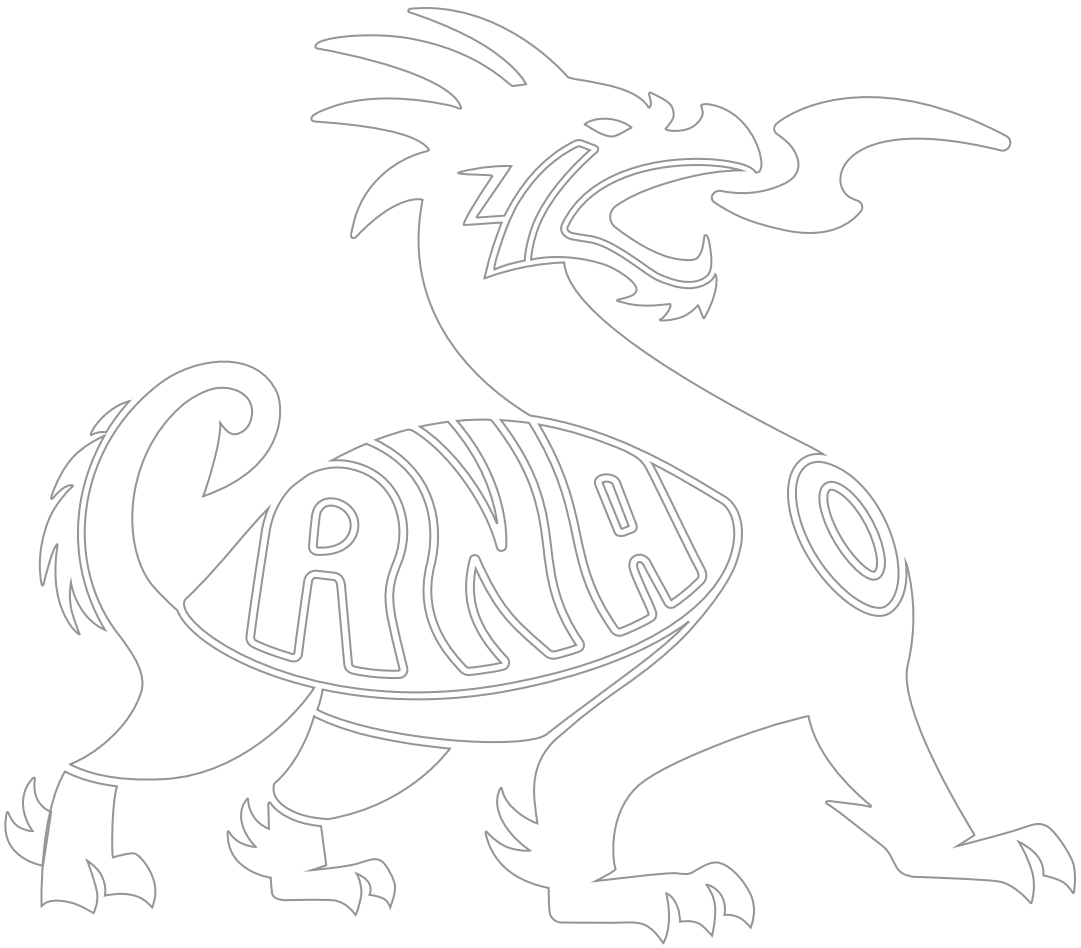
Stock Code : 2257

2025 Annual Report

Table of Contents

Corporate Information	2
Chairman's Statement	4
Five-Year Financial Summary	8
Management Discussion and Analysis	9
Directors and Senior Management	29
Report of the Directors	34
Corporate Governance Report	70
Independent Auditor's Report	90
Consolidated Statement of Profit or Loss and Other Comprehensive Income	94
Consolidated Statement of Financial Position	95
Consolidated Statement of Changes in Equity	97
Consolidated Statement of Cash Flows	99
Notes to the Consolidated Financial Statements	101
Definitions	184
Glossary of Technical Terms	190



Corporate Information

BOARD OF DIRECTORS

Executive Director

Dr. Poon Hung Fai
Chairman and Chief Executive Officer
(appointed as Chairman of the Board with effect from December 1, 2025)

Non-Executive Directors

Mr. Ouyang Yunlong
(appointed with effect from July 3, 2025)
Dr. Yin Huijun
(appointed with effect from September 1, 2025)
Mr. Jiankang Zhang
(resigned with effect from June 21, 2025)
Dr. Yang Lu (alias Patrick Lu)
(resigned with effect from February 5, 2025)
Mr. Mincong Huang
(resigned with effect from January 1, 2025)

Independent Non-Executive Directors

Mr. Wong Yu Shan Eugene
(appointed with effect from February 17, 2025)
Dr. Zhang Peng
(appointed with effect from July 3, 2025)
Ms. Lo Yee Hang
(appointed with effect from September 1, 2025)
Ms. Monin Ung
(resigned as Chairlady of the Board and an independent non-executive Director with effect from December 1, 2025)
Dr. Cheung Hoi Yu, *JP*
(resigned with effect from October 18, 2025)
Ms. Shing Mo Han Yvonne
(alias Mrs. Yvonne Law), *BBS, JP*
(resigned with effect from January 1, 2025)

AUDIT COMMITTEE

Mr. Wong Yu Shan Eugene *(Chairperson)*
(appointed with effect from February 17, 2025)
Mr. Ouyang Yunlong
(appointed with effect from September 1, 2025)
Ms. Lo Yee Hang
(appointed with effect from September 1, 2025)
Ms. Monin Ung
(resigned with effect from December 1, 2025)
Dr. Cheung Hoi Yu
(appointed with effect from February 19, 2025 and resigned with effect from October 18, 2025)
Ms. Shing Mo Han Yvonne
(resigned with effect from January 1, 2025)
Mr. Mincong Huang
(resigned with effect from January 1, 2025)

REMUNERATION COMMITTEE

Dr. Zhang Peng *(Chairperson)*
(appointed with effect from December 1, 2025)
Mr. Ouyang Yunlong
(appointed with effect from September 1, 2025)
Mr. Wong Yu Shan Eugene
(appointed with effect from September 1, 2025)
Ms. Monin Ung
(resigned with effect from December 1, 2025)
Dr. Cheung Hoi Yu
(resigned with effect from October 18, 2025)
Mr. Jiankang Zhang
(resigned with effect from June 21, 2025)

NOMINATION COMMITTEE

Ms. Lo Yee Hang *(Chairperson)*
(appointed with effect from October 18, 2025)
Dr. Poon Hung Fai
(appointed with effect from February 17, 2025)
Dr. Zhang Peng
(appointed with effect from September 1, 2025)
Ms. Monin Ung
(appointed on February 5, 2025 and resigned with effect from December 1, 2025)
Dr. Cheung Hoi Yu
(resigned with effect from October 18, 2025)
Dr. Yang Lu
(resigned with effect from February 5, 2025)
Ms. Shing Mo Han Yvonne
(resigned with effect from January 1, 2025)

AUTHORIZED REPRESENTATIVES

Dr. Poon Hung Fai
(appointed with effect from December 1, 2025)
Mr. Yuen Yun Ting
Ms. Monin Ung
(appointed with effect from February 5, 2025 and resigned with effect from December 1, 2025)
Dr. Yang Lu
(resigned with effect from February 5, 2025)

COMPANY SECRETARY

Mr. Yuen Yun Ting

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE U.S.

Sirnaomics, Inc.
20511 Seneca Meadows Parkway Suite
200 Germantown
MD 20876
U.S.

Corporate Information

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd.
Unit 415, A4 Building
No. 218 Xinghu Street
Suzhou Industrial Park
Suzhou, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1–1102
Cayman Islands

HONG KONG SHARE REGISTRAR

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

AUDITOR

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay, Kowloon
Hong Kong

PRINCIPAL BANKS

DBS Bank (Hong Kong) Limited
G/F, The Centre
99 Queen's Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco
CA 94104
U.S.

LEGAL ADVISOR AS TO HONG KONG LAWS

Llinks Law Offices LLP
Room 3201, 32/F
Alexandra House
18 Chater Road
Central, Hong Kong

LEGAL ADVISOR AS TO PRC LAWS

Jiangsu Just & Right Law Firm
Room 1201, Xinyu Building
No. 288 Kuachun Road
Suzhou Industrial Park
Jiangsu Province
PRC

LEGAL ADVISOR AS TO CAYMAN ISLANDS LAWS

Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

COMPANY WEBSITE

www.sirnaomics.com

STOCK CODE

2257

Chairman's Statement

Dear Shareholders, Board Members, Employees, Strategic Partners, and Regulatory Stakeholders,

It is with profound gratitude that I share Sirnaomics' 2025 journey , a year defined by unity, resilience, and unwavering commitment to our mission. Guided by our company vision, "Transcribing for Better Lives", we navigated the official reporting period (January 1–December 31, 2025) with intentionality, honoring trust through prudent action and progress that improves lives. This year, our team also came together to align on the unique value proposition of our core technologies. We are committed to communicating to the market with clarity and transparency, as it defines our unique position in the global RNA therapeutics landscape.

2025 marked my first year as Chairman and CEO, a role I embraced with humility. Streamlining our workforce became an opportunity to strengthen our team's cohesion. Members went above and beyond by demonstrating exceptional commitment, sharing cross-functional expertise, and rallying around a collective goal to maximize every resource. These acts of dedication are Sirnaomics' greatest strength, reminding me our people are far more impactful than our technology alone, and it is this team that has validated the transformative potential of our proprietary platforms.

2025 DEFINING MILESTONES: SCIENCE AS A CATALYST FOR HEALING

Our work is rooted in a core belief: innovation serves humanity. In 2025, we advanced two proprietary platforms at the forefront of RNA therapeutics, addressing critical unmet needs. This year, our team reached a unanimous consensus on our industry-defining distinction, which we will communicate to the market with full transparency.

Our PNP delivery platform stands as one of the world's very few extra-hepatic siRNA delivery systems with proven safety and efficacy. This milestone sets it apart in a sector focused largely on liver-targeted therapies. Through STP705 and STP707, we have rigorously demonstrated this platform's safety, versatility, and real-world potential, breaking barriers for diseases once out of reach for RNA-based treatments:

- STP705: Laid groundwork for Phase II/III pivotal trials in isSCC and BCC; completed Phase I for focal fat reduction (aesthetics) and finalized plans for the anticipated Phase II launch in 2026.

