLANS

The subsidiary in the USA maintains multiple qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the USA. These plans are defined contribution plans covering substantially all its qualifying employees and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employee compensation. The only obligation of the subsidiary in the USA with respect to the retirement benefits plans is to make the specified contributions under the plans.

The employees of the Company's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiary is required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

The total amount provided by the Group to the scheme or plans in the USA and the PRC and charged to profit or loss are RMB6,198,000 (2024: RMB6,564,000) for the year ended December 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Place and date of establishment/ incorporation/ operation	Issued and fully paid share/ registered capital	Equity interest attributable to the Group		Principal activities
			At December 31, 2025	2024	
Brii Biosciences Offshore Limited [#]	Cayman Islands May 23, 2018	US\$1	100%	100%	Investment holding
Brii Biosciences, Inc. [#]	USA December 5, 2017	US\$1	100%	100%	Research and development on pharmaceutical products
Brii Biosciences (Hong Kong) Co. Limited [#]	Hong Kong December 18, 2017	US\$1	100%	100%	Investment holding
Brii Biosciences Pty Ltd.	Australia March 28, 2023	Australian Dollar 100	100%	100%	Research and development on pharmaceutical products
Brii Biosciences (Beijing) Co. Limited* 騰盛博药醫藥技術(北京)有限公司	PRC (note) August 21, 2018	US\$153,470,020	100%	100%	Research and development on Pharmaceutical products
Brii Biosciences (Shanghai) Co. Limited* 騰盛博药醫藥技術(上海)有限公司	PRC (note) April 19, 2018	US\$12,999,940	100%	100%	Research and development on Pharmaceutical products
TSB Therapeutics (Beijing) Co. Limited* ("TSB Therapeutics") 騰盛華創醫藥技術(北京)有限公司	PRC (note) May 26, 2020	RMB49,876,597	72.77%	72.77%	Research and development on Pharmaceutical products

[#] Directly held subsidiaries

* English name is for identification purpose only.

None of the subsidiaries has issued any debt securities at December 31, 2024 and 2025.

Note: 騰盛博药醫藥技術(北京)有限公司 and 騰盛博药醫藥技術(上海)有限公司 are foreign invested limited liability companies. TSB Therapeutics is a domestic owned limited liability company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

31. DETAILS OF A NON-WHOLLY OWNED SUBSIDIARY THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of a non-wholly-owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		At December 31,		Year ended December 31,		At December 31,	
		2025	2024	2025	2024	2025	2024
				RMB'000	RMB'000	RMB'000	RMB'000
TSB Therapeutics	PRC	27.23%	27.23%	(1,443)	(4,219)	(52,320)	(50,877)

Summarised financial information in respect of TSB Therapeutics is set out below. The summarised financial information below represents amounts before intragroup eliminations.

TSB Therapeutics	At December 31,	
	2025	2024
	RMB'000	RMB'000
Current assets	17,706	19,465
Non-current assets	18,261	18,253
Current liabilities	(80)	(178)
Non-current liabilities	(228,028)	(224,382)
Equity attributable to owners of the Company	(139,821)	(135,965)
Non-controlling interests of TSB Therapeutics	(52,320)	(50,877)

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Expenses	(5,299)	(15,495)
Loss and total comprehensive expense for the year	(5,299)	(15,495)
Loss and total comprehensive expense attributable to owners of the Company	(3,856)	(11,276)
Loss and total comprehensive expense attributable to the non-controlling interests of TSB Therapeutics	(1,443)	(4,219)
Net cash outflow from operating activities	(1,773)	(5,385)
Net cash inflow from investing activities	13	37
Net cash outflow	(1,760)	(5,348)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000	Note payables RMB'000	Total RMB'000
At January 1, 2024	3,156	–	3,156
Financing cash flows	(7,137)	(2,102)	(9,239)
Interest expenses recognized	264	2,102	2,366
Issuance of Promissory Notes (Note 19)	–	17,759	17,759
New leases entered	13,766	–	13,766
Exchange adjustments	–	212	212
At December 31, 2024	10,049	17,971	28,020
Financing cash flows	(5,519)	(19,642)	(25,161)
Interest expenses recognized	290	1,671	1,961
New leases entered	4,109	–	4,109
At December 31, 2025	8,929	–	8,929