- STP707: Submitted Phase I clinical research report for solid tumors; refining PNP's potential to further to unlock its full industry-wide application for extra-hepatic RNA delivery.

Complementing PNP, our GalAhead™ platform is the only programmable siRNA delivery platform for precision-controlled dosing intervals on the market. This unique capability that enables precise and tailored pharmacokinetic modulation, matching drug activity to the exact needs of each disease and patient. This programmability is a game-changer for patient-centric care, and we are proud to bring this distinct value to the market with transparency:

- STP122G (anticoagulation): Advanced to the final cohort of Phase I clinical trials. An FDA-approved trial protocol acceleration enables faster translational progress toward Phase II development. Leveraging the programmable capability of the GalAhead™ platform, we have engineered this candidate to achieve an approximately 3-month dosing interval. This provides an optimal pharmacokinetic profile for venous thromboembolism (VTE), where overly long-acting siRNA therapeutics pose unnecessary potential clinical risks to patients.

- STP125G (hypertriglyceridemia): Completed Investigational New Drug (IND) application filing, with submission anticipated in the second half of 2026, this candidate exemplifies the GalAhead™ platform's potential to deliver long-acting, treatment burden-reducing therapies. Utilizing the platform's programmability, we are aiming for a dosing interval of approximately 12 months per administration for this candidate.

We also advanced PNP efficiency, GalAhead™'s dual-target muRNA technology, and preclinical AODC platform innovations, with a growing patent portfolio safeguarding these assets. Regulatory wins (e.g., STP122G's FDA amendment) and strategic partnerships amplified our reach. Additionally, CDMO collaborations and U.S./China supply chain resilience ensured manufacturing readiness as we prepared to share our platforms' unique distinctions with the market openly and clearly.

FINANCIAL STEWARDSHIP: HONORING TRUST THROUGH PRUDENCE

We take shareholder resources seriously, and 2025 was a year of disciplined financial management. We prioritized R&D for STP705, STP122G, and STP125G, secured equity financing, achieved more than 90% non-essential cost reduction, and extended our cash runway to a healthy position without compromising scientific rigor. AI-driven solutions further streamlined clinical design, data analysis, and manufacturing, multiplying our lean team's impact. Capital allocation remains focused on clinical advancement, regulatory engagement, and partnership-driven growth, and we will tie this financial discipline to our market transparency efforts, ensuring investors and stakeholders fully understand the value of our differentiated platforms.

Chairman's Statement

INDUSTRY LANDSCAPE: STANDING OUT THROUGH PURPOSE AND TRANSPARENCY

The global RNA sector is evolving, with demand for extra-hepatic delivery and targeted modalities. These industry trends align perfectly with our strengths, and make our commitment to market transparency more important than ever. PNP's proven extra-hepatic targeting and GalAhead™'s one-of-a-kind programmability position us uniquely in a competitive landscape, filling critical industry gaps with validated, patient-centric technology. While U.S. government shutdowns delayed some FDA engagements, we adapted with proactive collaboration, upholding global regulatory standards, and we will continue to align our regulatory progress with clear market communication about our platforms' distinctions.

GOVERNANCE, RISK & ESG: BUILDING TRUST THROUGH TRANSPARENCY

Trust is foundational to everything we do, and it extends to our commitment to market transparency about our core strengths. In 2025, we optimized our leadership framework through a unified Chairman and CEO structure to ensure strategic alignment; mitigated risks through pipeline prioritization and supply chain diversification; maintained an exemplary patient safety record without any trial adverse events; and fostered a culture of unity and passion that retained core talent. This culture of trust internally is the foundation for our external commitment to transparency. We believe the market deserves a clear, comprehensive understanding of what makes our technology and our progress unique.

2026 STRATEGIC OUTLOOK: PURPOSE-DRIVEN PROGRESS, CLEAR MARKET COMMUNICATION

2026 will be pivotal, aiming to translate 2025's foundation into meaningful progress, and centering clear, transparent market communication of our platforms' industry-defining distinctions as a core strategic priority:

1. Commercial Readiness: We are continuously pursuing opportunities to license out our pipeline assets and establish core technology partnerships with industry peers. We believe this strategic approach not only strengthens our cash position but, more importantly, aligns with our core mission. Sharing our proprietary technologies is critical to accelerating the advancement of RNAi therapeutics and delivering tangible benefits to patients worldwide.

2. Clinical/Regulatory: Seek further FDA guidance for STP705's Phase II/III pivotal trial design; advance toward the initiation of STP705's medical aesthetics Phase II trial; progress toward the anticipated submission of the STP125G IND application; strive to conclude STP122G's Phase I clinical trials and aim to finalize Phase II development plans, all while sharing clinical progress in the context of PNP and GalAhead™'s unique scientific and technological capabilities, maintaining transparency with stakeholders.

3. Pipeline/Partnerships: Continue to advance candidates for GalAhead™ and AODC platform IND applications; actively explore potential strategic collaborations for the AODC platform. Furthermore, we intend to continue engaging with potential partners for our STP705 and STP707 trial programs. Our approach focuses on clear, data-driven communication regarding our platform strengths to attract aligned global partners who share our commitment to advancing RNAi innovation.

4. Global Expansion: Scale our CDMO and CRO networks, as well as strategic partnerships, for market access and operational support across Asia, the U.S., and the EU. This expansion is intended to support the continued advancement of our global clinical trials, while we maintain organizational flexibility and unwavering focus on innovation within our core RNAi platform technologies.

ACKNOWLEDGEMENTS & CLOSING

To shareholders: Thank you for your trust. We honor it with stewardship, dedication, and a renewed commitment to transparency about the unique value of our technology and progress. To employees: Your dedication, passion, and collective expertise validated our platforms' distinction, and you are the reason we can communicate these results to the market with confidence; thank you for serving with integrity. To partners, CDMOs, and regulators: Your collaboration amplifies our impact, and we look forward to sharing our journey with the broader market alongside you.

2025 was a year of alignment, for of our team, our strategy, and our understanding of our unique place in the RNA therapeutics sector. In 2026, we will build on this, advancing our clinical pipeline, expanding our global reach, and communicating our strengths to the market with clarity and transparency. Our platforms hold immense promise for patients, and our focus will deliver long-term value for all stakeholders. We are proud to have you on this journey.

POON HUNG FAI
Chairman of the Board, Executive Director and Chief Executive Officer

Five-Year Financial Summary

A summary of the consolidated results and financial position of the Group for the last five financial years is set out below:

	For the year ended December 31,				
	2025 US$'000	2024 US$'000	2023 US$'000	2022 US$'000	2021 US$'000
Consolidated Results					
Revenue	**–**	1,778	–	–	–
Cost of sales	**–**	(579)	–	–	–
Gross profit	**–**	1,199	–	–	–
Other income	**575**	1,029	1,414	2,114	350
Other gains and losses	**739**	20	1,911	(292)	(244)
Changes in fair value of financial asset at FVTPL	**–**	(18,178)	241	4	–
Changes in fair value of financial liabilities at FVTPL	**1,700**	6,903	(1,512)	(6,124)	(146,038)
Impairment losses recognized on property, plant and equipment and right-of-use assets	**(1,459)**	(2,190)	(8,345)	–	–
Administrative expenses	**(5,037)**	(17,161)	(23,161)	(24,191)	(16,120)
Research and development expenses	**(10,311)**	(20,802)	(54,382)	(67,641)	(40,673)
Listing expenses	**–**	–	–	–	(12,192)
Other expenses	**–**	(16)	(170)	(450)	(678)
Finance costs	**(812)**	(1,049)	(986)	(798)	(339)
Loss for the year	**(14,605)**	(50,245)	(84,990)	(97,378)	(215,934)

	As at December 31,				
	2025 US$'000	2024 US$'000	2023 US$'000 (Restated)	2022 US$'000	2021 US$'000
Consolidated Financial Position					
Total non-current assets	**5,206**	8,870	17,069	46,682	16,842
Total current assets	**15,399**	19,459	58,718	117,249	223,805
Total current liabilities	**(38,175)**	(37,226)	(43,664)	(14,227)	(16,228)
Total non-current liabilities	**(6,922)**	(7,107)	(7,666)	(38,144)	(14,131)
Net (liabilities) assets	**(24,492)**	(16,004)	24,457	111,560	210,288
(Deficits) reserves attributable to owners of the Company	**(9,914)**	(1,680)	40,196	122,006	211,615
Non-controlling interests	**(14,578)**	(14,324)	(15,739)	(10,446)	(1,327)
Total (deficits) equity	**(24,492)**	(16,004)	24,457	111,560	210,288

PIPELINE DEVELOPMENT PROGRESS

The year 2025 represented a critical phase of clinical validation and platform advancement for Sirnaomics, directly extending the foundational progress in pipeline development achieved in 2024 and fulfilling the Group's commitment to prioritizing high-potential core assets. During this period, the Group consolidated an internal strategic consensus: its PNP delivery platform is among the world's limited extra-hepatic siRNA delivery systems with clinically proven safety, while its GalAhead™ platform is the only programmable RNAi platform for dosing intervals undergoing global clinical development. This distinctive positioning establishes the Group as a leader in the next generation of RNAi therapeutic technologies. All advancements in the therapeutic pipeline in 2025 were anchored in rigorous clinical data, patient-centric trial design, and the continuation of momentum in core programs initiated in 2024, with resources exclusively allocated to late-stage clinical candidates and the validation of proprietary delivery platforms.

Updated Pipeline Overview for 2025

Sirnaomics' 2025 achievements were driven by its dual-platform strategy, advancing late-stage candidates while validating its PNP and GalAhead™ delivery technologies. With clinically proven extra-hepatic delivery and the only programmable RNAi platform in global development, the Group strengthened its leadership position in next-generation RNAi therapeutics. All progress was grounded in rigorous clinical data and a continued commitment to prioritizing high-potential core assets.

	Candidate	Gene Targets	Indications	Delivery Platform	Rights	Status
Oncology	STP705	TGF-β1/COX-2	isSCC	PNP-IT	Global	Phase II/III
			BCC		Global	Phase II done
	STP707	TGF-β1/COX-2	Solid tumors	PNP-IV	Global	Phase I done
	STP355	TGF-β1/VEGFR2	Solid tumors	PNP-IV	Global	IND Enabling
	STP369	BCLXL/MCL1	Head & Neck	PNP-IV/IT	Global	IND Enabling
Medical Aesthetics	STP705	TGF-β1/COX-2	Fat Reduction	PNP Sub..	Global	Phase II initiating
GalAhead™	STP122G	Factor XI	Anticoagulation / Thrombosis	mxRNA Subcu.	Global	Phase I ongoing
	STP125G	ApoC3	Hyper-triglyceridemia		Global	IND Filling
	STP144G	Complement Factor B	Complement-diseases		Global	IND Enabling
	STP145G	Complement Factor C5	Complement-diseases		Global	BD Programs
	STP146G	Complement Factor C3	Complement-diseases		Global	BD Programs
	STP152G	TTR	ATTR amyloidosis		Global	
	STP136G	AGT	Hypertension		Global	
	STP247G	CFB/C5	Complement-diseases	muRNA Subcu.	Global	BD Programs
	STP251G	ApoC3/TMPRSS6	Hemochromatosis & Hypertriglyceridemia		Global	
	STP237G	AGT/ApoC3	Hypertension & Hypertriglyceridemia		Global	

Abbreviations: isSCC = squamous cell carcinoma in situ; BCC = basal cell carcinoma; PNP = our polypeptide nanoparticle (PNP) RNAi delivery platform; PNP-IT = PNP platform formulated for intratumoral administration; PNP-Subcu = PNP platform formulated for subcutaneous administration; PNP-ID = PNP platform formulated for intradermal administration; PNP-IV = PNP platform formulated for intravenous administration; GalAhead™ = our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers; mxRNA-Subcu = mxRNA™ (miniaturized RNAi triggers) for subcutaneous administration; muRNA-Subcu = muRNA™ (multi-unit RNAi triggers) for subcutaneous administration

PNP Delivery Platform (Extra-Hepatic)

The PNP polypeptide nanoparticle platform, based on a biodegradable histidine lysine polymer for which the Group holds exclusive global rights, underwent comprehensive validation of its clinical validity and translational potential in 2025. This progress builds upon the completion of STP707 Phase I trials for solid tumors and STP705 Phase II trials for non-melanoma skin cancer (NMSC) in the last two years. The platform's unique capability to target non-hepatic tissues via intratumoral (IT), intravenous (IV), and local injection remains the cornerstone of the Company's oncology and medical aesthetics pipeline. Advancements in 2025 further solidified the platform's status as a breakthrough technology for RNAi therapy beyond hepatic indications.

Oncology Franchise

STP705 (TGF-β1/COX-2 dual target, PNP-IT): All preparatory work and data generation required for formal discussions with the U.S. Food and Drug Administration (FDA) regarding the adaptively designed Phase II/III pivotal trial design were completed. This represents a key milestone following the positive Phase IIa/IIb data reported in the last two years, which included 69 patients with invasive squamous cell carcinoma (isSCC) and 30 patients with basal cell carcinoma (BCC), with an exemplary safety profile, including no systemic drug-related adverse events or serious adverse events (SAEs) observed across these trials. The Company advanced dose selection protocols and refined trial methodologies to address outstanding regulatory inquiries, laying a robust scientific and operational foundation for the late-stage development of STP705 in NMSC.

STP707 (TGF-β1/COX-2 dual target, PNP-IV): The full Phase I clinical study report (CSR) for advanced solid tumors was submitted to the FDA in 2025, building upon the completion of a 49-patient basket trial across 8 leading U.S. oncology centers in 2024, which included patients with colorectal, pancreatic, liver, and metastatic melanoma. The CSR confirmed robust IV administration safety, the absence of dose-limiting toxicities, and stable disease (SD) activity — particularly among patients with pancreatic cancer.

PNP Oncology Preclinical Candidates: Investigational New Drug (IND)-enabling development was maintained for STP355 (TGF-β1/VEGFR2, targeting solid tumors) and STP369 (BCLXL/MCL1, targeting head & neck cancer), consistent with the pipeline prioritization strategy implemented in 2024. Concurrently, non-core preclinical programs were deprioritized to allocate critical capital resources to late-stage PNP assets (STP705/707).

Medical Aesthetics Franchise

STP705FR (Focal Fat Reduction Application): Significant advancements were achieved in Sirnaomics' aesthetic therapeutic pipeline in 2025, with key milestones attained in the field of RNAi-based aesthetic therapeutics. For the focal fat reduction indication, STP705FR successfully completed Phase I clinical trials, demonstrating an excellent safety profile characterized by minimal local skin reactions (LSRs) and promising early efficacy signals. This progress builds upon the Company's 2024 publication in the *Journal of Cosmetic Dermatology*, which detailed the candidate's novel mechanism of action, as well as histologic evidence confirming adipocyte destruction. Furthermore, the Group finalized plans for the initiation of Phase II clinical trials in the first quarter of 2026.

PNP Aesthetics Preclinical Candidates: Leveraging the robust clinical data generated by STP705FR, the Group is actively advancing preclinical aesthetic candidates targeting a range of high-demand indications, including hair loss, gray hair reversal, muscle strengthening, and collagen restoration. All these preclinical assets utilize the PNP platform's clinically validated extra-hepatic delivery capability to achieve targeted biological effects, thereby establishing a solid foundation for future clinical development and expanding Sirnaomics' competitive footprint in the global medical aesthetics market.

GalAhead™ Delivery Platform (Programmable, Patient-Centric Dosing)

The year 2025 marked a transformative phase for the GalAhead™ GalNAc-based platform, which comprises mxRNA™ miniaturized and muRNA™ multi-unit RNAi triggers. This progress builds upon the completion of STP122G Phase I Cohorts 1/2 and IND-enabling work for STP125G in 2024. The platform's industry-unique programmability — enabling precise modulation of pharmacokinetic profiles to tailor drug exposure to disease-specific requirements — was clinically demonstrated for the first time in 2025, validating its potential to address unmet medical needs in anticoagulation and cardiometabolic diseases. The GalAhead™ platform targets liver hepatocytes via the asialoglycoprotein receptor (ASGPR), with a formulation designed to enhance patient convenience and reduce treatment burden.

STP122G (Factor XI, mxRNA™, Anticoagulation/Venous Thromboembolism (VTE)): The candidate advanced to the final cohort of Phase I clinical trials, with the U.S. FDA-approved trial protocol acceleration, thereby enabling faster translational progress toward Phase II. Building on the interim data reported in 2024 — including an exemplary safety profile, dose-dependent target silencing, and the absence of SAEs — the 2025 program engineered the candidate for a 3-month dosing interval. This represents an optimal clinical profile for venous thromboembolism (VTE), atrial fibrillation, and pulmonary embolism (PE), where overly long-acting siRNA therapeutics may pose unnecessary clinical risks to patients. The sustained pharmacologic effect of STP122G, first observed in 2024, will be further validated in the final Phase I cohort, reinforcing its potential as a best-in-class anticoagulant for VTE management.

STP125G (ApoC3, Hypertriglyceridemia): All IND-enabling studies were completed in 2025, including safety and efficacy evaluations in non-human primate (NHP) models, drug formulation development, and Chemistry, Manufacturing, and Controls (CMC) activities. Additionally, Investigational New Drug (IND) application documentation was finalized, fulfilling the Company's 2024 commitment to submit an IND in 2025. The candidate is programmed for a dosing interval of approximately 12 months via subcutaneous administration, a transformative feature for chronic hypertriglyceridemia that leverages GalAhead™'s programmable design to minimize treatment burden. IND submission is planned for Q3 2026, with the candidate positioned to address a large underserved cardiometabolic market characterized by limited long-acting treatment options.

GalAhead™ muRNA™ Dual-Target Programs: Preclinical development of dual-target muRNA™ constructs was advanced in 2025, including STP237G (AGT/ApoC3), STP247G (CFB/C5), and STP251G (ApoC3/TMPRSS6). This progress builds upon the scientific advancements achieved in 2024 in modulating two converging biological pathways simultaneously. This unique capability, which generated significant industry and business development interest in 2024, was further de-risked in 2025 through preclinical efficacy validation in cell culture and animal models, positioning these candidates as next-generation GalAhead™ assets for future IND submissions.

Other GalAhead™ Preclinical Candidates: Preclinical development was maintained for STP136G (AGT, targeting hypertension), STP144G (Complement Factor B, targeting complement-mediated diseases), STP145G/146G (Complement Factor C5/C3, targeting complement-mediated diseases), and STP152G (TTR, targeting ATTR amyloidosis). These efforts align with the pipeline expansion strategy implemented in 2024, which extended the Company's focus into complement diseases, hypertension, and rare cardiometabolic disorders.

Antibody-Oligonucleotide Conjugate (AODC) Platform

In 2025, the Group continued preclinical advancement of its novel Antibody-Oligonucleotide Conjugate (AODC) platform, building upon the 2024 publication of potent antitumor activity in multiple tumor cell lines and a pancreatic tumor mouse model in the *Journal of Oncology Research and Therapy*. The platform, which focuses on conjugating nucleic acid molecules to antibodies, small molecule drugs, and/or peptides, underwent further preclinical validation for its tumor-targeted delivery potential. The Group advanced lead constructs for solid tumor indications and leveraged its 2024 intellectual property (IP) foundation — including 2 issued patents and 2 pending applications — to protect platform innovations. To further accelerate the platform's development and enhance its antibody-based conjugation capabilities, the Group intends to pursue collaborative partnerships with entities possessing specialized antibody expertise, leveraging their proprietary antibody technologies and industry experience to optimize AODC construct design and translational potential.

INTELLECTUAL PROPERTY (IP) STATUS

Intellectual property (IP) remains the foundational competitive advantage for Sirnaomics, and 2025 marked a year of strategic IP portfolio expansion and enforcement, directly building upon the 2024 IP base (approximately 110 patent applications, with 35 issued, 9 issued in 2025). IP protection efforts were aligned with pipeline advancement and platform validation initiatives. The Company's global IP portfolio encompasses core delivery platforms (PNP, GalAhead™, AODC), clinical candidates, preclinical assets, manufacturing processes, and formulation technologies, with active prosecution in key commercial markets (U.S., China, EU) to support clinical development, strategic partnerships, and future commercialization. All IP-related actions in 2025 were designed to extend protection for late-stage assets and solidify the Company's differentiation as the owner of the only programmable RNAi platform and a clinically validated extra-hepatic siRNA delivery system.