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	At December 31,	
	2025 RMB'000	2024 RMB'000
Non-current assets		
Investment in subsidiaries	530,941	688,011
Intangible assets	298,021	179,710
Financial assets at FVTPL	7,430	9,198
Loan to a subsidiary	538,627	321,337
	1,375,019	1,198,256
Current assets		
Other receivables	16,220	12,546
Restricted bank balances	1,181	172
Time deposits with original maturity over three months	1,332,663	1,316,950
Cash and cash equivalents	29,801	504,147
	1,379,865	1,833,815
Current liabilities		
Other payables	620	14,812
Amounts due to subsidiaries	430,895	393,208
	431,515	408,020
Net current assets	948,350	1,425,795
Total assets less current liabilities and net assets	2,323,369	2,624,051
Non-current liability		
Note payables	–	17,971
Net assets	2,323,369	2,606,080
Capital and reserves		
Share capital	24	24
Share premium and reserves	2,323,345	2,606,056
Total equity	2,323,369	2,606,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

33. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

The movements of the reserves of the Company are as follows:

	Treasury shares RMB'000	Shares held in trust RMB'000	Share premium RMB'000	Investments revaluation reserve RMB'000	Translation reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2024	-	(67)	9,376,845	(37,262)	709,316	200,602	(7,177,076)	3,072,358
Loss for the year	-	-	-	-	-	-	(337,996)	(337,996)
Other comprehensive expense	-	-	-	(7,920)	(136,270)	-	-	(144,190)
Total comprehensive expense for the year	-	-	-	(7,920)	(136,270)	-	(337,996)	(482,186)
Repurchase of shares by trust	-	(220)	-	-	-	-	-	(220)
Recognition of equity-settled share-based payments (Note 24)	-	-	-	-	-	16,051	-	16,051
Vesting of restricted ordinary shares and restricted share units	-	286	12,711	-	-	(12,997)	-	-
Exercise of share options	-	-	307	-	-	(254)	-	53
At December 31, 2024	-	(1)	9,389,863	(45,182)	573,046	203,402	(7,515,072)	2,606,056
Loss for the year	-	-	-	-	-	-	(53,423)	(53,423)
Other comprehensive expense	-	-	-	-	(218,830)	-	-	(218,830)
Total comprehensive expense for the year	-	-	-	-	(218,830)	-	(53,423)	(272,253)
Derecognition of investments in equity instrument at FVTOCI	-	-	-	45,182	-	-	(45,182)	-
Repurchase of ordinary shares	(16,900)	-	-	-	-	-	-	(16,900)
Repurchase of shares by trust	-	(601)	-	-	-	-	-	(601)
Recognition of equity-settled share-based payments (Note 24)	-	-	-	-	-	6,504	-	6,504
Vesting of restricted ordinary shares and restricted share units	-	600	10,373	-	-	(10,973)	-	-
Exercise of share options	-	-	1,884	-	-	(1,345)	-	539
At December 31, 2025	(16,900)	(2)	9,402,120	-	354,216	197,588	(7,613,677)	2,323,345

DEFINITIONS

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

“2023 Share Award Scheme”	the 2023 share award scheme adopted by the Company on September 1, 2023, as amended from time to time
“2023 Share Option Scheme”	the 2023 share option scheme adopted by the Company on September 1, 2023, as amended from time to time
“AASLD”	the American Association for the Study of Liver Diseases
“ADME/DMPK”	absorption, distribution, metabolism, excretion/drug metabolism and pharmacokinetics
“AGM”	the annual general meeting of the Company to be held on Tuesday, June 16, 2026
“AI”	artificial intelligence
“anti-HBs”	hepatitis B surface antibody
“Audit and Risk Committee”	the audit and risk committee of the Board
“BLA”	biologics license application
“Board”	the board of directors of the Company
“CDE”	the Center for Drug Evaluation of the NMPA of China
“CG Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“CHD”	chronic hepatitis D
“China” or “the PRC”	the People’s Republic of China excluding, for the purposes of this annual report, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“CMC”	chemistry, manufacturing, and controls
“CNS”	central nervous system, part of the nervous system consisting of the brain and spinal cord