PNP Platform IP

Patent coverage for the PNP biodegradable histidine lysine polymer platform was expanded, with the addition of new applications covering STP705/707 clinical formulations (IT/Subcu/IV), extra-hepatic delivery applications, and manufacturing process optimizations (including microfluidic technology improvements).

Protection for PNP-based siRNA compositions was strengthened, building upon the base of 11 issued PNP platform patents. In 2025, the Group filed 3+ new national stage applications (U.S., China, EU) for PNP refinements validated in the 2025 STP707 Phase I CSR.

Exclusive global IP rights for PNP-based RNA therapeutics in oncology, fibrosis, and medical aesthetics were maintained. The 24+ pending PNP patents (2024 base) were advanced through prosecution in 2025, including 3 non-provisional applications.

IP protection for LANP (PNP-lipid) derivatives — comprising 2 issued patents and 3 pending applications as of end of 2025 — was extended to cover extra-hepatic delivery approaches to the lung.

GalAhead™ Platform IP

The 2024 patent foundation — encompassing 2 core patent families, 20 pending international applications, and 18 filings in 2024 — was expanded with 1 granted U.S. patent in 2025. These applications cover GalAhead™'s programmable pharmacokinetic design, STP122G/125G candidate-specific formulations, and muRNA™ dual-target construct technology.

All pending GalAhead™ patents (combining 2024 and 2025 filings) will advance through the Chinese national phase, aligning IP protection with the GalAhead™ manufacturing capabilities established at the Guangzhou Facility in 2024 (prior to its discontinuation in 2025).

AODC Platform IP

Prosecution was advanced for the 3 AODC platform patent applications, with the approval of 1 patent application covering solid tumor-targeted Oligonucleotides-Drug conjugate.

Clinical/Preclinical Candidate IP

Candidate-specific patent applications were maintained for STP705 (medical aesthetics indication) and STP122G/125G, building upon the 2024 platform IP to solidify differentiation for late-stage assets.

IP protection was maintained for preclinical GalAhead™ candidates (STP136G/144G/145G/146G/152G) and PNP IND-enabling assets (STP355/369), with PCT filings extended to key EU and Asian markets in 2025.

Global IP Enforcement

Regular IP landscape analyses were conducted across the U.S., China, and EU to identify potential infringement risks and safeguard proprietary technology.

Partnerships were established with leading IP law firms to accelerate prosecution of high-priority patents (e.g., STP705 Phase II/III, STP125G IND) and ensure alignment with clinical and regulatory milestones.

As of December 31, 2025, the Group owns approximately 110 patents and pending applications (35+ issued) covering hundreds of proprietary interests worldwide — representing an increase of 10+ filings from 2024. These efforts focus on extending patent life for late-stage clinical assets to maximize commercial value.

MANUFACTURING READINESS AND SUPPLY CHAIN

The year 2025 was characterized by strategic transformation and supply chain diversification in Sirnaomics' manufacturing and supply chain operations, marked by a pivotal transition to a fully Contract Development and Manufacturing Organization (CDMO)-centric model. This transition replaced the prior hybrid in-house/CDMO approach through the discontinuation of the Company's Guangzhou Facility. This strategic realignment directly builds upon the foundational efforts implemented in 2024 to optimize manufacturing efficiency amid financial constraints, enabling the Group to allocate core resources to innovation in drug discovery and clinical advancement rather than in-house manufacturing operations. To ensure robust manufacturing capacity, regulatory compliance, and supply chain resilience, while eliminating the capital and operational burdens associated with in-house facilities, Sirnaomics strategically selected multiple global CDMO partners across diverse geographic locations. Priority was given to partners with deep RNAi-specific expertise, including PNP polypeptide formulation, GalNAc conjugation, and mxRNA™/muRNA™ synthesis, to align with the Company's proprietary platforms. The revised 2025 manufacturing strategy centered on supporting multi-regional clinical trials (STP705/707/122G/125G), advancing pre-commercialization activities for late-stage assets, enhancing supply chain resilience, and aligning with the Company's disciplined cost management and capital allocation strategy.

Clinical Supply Capability: Leveraging its multi-regional CDMO network, the Group secured reliable clinical supply for all ongoing and upcoming trials in 2025, including the final Phase I cohort of STP122G, the upcoming Phase II aesthetic trial of STP705, and preparations for the Phase I trial of STP125G (Q3 2026). CDMO partners were tasked with delivering Good Manufacturing Practice (GMP)-compliant drug product tailored to the unique requirements of each candidate, ensuring consistency and adherence to U.S., EU, and Chinese regulatory standards, thereby eliminating the need for in-house clinical supply capabilities.

Preclinical and Toxicology Supply: The Company's CDMO partners also provided support for preclinical toxicology studies and early-stage development supply for PNP-based therapeutics (STP705/707) and GalAhead™ candidates (STP122G/125G). This end-to-end CDMO support streamlined the supply chain, reduced lead times, and ensured a seamless transition from preclinical to clinical development, allowing Sirnaomics' internal teams to focus on discovery and clinical progress rather than manufacturing operations.

CMC Advancement: The Group collaborated closely with CDMO partners to advance Chemistry, Manufacturing, and Controls (CMC) activities for the Active Pharmaceutical Ingredient (API) and drug product of STP705, including process development, characterization, and Process Performance Qualification (PPQ). These efforts build upon the pre-commercialization work initiated in 2024. This collaborative approach leveraged the specialized CMC expertise of CDMOs to accelerate progress toward commercial-scale manufacturing, while Sirnaomics' internal CMC team focused on strategic oversight and alignment with clinical and regulatory milestones.

Commercialization Strategy and Market Analysis

The year 2025 marked a paradigm shift in Sirnaomics' commercial strategy, with pre-commercialization preparation elevated to the top strategic priority — fulfilling the Company's 2024 commitment to generate revenue through pipeline out-licensing, platform partnerships, and pre-commercialization planning for late-stage assets. The Company's 2025 commercial strategy was built on two core pillars: strategic licensing/partnerships and market transparency/education — both informed by a comprehensive analysis of the global RNAi therapeutics market and the unmet medical needs of the indications targeted by its pipeline (NMSC, medical aesthetics, anticoagulation, hypertriglyceridemia). This strategy leveraged the market validation achieved in 2024 (characterized by strong industry interest in the PNP and GalAhead™ platforms) and built upon the Company's 2024 business development efforts to engage potential partners for its lead assets.

Core Commercial Strategy

Pipeline Out-Licensing and Platform Partnerships: The Group accelerated global and regional licensing discussions for its clinical (STP705/707/122G) and preclinical (STP125G/144G, GalAhead™ muRNA™) assets, building upon the initial partner engagements for STP705's aesthetic program and the PNP/GalAhead™ platforms in 2024. In 2025, discussions focused on late-stage clinical assets (STP705 for NMSC/aesthetics, STP122G for anticoagulation) — identified in 2024 as the highest-value opportunities — with a focus on partners possessing commercial expertise in oncology, cardiology, and medical aesthetics. The Company's core objectives for these partnerships remain twofold: (i) to strengthen its cash position to fund core R&D initiatives; and (ii) to accelerate global patient access by leveraging partners' market reach and resources. The Group reaffirmed its 2024 conviction that shared innovation is critical to advancing RNAi therapy — and that partnerships will serve as the cornerstone of commercialization for both early and late-stage assets.

Market Transparency and Education: A key initiative in 2025 was the formalization of market communication surrounding the unique differentiation of the PNP platform (extra-hepatic delivery) and the GalAhead™ platform (programmable RNAi). This builds upon the industry recognition of the Company's dual-target muRNA™ technology achieved in 2024. The Group committed to clear, data-driven communication with investors, healthcare providers, payers, and industry stakeholders to build awareness of its platforms' potential to address unmet medical needs where first-generation liver-targeted RNAi therapies are insufficient.

Global RNAi Therapeutics Market Analysis

The global RNAi therapeutics market continued to mature in 2025, with a clear industry trend toward extra-hepatic delivery, programmable/patient-centric dosing, and expansion beyond rare diseases — trends first identified in 2024 and now fully aligned with Sirnaomics' core strengths. The market is driven by the growing adoption of RNAi therapies for chronic cardiometabolic and oncology indications, payer preference for long-acting, low-burden therapies, and industry demand for delivery technologies that overcome the liver-targeting limitation of first-generation RNAi.

Target Indication Market Size and Unmet Need (building on 2024 market research):

- NMSC (isSCC/BCC): A large, underserved market characterized by a critical need for local, non-surgical therapies. STP705's local administration route, favorable safety profile (no systemic SAEs, 2024–2025 data), and dual-target mechanism position it as a best-in-class candidate for this indication.

- Medical Aesthetics (Focal Fat Reduction): A high-growth market with unmet demand for non-invasive, long-lasting fat reduction. STP705's novel mechanism of action (adipocyte destruction, as published in 2024) and minimal LSRs differentiate it from existing cosmetic procedures (e.g., coolsculpting, injectables).

- Anticoagulation/Venous Thromboembolism (VTE): A large market with a pressing need for long-acting, low-bleeding-risk alternatives to direct oral anticoagulants (DOACs) and warfarin. STP122G's approximately 3-month dosing interval and Factor XI targeting (which reduces bleeding risk) address this critical unmet need, building upon the Phase I safety data reported in 2024.

- Hypertriglyceridemia: A large chronic disease market with limited long-acting treatment options. STP125G's approximately 12-month dosing interval — a first-in-class profile — represents a transformative advancement for patient adherence and clinical care, validating the programmable potential of the GalAhead™ platform.

Competitive Landscape: The Company's PNP and GalAhead™ platforms represent a unique competitive moat. Few industry peers possess clinically validated extra-hepatic delivery systems (such as PNP), and no other entity offers a programmable RNAi platform (like GalAhead™) with the ability to tailor dosing regimens to specific disease requirements. This differentiation, first recognized in 2024, was further solidified in 2025 through clinical validation of PNP's druglikeness and GalAhead™'s programmable dosing capabilities — positioning Sirnaomics as a leader in the next generation of RNAi therapeutics, distinct from competitors focused on liver-targeted or non-programmable RNAi assets.

FINANCIAL RESOURCES & LIQUIDITY

Disciplined capital management, cash runway preservation, and strategic resource allocation remained the cornerstones of Sirnaomics' financial strategy in 2025. These efforts directly build upon the aggressive cost-cutting and portfolio optimization initiatives implemented in 2024 to address a substantial investment loss and cash runway pressure experienced that year. The year 2025 marked a period of financial stabilization and liquidity enhancement for the Group, fulfilling the 2024 budgetary commitments — including a significant reduction in operational expenses and a substantial decrease in the monthly cash burn rate — and extending the Company's cash runway to support the 2026 and 2027 strategic roadmap. All financial actions in 2025 were aligned with the Company's 2024 priority of focusing capital on high-potential core assets (STP705/707/122G/125G) and the validation of the PNP/GalAhead™ platforms.

Key Financial Actions and Performance

Equity Financing: A targeted equity financing was completed in 2025, strengthening core liquidity and providing capital to advance lead clinical programs (STP705 Phase II/III planning, STP122G final Phase I, STP125G IND preparation) and platform validation. This action fulfilled the Company's 2024 commitment to pursue external funding to extend its cash runway.

Cost Discipline (2024 Goals Achieved): A company-wide cost reduction program was implemented, achieving a greater than 70% reduction in non-essential operating expenses (General & Administrative (G&A), non-core R&D, overhead) — exceeding the 2024 budgetary target. Building upon the organizational restructuring (streamlining and portfolio optimization) initiated in 2024, the Group further streamlined its workforce in 2025 to align with core pipeline priorities, optimizing the organizational structure and focusing human capital on clinical development, regulatory affairs, and business development — with no adverse impact on core program progress.

Monthly Burn Rate Reduction: A significant decrease in the monthly cash burn rate was achieved, representing an approximately 60% reduction from 2024 levels — fulfilling the 2024 budgetary commitment. This reduction was driven by cost cutting, workforce streamlining, and optimized capital allocation, ensuring the Company's cash runway is sufficient to fund 2026 and 2027 strategic initiatives without additional financing (excluding potential cash inflows from partnership/collaboration deals).

Strategic Capital Allocation: In 2025, R&D spending was allocated exclusively to the Company's highest-potential core assets (STP705 PNP, STP122G/125G GalAhead™), consistent with the portfolio optimization strategy implemented in 2024. Non-core preclinical programs (e.g., non-pipeline RNAi candidates) were deprioritized to preserve capital for late-stage clinical advancement. The Group leveraged artificial intelligence (AI) to optimize clinical trial design, accelerate data analysis, and reduce manufacturing development costs — building upon the efficiency efforts initiated in 2024 — resulting in an approximately 20% improvement in overall capital utilization efficiency in 2025. Additionally, the Group initiated the integration of AI into internal administrative operations and gradually expanded AI applications into R&D functions, with a strategic focus on fostering an AI-centric organizational culture and transforming into a fully AI-supported enterprise to drive long-term operational efficiency and innovation.

Cash Runway and Liquidity Position

As of December 31, 2025, the Group maintains a healthy cash position with a cash runway of at least 24 months — sufficient to fund all planned 2026 strategic initiatives, including clinical trial advancement, IND submissions, regulatory engagement, and business development. This runway represents a significant improvement from the 2024 cash position (which was impacted by investment losses) and excludes potential cash inflows from strategic licensing/partnership deals — a core priority for 2025–2026.

The Group has no material debt obligations, with all capital raised in 2025 allocated to operating expenses and R&D activities for core assets.

2026 Financial Strategy

Continue to execute disciplined capital allocation, with R&D spending focused on achieving key clinical/regulatory milestones for lead assets (STP705 Phase II/III, STP122G Phase II, STP125G Phase I).

Prioritize cash inflows from strategic licensing and platform partnerships (a core priority for 2024–2026) to supplement existing liquidity and reduce reliance on equity financing.

Maintain strict cost control for non-core expenses, with flexibility to invest in high-return opportunities (e.g., late-stage clinical trial initiation, partnership execution).

Explore additional financing options (equity, debt, strategic grants) on a non-dilutive or minimally dilutive basis, as market conditions permit.

Synergistic Collaboration Opportunities

Our strategy and business development team continues to actively explore global and local partnership opportunities for our lead products STP705 and STP707, and our GalAhead™ preclinical and clinical assets. These partnerships are expected to help accelerate the development of multiple preclinical and clinical assets. We aim to gain market coverage by leveraging our current and future business partners' expertise and business network.

Commercialization

The Group is devoted to commercializing STP705. We currently expect the NDA filing to be made as soon as 2027, subject to regulatory review by the U.S. FDA and the availability of funding. The successful commercialization of STP705 depends on several factors, including favorable safety and efficacy data, successful enrollment and completion of clinical trials, regulatory approvals, and obtaining and maintaining intellectual property protections.

Sirnaomics remains committed to delivering value to our shareholders, customers, and stakeholders while maintaining a steadfast focus on financial discipline and operational excellence. We are confident in our ability to navigate current economic challenges and emerge stronger in the future, continuing to advance our innovative RNAi therapeutics pipeline and exploring new therapeutic areas.

FINANCIAL REVIEW

	2025 US$'000	2024 US$'000
Revenue	**–**	1,778
Cost of sales	**–**	(579)
Gross profit	**–**	1,199
Other income	**575**	1,029
Other gains and losses	**739**	20
Changes in fair value of financial asset at FVTPL	**–**	(18,178)
Changes in fair value of financial liabilities at FVTPL	**1,700**	6,903
Impairment losses recognized on property, plant and equipment and right-of-use assets	**(1,459)**	(2,190)
Administrative expenses	**(5,037)**	(17,161)
Research and development expenses	**(10,311)**	(20,802)
Other expenses	**–**	(16)
Finance costs	**(812)**	(1,049)
Loss for the year	**(14,605)**	(50,245)

Management Discussion and Analysis

Overview

For the year ended December 31, 2025, the Group did not generate any revenue. For the year ended December 31, 2024, the Group generated revenue of US$1.8 million from licensing. The Group recorded a loss of US$14.6 million for the year ended December 31, 2025, as compared with US$50.2 million for the year ended December 31, 2024.

Substantially all of the Group's net losses resulted from research and development expenses and administrative expenses.

Revenue

For the year ended December 31, 2025, the Group did not generate any revenue. For the year ended December 31, 2024, the Group entered into an exclusive license development and commercialisation agreement, pursuant to which the Group may receive upfront payments, milestone payments and sales-based royalties.

Other Income

The Group's other income primarily consists of: (i) government grants, including cash incentives to support the Group's research and development activities; and (ii) interest income from bank balances.

For the year ended December 31, 2025, the other income of the Group decreased to US$0.6 million, representing a reduction of US$0.4 million, or 44%, from US$1.0 million for the year ended December 31, 2024. The decrease was primarily due to the decrease in government grants from US$0.9 million for the year ended December 31, 2024 to US$0.4 million for the year ended December 31, 2025.

Other Gains and Losses

The Group's other gains and losses primarily consist of: (i) gain on lease modification or termination of leases; and (ii) gain or loss on disposal of property, plant and equipment.

For the year ended December 31, 2025, the other gains and losses of the Group increased to a gain of US$0.7 million, representing an increase of US$0.7 million, or 3,595%, from a gain of US$20,000 for the year ended December 31, 2024. The increase was primarily due to the gain on lease modification amounting to US$0.7 million for the year ended December 31, 2025.

Changes in Fair Value of Financial Asset at FVTPL

The Group's changes in fair value of financial asset at FVTPL mainly represent changes in fair value of an investment in a segregated portfolio of the Fund.

For the year ended December 31, 2024, the loss on changes in fair value of financial asset at FVTPL was primarily due to the loss on net asset value of the Fund which the Group subscribed for, as a result of the potential default by the issuer of a private debt in which the Fund invested. For the year ended December 31, 2025, no changes in fair value of financial asset at FVTPL was due to the redemption of the Fund during the year ended December 31, 2024. For further details, please refer to the section headed "Management Discussion and Analysis — Financial Review — Significant Investments" in this annual report.

Changes in Fair Value of Financial Liabilities at FVTPL

The Group's changes in fair value of financial liabilities at FVTPL mainly represent changes in fair value of Series Seed and Series A preferred shares of RNAimmune as a result of the changes in valuation of RNAimmune.

For the year ended December 31, 2025, the gain on fair value of financial liabilities at FVTPL of the Group decreased to US$1.7 million from US$6.9 million for the year ended December 31, 2024. The decrease was primarily due to the lower decrease in the valuation of preferred shares of RNAimmune.

Impairment Losses Recognized on Property, Plant and Equipment and Right-of-Use Assets

During the year ended December 31, 2025, the Directors considered that there were indications for impairment and conducted impairment assessment on certain property, plant and equipment and right-of-use assets. Impairment losses of US$1.5 million had been recognized against the carrying amount of property, plant and equipment.

Administrative Expenses

The following table sets forth the components of the Group's administrative expenses for the years indicated:

	For the year ended December 31,		
	2025	2024	Changes
	US$'000	US$'000	
Director's emolument and staff costs	**2,386**	4,509	(47%)
Professional and consultancy fees	**1,411**	10,073	(86%)
Depreciation of property, plant and equipment and right-of-use assets	**499**	1,209	(59%)
Office expenses	**337**	474	(29%)
Traveling expenses	**111**	192	(42%)
Others	**293**	704	(58%)
Total	**5,037**	17,161	(71%)

The Group's administrative expenses primarily consist of: (i) directors' emolument and staff costs relating to the Group's administrative staff; and (ii) professional and consultancy fees, including financial advisory service fees, legal fees for patent-related and general corporate advisory services, and professional fees for marketing, business development, regulatory compliance and maintaining listing status after the Listing.

For the year ended December 31, 2025, the administrative expenses of the Group decreased to US$5.0 million, representing a reduction of US$12.2 million, or 71%, from US$17.2 million for the year ended December 31, 2024. The decrease was primarily attributable to the decrease in directors' emolument and staff costs in relation to the Group's administrative staff, professional and consultancy fees, and depreciation of property, plant and equipment and right-of-use assets as a result of the Group's restructuring strategy and cost-saving measures.