DEFINITIONS

“Company”, “we”, “us” or “Brii Bio”	Brii Biosciences Limited (騰盛博药生物科技有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EASL”	The European Association for the Study of the Liver
“EFdA”	an NRTTI and an investigational drug for the treatment of HIV infection
“ENHANCE study”	a study to evaluate the efficacy and safety of combination therapy of BRIL-179, elebsiran and PEG-IFN α in participants with chronic HBV infection
“ENRICH study”	a study to investigate the efficacy and safety of regimens containing BRIL-179, elebsiran, and PEG-IFN α treating chronic HBV infection
“ENSURE study”	a study to investigate the efficacy and safety of elebsiran and PEG-IFN α combination therapy in chronic HBV patients
“EOT”	end-of-treatment
“ESG”	environmental, social and governance
“Global Offering”	the Hong Kong initial public offering and the international offering of the Company
“Greater China”	Mainland China, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Group”	the Company and its subsidiaries
“HBsAg”	hepatitis B surface antigen
“HBV”	hepatitis B virus
“HDV”	hepatitis D virus
“HIV”	human immunodeficiency virus
“HK\$” or “HKD”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“HR”	human resources
“IFRS”	International Financial Reporting Standard
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China or clinical trial notification in Australia
“IP”	intellectual property
“Joincare Group”	Joincare Pharmaceutical Group Industry Co., Ltd, a company incorporated in the PRC
“Listing Date”	July 13, 2021, the date on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“mAb(s)”	antibody(ies) generated by identical immune cells that are all clones of the same parent cell
“MDR”	multi-drug resistant
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuer as set out in Appendix C3 to the Listing Rules
“NCE”	new chemical entity
“NDA”	new drug application
“NMPA”	the National Medical Products Administration
“Nomination Committee”	the nomination committee of the Board
“NRTTI”	nucleoside analogue reverse transcriptase translocation inhibitor
“OpenBench”	OpenBench, Inc., a company focuses on creative early discovery collaboration AI models
“PEG-IFN α ”	pegylated interferon alfa
“Post-IPO Share Award Scheme”	the post-IPO Share award scheme adopted by the Company on June 22, 2021

DEFINITIONS

“Post-IPO Share Option Scheme”	the post-IPO share option scheme adopted by the Company on June 22, 2021
“Pre-IPO Share Incentive Plan”	the pre-IPO share incentive plan approved and adopted by the Company on October 30, 2018
“Prospectus”	the prospectus of the Company dated June 30, 2021
“QW”	once weekly
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“RNA”	ribonucleic acid
“RSU(s)”	restricted stock unit(s)
“R&D”	research and development
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of US\$0.00001 each
“Shareholder(s)”	the holder(s) of the Share(s)
“siRNA”	small interfering RNA, sometimes known as short interfering RNA or silencing RNA, a class of double-stranded non-coding RNA molecules
“Strategy Committee”	the strategy committee of the Board
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “USD”	United States dollars, the lawful currency of the United States

DEFINITIONS

“U.S. FDA”	the U.S. Food and Drug Administration
“U.S. Holder”	a holder who, for U.S. federal income tax purposes, is a beneficial owner of our Shares and is: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations
“Vir Biotechnology”	Vir Biotechnology, Inc., a corporation incorporated in San Francisco, the United States, whose stocks are listed on the NASDAQ Global Market (NASDAQ: VIR)
“%”	per cent.