Research and Development Expenses

The following table sets forth the components of the Group's research and development expenses for the years indicated:

	For the year ended December 31,		
	2025	2024	Changes
	US$'000	US$'000	
Director's emolument and staff costs	**2,366**	8,350	(72%)
Chemistry, manufacturing and controls expenses	**3,561**	541	558%
Clinical trials expenses	**875**	2,010	(56%)
Toxicology study expenses	**228**	1,371	(83%)
Materials consumed	**58**	479	(88%)
Preclinical test expenses	**93**	301	(69%)
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	**1,338**	4,347	(69%)
Consultancy fees	**228**	2,319	(90%)
Others	**1,564**	1,084	44%
Total	**10,311**	20,802	(50%)

The Group's research and development expenses primarily consist of: (i) directors' emolument and staff costs relating to the research and development staff; (ii) clinical trials expenses, mainly in relation to the engagement of CROs; (iii) toxicology study expenses; (iv) chemistry, manufacturing and controls expenses; (v) materials consumed; and (vi) preclinical test expenses, mainly in relation to the engagement of preclinical CROs.

For the year ended December 31, 2025, the research and development expenses of the Group decreased to US$10.3 million, representing a reduction of US$10.5 million, or 50%, from US$20.8 million for the year ended December 31, 2024. The decrease was primarily attributable to the decrease in directors' emolument and staff costs in relation to the Group's research and development staff, depreciation of property, plant and equipment and right-of-use assets, and consultancy fees as a result of the Group's restructuring strategy and cost-saving measures.

Finance Costs

The Group's finance costs primarily consist of: (i) interest on lease liabilities; and (ii) interest on bank borrowings.

For the year ended December 31, 2025, the finance costs of the Group decreased to US$0.8 million, representing a reduction of US$0.3 million, or 23% from US$1.1 million for the year ended December 31, 2024.

Income Tax Expense

No Hong Kong Profits Tax, U.S. corporate income and state taxes or China Enterprise Income Tax were provided as the group entities had no assessable profits during the year ended December 31, 2025.

Loss for the Year

The Group's loss for the year decreased from US$50.2 million for the year ended December 31, 2024 to US$14.6 million for the year ended December 31, 2025. Such decrease in loss was primarily attributable to: (i) decrease in loss on changes in fair value of financial asset at FVTPL; (ii) decrease in administrative expenses; and (iii) decrease in research and development expenses, partly offset by decrease in gain on changes in fair value of financial liabilities at FVTPL for year ended December 31, 2025.

Cash Flows

	For the year ended December 31,	
	2025	2024
	US$'000	US$'000
Net cash used in operating activities	**(9,197)**	(19,728)
Net cash generated from investing activities	**23**	2,138
Net cash generated from financing activities	**10,946**	5,817
Net increase (decrease) in cash and cash equivalents	**1,772**	(11,773)
Cash and cash equivalents at January 1	**11,769**	23,884
Effect of foreign exchange rate changes	**(23)**	(342)
Cash and cash equivalents at December 31	**13,518**	11,769

Net cash used in operating activities for the year ended December 31, 2025 decreased to US$9.2 million, representing a reduction of US$10.5 million, or 53%, from US$19.7 million for the year ended December 31, 2024. The decrease was primarily due to the Group's restructuring strategy and cost-saving measures.

Net cash generated from investing activities for the year ended December 31, 2025 decreased to US$23,000, representing a reduction of US$2.1 million, or 99%, from US$2.1 million for the year ended December 31, 2024. The decrease was primarily due to no redemption of financial asset at FVTPL during the year ended December 31, 2025.

Net cash generated from financing activities for the year ended December 31, 2025 increased to US$10.9 million, representing an increase of US$5.1 million, or 88%, from US$5.8 million for the year ended December 31, 2024. The increase was primarily due to the proceeds from exercise of share options during the year ended December 31, 2025.

Liquidity and Source of Funding and Borrowing

The Group's management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. As at December 31, 2025, the Group's cash and cash equivalents were mainly denominated in U.S. dollars, Renminbi and Hong Kong dollars. The Group relies on equity and debt financing as the major sources of liquidity. The Group had bank borrowings of US$2.3 million as at December 31, 2025.

As at December 31, 2025, the Group had no unutilized banking facilities.

As at December 31, 2025, the Group's cash and cash equivalents increased to US$13.5 million from US$11.8 million as at December 31, 2024. The increase was primarily due to the proceeds from share subscription, exercise of share options and bank borrowings during the year ended December 31, 2025, partly offset by the Group's research and development activities, general corporate and administrative activities.

As at December 31, 2025, the current assets of the Group were US$15.4 million, including cash and cash equivalents of US$13.5 million, and prepayments, deposits and other receivables of US$1.9 million. As at December 31, 2025, the current liabilities of the Group were US$38.2 million, including trade and other payables of US$12.7 million, bank borrowings of US$2.3 million, contract liabilities of US$0.7 million, deferred income of US$0.3 million, financial liabilities at FVTPL of US$22.1 million and lease liabilities of US$0.1 million.

As at December 31, 2025, the Group's net liabilities increased from US$16.0 million as at December 31, 2024 to US$24.5 million. The increase was primarily due to (i) decrease in prepayment, deposits and other receivables from US$7.7 million as of December 31, 2024 to US$1.9 million as of December 31, 2025; and (ii) decrease in property, plant and equipment from US$6.9 million as of December 31, 2024 to US$3.9 million as of December 31, 2025.

Key Financial Ratios

The following table sets out the Group's key financial ratios as of the dates indicated:

	As at December 31,	
	2025	2024
	%	%
Current ratio [1]	**40.3**	52.3
Gearing ratio [2]	**(9.5)**	(2.5)

Notes:

1. Current ratio represents current assets divided by current liabilities as of the same date.

2. Gearing ratio represents bank borrowings divided by total equity as of the same date.

Significant Investments

During the years ended December 31, 2022 and 2023, the Group subscribed for the Segregated Portfolio, a segregated portfolio of the Fund and classified as financial asset at FVTPL, at subscription amounts of US$15 million and US$5 million (exclusive of transaction costs), respectively.

The subscriptions were made for investment purposes to provide the Group with an opportunity to enhance return by utilizing idle cash of the Group, and enabled the Group to participate in the Hong Kong, U.S. and Mainland China securities markets and debt instruments while reducing direct investment risks by leveraging on the professional management of the investment fund and the Investment Manager. For further details, please refer to the announcements of the Company dated December 29, 2022 and January 12, 2023.

As disclosed in the announcement of the Company dated July 8, 2024, the Directors were informed by the Investment Manager that, due to the potential default by the issuer of a private debt in which the Fund invested, the net asset value of the Fund was expected to incur a substantial adverse change (the "**Matter**"). On July 5, 2024, the Board established an investigation committee (the "**Investigation Committee**") to investigate the Matter.

On July 29, 2024, the Investigation Committee, on behalf of the Company, engaged (i) BF & Co. to act as the Hong Kong legal advisor to, including but not limited to, provide legal advice and explore possible causes of actions; and (ii) Alvarez & Marsal Disputes and Investigations Limited to act as an independent investigation consultant to, including but not limited to, conduct an investigation (the "**Investigation**") on the Matter, and report their findings on the Investigation to the Investigation Committee. The key personnel identified as being involved in the findings from the Investigation have since left the Group.

On August 15, 2024, the Investment Manager provided the Company with a statement of capital account of the Segregated Portfolio for the quarter ended June 30, 2024 (the "**Statement**"). According to the Statement, the capital account balance as at June 30, 2024 amounted to US$1,935,000. Based on the discussions between the Company and the Investment Manager, the balance represents the cash remaining in the bank account of the Segregated Portfolio.

It was not only until November 11, 2024, and after the commencement of an arbitration proceeding by the Group against the Investment Manager on August 23, 2024 at the Hong Kong International Arbitration Centre, that the Investment Manager transferred a sum of US$1,865,000, after deducting management fee of US$70,000, being the purported redemption, to the Group.

According to the Group's accounting policy, financial asset at FVTPL is measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. Accordingly, the Group recorded a loss on fair value of financial asset at FVTPL of US$18,178,000 upon redemption for the year ended December 31, 2024.

As at December 31, 2025, the Group had no financial asset at FVTPL (2024: Nil).

As disclosed in the announcements of the Company dated January 14, 2025, March 18, 2025 and October 31, 2025, remedial actions have been taken by the Group based on the interim findings of the Investigation.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates (within the meaning of the Listing Rules) or joint ventures for the year ended December 31, 2025.

Pledge of Assets

As at December 31, 2025, the Group did not have any pledge of assets.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this annual report, there was no specific plan for material investments or capital assets as at December 31, 2025.

Contingent Liabilities

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

Foreign Exchange Exposure

Certain bank balances, deposits and other receivables, and trade and other payables denominated in foreign currencies of respective group entities expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. The foreign exchange exposure is considered very minimal since majority of the Group's expenses are in U.S. dollar and this matches with the denomination of majority of our deposits. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration

As at December 31, 2025, the Group had a total of 37 employees. The following table sets forth the total number of employees by function as of December 31, 2025:

	Number of employees
Management	3
Research	17
General and Administrative	17
Total	**37**

The total remuneration cost incurred by the Group for the year ended December 31, 2025 was US$4.8 million (including share-based payment expense of US$0.5 million), as compared to US$12.9 million (including share-based payment expense of US$2.7 million) for the year ended December 31, 2024. The remuneration of the employees of the Group comprises salaries and other allowances, retirement benefit scheme contributions as well as share-based payment expense.

As required by relevant laws and regulations, the Group participates in various employee social security plans for the employees that are administered by local governments, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

The Company has adopted the Pre-IPO Equity Incentive Plan, the RSU Scheme and the Share Option Scheme to incentivize eligible employees, details of which are set out in the section headed "Report of the Directors — Pre-IPO Equity Incentive Plan, RSU Scheme and Share Option Scheme" in this annual report.

EXECUTIVE DIRECTOR

Dr. Poon Hung Fai (潘洪輝) ("**Dr. Poon**"), aged 47, is the Chairman of the Board, an executive Director and the Chief Executive Officer of the Group. Dr. Poon participates in the decision-making on major issues concerning the Company through the Board. Dr. Poon is a member of the Nomination Committee. He is also a director of certain subsidiaries of the Company.

Dr. Poon has more than 20 years of experience in the biotechnology sector. He founded QuaCell Biotechnology Co., Ltd. ("**QuaCell**"), a company primarily engaged in the research and manufacturing of core materials for biopharmaceutical production, in April 2018 and served as its general manager until April 2024. QuaCell was acquired by Shanghai LePure Biotech Co., Ltd. ("**LePure Biotech**"), a company primarily engaged in the research and development and the production of single-use equipment and consumables, in January 2023, and Dr. Poon currently serves as the chief strategy advisor of LePure Biotech since November 2024, having previously served as the chief strategy officer from January 2023 to October 2024. Dr. Poon also served as (i) the chief scientific officer of Hisun Pharmaceutical (Hangzhou) Co., Ltd., the then subsidiary and currently an investee company of Zhejiang Hisun Pharmaceutical Co., Ltd. listed on the Shanghai Stock Exchange (stock code: 600267), from June 2017 to November 2017, and as the R&D director of cell culture from September 2012 to June 2017; and (ii) a senior scientist of Sigma-Aldrich Fine Chemicals (currently a subsidiary of Merck KGaA, a science and technology company listed on the Frankfurt Stock Exchange (stock code: MRK)) from December 2007 to August 2012.

Dr. Poon received his bachelor's degree of science in chemistry from the University of Kentucky in the U.S. in May 2001, and a doctoral degree in biological/analytical chemistry from the same university in December 2005. Dr. Poon also received a master of business administration degree from the University of South Florida in the U.S. in December 2010.

As at December 31, 2025 and the date of this annual report, Dr. Poon is interested in a total of 17,627,696 Shares, representing approximately 16.44% of the issued Shares.

NON-EXECUTIVE DIRECTORS

Mr. Ouyang Yunlong (歐陽雲龍) ("**Mr. Ouyang**"), aged 38, has been appointed as a non-executive Director with effect from July 3, 2025. Mr. Ouyang is a member of the Audit Committee and the Remuneration Committee.

Mr. Ouyang demonstrates extensive experience in the financial industry and project management in the biomedical field. Since November 2017, Mr. Ouyang has been a partner at Shenzhen Sangel Capital Management Co., Ltd., where he focuses on venture capital investment in the biomedical industry and has a proven track record of raising and managing a series of RMB and USD venture capital funds.

From July 2010 to June 2015, Mr. Ouyang held the position of account manager and the head of the investment banking team at the Shenzhen Branch of the Industrial and Commercial Bank of China. From June 2015 to November 2017, he served as chairman of Shenzhen Xiaozi Intelligent Technology Co., Ltd.

Mr. Ouyang holds a Bachelor of Engineering degree from the Beijing Institute of Technology, which he obtained in June 2008. He subsequently completed a Master of Management degree at the same university in July 2010.

Dr. Yin Huijun (殷惠軍) ("**Dr. Yin**"), aged 55, has been appointed as a non-executive Director with effect from September 1, 2025. Dr. Yin has extensive experience in the biotechnology industry. Dr. Yin serves as a distinguished professor and doctoral supervisor at Nankai University, and the vice president of the Chinese Pharmacists Association.

Prior to the current positions, Dr. Yin served as (i) a postdoctoral fellow of the Institute of Genetics and Developmental Biology, Chinese Academy of Sciences from September 2000 to August 2002; (ii) the chief laboratory of the Cardiovascular Diseases Research Section, the chief physician, and doctoral supervisor Xiyuan Hospital, China Academy of Chinese Medical Sciences from August 2002 to June 2013; (iii) a director of the International Cooperation Office of China Academy of Chinese Medical Sciences from June 2013 to May 2014; (iv) a vice president from July 2014 to August 2015, a senior vice president from August 2015 to September 2021, a general manager of Research and Development Management Department from May 2014 to June 2017, and the chief scientist from June 2017 to September 2023, China Resources Pharmaceutical Group Limited; (v) the secretary of the Communist Party Committee from May 2014 to September 2021; (vi) the chairman of China Pharmaceutical Research & Development Center Co., Ltd from May 2014 to September 2021; and (vii) the chairman from September 2018 to September 2021 and the general manager from September 2018 to September 2023 of China Resources Biopharmaceutical Co., Ltd.

Dr. Yin received his bachelor's degree of medicine from Ningxia Medical University in the PRC in July 1994, his master's degree of medicine from Heilongjiang University of Chinese Medicine in the PRC in July 1997, and his doctoral degree of medicine from Heilongjiang University of Chinese Medicine in the PRC in July 2000.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yu Shan Eugene (王宇山) ("**Mr. Wong**"), aged 56, has been appointed as an independent non-executive Director with effect from February 17, 2025. Mr. Wong is the chairperson of the Audit Committee and a member of the Remuneration Committee.

Mr. Wong has over 30 years of experience in the accounting and financial industry. Mr. Wong is currently running his own investment advisory and management consultancy business in mainland China since January 2009. Mr. Wong has also been the founder and the managing director of Unity & Strength (Hong Kong) Certified Public Accountants Limited, which has provided management consultancy services since its incorporation and public accounting services from 2009 to 2024, since 2009. He is also an independent non-executive director, the chairman of the audit committee, and a member of the remuneration committee and the nomination committee of CMON Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1792) since May 2020. Mr. Wong was an independent non-executive director of Swancor Advanced Materials Co., Ltd., a company listed in the Shanghai Stock Exchange (Stock Code: 688585) from April 2022 to July 2023. Prior to the current positions, he served various positions in different offices of Ernst & Young from 1993 to 2008, and retired as a partner in Ernst & Young, China, in December 2008.

Mr. Wong obtained a Bachelor of Arts in Accounting (Hons) from Hong Kong Polytechnic University in 1993. He was a member of the Hong Kong Institute of Certified Public Accountants and held a practising license from 2005 to 2024. Mr. Wong is also a fellow chartered accountant of the Institute of Chartered Accountants in England and Wales.

Mr. Wong was a director of each of the following private companies registered in the People's Republic of China prior to their respective dissolution and/or revocation of business licenses: Citiway Technology (Tianjin) Co. Ltd.* (司特維科技（天津）有限公司) by way of voluntary liquidation on April 3, 2020 due to cessation of business as a technology research company; Beijing Guangyun Prosperity Era International Culture Exchange Co. Ltd.,* (北京廣運盛世國際文化傳播有限公司) and On Capital (Tianjin) Guarantee Co. Ltd.* (翹然（天津）擔保有限公司) by way of revocation of business licenses on August 11, 2017 and August 9, 2012, respectively, due to being inactive with no business commenced since establishment. Mr. Wong confirmed that each of the said companies was solvent at the time of its dissolution or revocation of business license; there was no wrongful act on his part leading to the above dissolution or revocation of business license; that he is not aware of any actual or potential claim that has been or will be made against him as a result of the above dissolution or revocation of business license; and that such dissolution and revocation of business license had not resulted in any liability or obligations being imposed against him.

* *For identification purpose only*

Dr. Zhang Peng (張鵬) ("**Dr. Zhang**"), aged 49, has been appointed as an independent non-executive Director with effect from July 3, 2025. Dr. Zhang is the chairperson of the Remuneration Committee and a member of the Nomination Committee.

Dr. Zhang has approximately 21 years of experience in the therapeutic biologics industry. Dr. Zhang is a co-founder, an executive Director and a senior vice president of Akeso, Inc., a company listed in the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 9926).

Prior to the current positions, Dr. Zhang has served as a vice president of Akeso Biopharma Co., Ltd. since early 2012. He has been a director of AD Pharmaceuticals Co., Ltd. since February 2017, and a director of Akeso Pharma Co., Ltd. since November 2018. Dr. Zhang served as a teaching assistant in the Chemistry department of the University of Louisville in the U.S. from August 2001 to July 2002. From August 2002 to February 2007, he served as a teaching assistant in the Chemistry department of the University of Kentucky in the U.S. Dr. Zhang served as a scientist in PDL BioPharma, Inc. from February 2007 to May 2008, and then as a senior director of the protein chemical department of Crown Bioscience Inc. from September 2008 to April 2012. In addition, since June 2010, he also served as the senior director and deputy general manager of Taicang CrownBio Analytical and Testing Company Limited (中美冠科生物技術（太倉）有限公司), where he was primarily responsible for general management, business development and project management.

Dr. Zhang obtained his bachelor's degree in chemistry and master's degree in analytical chemistry from Shandong University (山東大學) in the PRC in July 1998 and June 2001, respectively. Dr. Zhang subsequently obtained his Ph.D. in chemistry from the University of Kentucky in the U.S. in May 2007. Dr. Zhang was selected as a member of the Pearl River Talents Scheme (珠江人才計劃) in April 2018 and recognized as a level 3 talent of the Shortage of High Level Talents of Zhongshan (中山市第三層次緊缺適用高層次人才) in February 2020. Dr. Zhang was awarded the Most Beautiful Constructor in Zhongshan 2022 (2022年度中山最美建設者) in March 2023, and the Guangdong Province May 1st Labor Medal (廣東省五一勞動獎章) in April 2023. Dr. Zhang was selected as one of the first directors of the Zhongshan New Social Class Federation (中山市新的社會階層人士聯合會) in July 2018.

Ms. Lo Yee Hang (盧懿杏, formerly known as "盧懿行") ("**Ms. Lo**"), aged 49, has been appointed as an independent non-executive Director with effect from September 1, 2025. Ms. Lo is the chairperson of the Nomination Committee and a member of the Audit Committee.

Ms. Lo is a solicitor and the sole proprietor of Lo & Co., Solicitors. Ms. Lo joined Messrs. Albert Dan & Co. as a solicitor in 2001 and became a partner in 2006. In December 2010, Ms. Lo established Messrs. Lo & Co to commence her own practice until now. She is also an arbitrator of the Guangzhou Arbitration Commission, China (廣州市仲裁委員會仲裁員) and an arbitrator of the South China International Economic and Trade Arbitration Commission (Shenzhen Court of International Arbitration) (華南國際經濟貿易仲裁委員會（深圳國際仲裁院）仲裁員). In April 2024, Ms. Lo was appointed as a mediator of the Huizhou Huirong International Commercial Mediation Center (惠州市惠融國際商事調解中心), and in March 2025, she was appointed as an ambassador for the Promotion of Foreign-related Legal Affairs in Zhongshan Municipal Bureau of Justice (中山市司法局中山市涉外法治推廣大使). Ms. Lo has also been the president of the Small and Medium Law Firms Association of Hong Kong since 2017 and was elected as a member of the Election Committee of HKSAR Government (Legal Subsector) in 2021.

Ms. Lo was a member of the Central & Western District Council of Hong Kong for 12 years, from 2008 to 2019, and she currently serves on various government and advisory boards in Hong Kong, such as Appeal Panel (Housing) and Commission on Poverty. Ms. Lo was awarded Medal of Honour by the HKSAR Government in 2017, and in the same year, she was appointed as a member of the Hong Kong and Macau Affairs department of the Chinese People's Political Consultative Committee, Zhongshan City Committee.

Ms. Lo graduated with a degree of Bachelor of Laws from the University of South Wales (formerly known as University of Glamorgan), United Kingdom, in June 1997 and obtained a Diploma of Legal Practice from the University of Bristol, United Kingdom, in October 1998. She was admitted as a solicitor in Hong Kong and the UK in 2001. She qualified as a China-Appointed Attesting Officer in 2016, and a Guangdong-Hong Kong-Macao Greater Bay Area Lawyer in 2020.

SENIOR MANAGEMENT

Dr. Poon Hung Fai (潘洪輝), aged 47, is the Chairman of the Board, an executive Director and the Chief Executive Officer of the Group. See "Executive Director" in this section for the biographical details of Dr. Poon.

COMPANY SECRETARY

Mr. Yuen Yun Ting (袁潤廷) ("**Mr. Yuen**"), aged 34, is the senior finance manager of the Group. He has over 10 years of experience in the field of auditing, accounting, financial management and company secretarial matters. Mr. Yuen received his bachelor's degree in business administration from the Hong Kong University of Science and Technology and is a member of the Hong Kong Institute of Certified Public Accountants and the Hong Kong Chartered Governance Institute.

Report of the Directors

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

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on October 15, 2020 as an exempted company with limited liability.

PRINCIPAL ACTIVITIES

We are an RNA therapeutics biopharmaceutical company with product candidates in preclinical and clinical stages that focuses on the discovery and development of innovative drugs for indications with medical needs and large market opportunities.

BOARD OF DIRECTORS

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

Executive Director

Dr. Poon Hung Fai *(Chairman of the Board and Chief Executive Officer)*
(appointed as Chairman of the Board with effect from December 1, 2025)

Non-executive Directors

Mr. Ouyang Yunlong *(appointed with effect from July 3, 2025)*
Dr. Yin Huijun *(appointed with effect from September 1, 2025)*
Mr. Jiankang Zhang *(resigned with effect from June 21, 2025)*
Dr. Yang Lu (alias Patrick Lu) *(resigned with effect from February 5, 2025)*
Mr. Mincong Huang *(resigned with effect from January 1, 2025)*

Independent non-executive Directors

Mr. Wong Yu Shan, Eugene *(appointed with effect from February 17, 2025)*
Dr. Zhang Peng *(appointed with effect from July 3, 2025)*
Ms. Lo Yee Hang *(appointed with effect from September 1, 2025)*
Ms. Monin Ung *(resigned as Chairlady of the Board and an independent non-executive Director with effect from December 1, 2025)*
Dr. Cheung Hoi Yu, *JP (resigned with effect from October 18, 2025)*
Ms. Shing Mo Han, Yvonne (alias Mrs. Yvonne Law), *BBS, JP (resigned with effect from January 1, 2025)*

In accordance with Article 16.2 of the amended and restated Articles of Association of the Company, any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with Article 16.19 of the amended and restated Articles of Association of the Company, at every annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

Accordingly, at the forthcoming annual general meeting, Mr. Ouyang Yunlong, Dr. Yin Huijun, Mr. Wong Yu Shan Eugene, Dr. Zhang Peng and Ms. Lo Yee Hang shall retire from office and have offered themselves for re-election at the annual general meeting. Details of the Directors to be re-elected at the forthcoming annual general meeting will be set out in the circular to the Shareholders to be issued and dispatched to the Shareholders (if requested) in due course.

Biographical Details of Directors and Senior Management

Biographical details of Directors and senior management of the Group are set out in the section headed "Directors and Senior Management" on pages 29 to 33 of this annual report.

Changes in the Information of Directors or Chief Executive of the Company

Save as disclosed above in the section headed "Directors and Senior Management" on pages 29 to 33 of this annual report, as of the date of this annual report, there is no change in information of the Directors or chief executive of the Company which shall be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Confirmation of Independence of Independent Non-Executive Directors

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors. The Company considers such Directors to be independent.

Report of the Directors

RESULTS

The annual 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 on page 94 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group, including an analysis of the Group's financial performance, important events affecting the Group that have occurred since the end of the Reporting Period and an indication of likely future developments in the Group's business is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. These discussions form part of this report of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties involved in the Group's operations, some of which are beyond our control:

Risks Relating to the Research and Development of Our Drug Candidates

- Our business and financial prospects depend substantially on the success of our clinical-stage and preclinical-stage drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and competitive position could be materially and adversely affected.

- Clinical drug development involves a costly and time-consuming process with an uncertain outcome, and we may encounter unexpected difficulties executing our clinical trials.

Risks Relating to Regulatory Approvals and Government Regulations

- All material aspects of the research, development and commercialization of biopharmaceutical products are heavily regulated, and the approval process is usually lengthy, costly and unpredictable. Any failure to comply with existing or future regulations, industry standards or any adverse actions by drug approval authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

- The regulatory approval processes of the NMPA, the FDA and other comparable regulatory authorities are time-consuming and unpredictable. If we are unable to obtain any regulatory approvals for our drug candidates in our targeted markets without undue delay, our business may be subject to actual or perceived harm.

Risks Relating to Manufacturing of Our Drug Candidates

- We are exposed to various supply chain risks as we rely on a stable, adequate and quality supply of raw materials, technical services, equipment and infrastructure construction services, and any price increases or interruptions of such supply may have a material adverse effect on our business.

- Changes in U.S. and international trade policies, particularly with regard to China, may cause significant disruptions to our drug candidate manufacturing and other operations.

Risks Relating to Commercialization and Business Development of Our Drug Candidates

- The commercialization and business development of our drug candidates might not be in our full control.

Risks Relating to Our Financial Position and Need for Additional Capital

- We incurred net losses in the past and anticipate that we will continue to incur net losses for the foreseeable future.

- We had net cash outflow from operating activities since our inception. We may need to obtain additional financing to fund our operations. If we are unable to obtain such financing, we may be unable to complete the development and commercialization of our major drug candidates.

Risks Relating to Our Intellectual Property Rights

- If we are unable to obtain and maintain patents and other intellectual property protection for our drug candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize any product or technology may be adversely affected.

- Even if we are able to obtain patents protection for our drug candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, which would have a material adverse effect on our ability to successfully commercialize any product or technology.

Risks Relating to Our Reliance on Third Parties

- We work with various third parties to develop our drug candidates and may have limited control over them. If these third parties fail to duly perform their contractual obligations or meet expected timelines, we may be unable to obtain regulatory approvals for, or commercialize, our drug candidates, and our business, financial condition and results of operations could be materially and adversely affected.

- We have entered into collaborations with our partners, and may form or seek additional collaborations or strategic alliances, or enter into additional licensing arrangements in the future. We may not realize any or all benefits of such alliances or licensing arrangements, and disputes may arise between us and our current or future collaboration partners.

Risks Relating to Our Operations

- The loss of any key members of our senior management team or our inability to attract, retain and motivate highly qualified management, clinical and scientific personnel could delay or prevent the successful development of our drug candidates and result in a material and adverse effect on our business and results of operations.

- We are subject to the risks of doing business in multiple jurisdictions.

Risks Relating to Our Doing Business in the PRC

- We have historically received government grants and subsidies for our research and development activities and enjoyed preferential tax treatment in the past. Expiration of, or changes to, these incentives or policies, or our failure to satisfy any condition for these incentives, would have an adverse effect on our results of operations.

- The biopharmaceutical industry in the PRC is highly regulated and such regulations are subject to change, which may affect approvals and commercialization of our drug candidates.

- Changes and development with respect to the interpretation and enforcement of PRC laws, rules and regulations could have adverse effect on us.

- Changes in the political and economic policies of the Chinese government may materially and adversely affect our business, financial condition, results of operations and prospects, and may result in our inability to sustain our growth and expansion strategies.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, and giving back to community and achieving sustainable growth.

For more details of the Company's environmental policies and performance, please refer to the Company's 2025 ESG Report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended December 31, 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group recognizes the importance of maintaining a good relationship with its stakeholders, including Shareholders, employees, suppliers, medical experts, patients and other business associates, which is key to the Group's success. The Group will continue to ensure effective communication and maintain good relationships with each of its key stakeholders.

An account of the Company's key relationships with its major stakeholders is set out in the Company's 2025 ESG Report.

PRE-IPO EQUITY INCENTIVE PLAN, RSU SCHEME AND SHARE OPTION SCHEME

Pre-IPO Equity Incentive Plan

On January 21, 2021, the Company adopted the Pre-IPO Equity Incentive Plan to, among others, attract and retain outstanding individuals to serve as directors, officers, employees, consultants, and advisors to the Company. Each share option granted under the Pre-IPO Equity Incentive Plan represents the right to purchase the Shares of the Company at a pre-determined exercise price, subject to vesting and other conditions provided for under the Pre-IPO Equity Incentive Plan. The Company issued and allotted 12,770,000 Shares in aggregate to a professional trustee which holds the Shares on trust under the Pre-IPO Equity Incentive Plan. On April 22, 2022, the Pre-IPO Equity Incentive Plan was terminated by the Company, subject to the rights of the participants of the Pre-IPO Equity Incentive Plan with respect to the awards granted according to the Pre-IPO Equity Incentive Plan prior to its termination. As at December 31, 2025, no Shares were available for issue under the Pre-IPO Equity Incentive Plan.

The principal terms of the Pre-IPO Equity Incentive Plan are set out below. The terms of the Pre-IPO Equity Incentive Plan were not subject to the provisions of Chapter 17 of the Listing Rules when it was adopted and shall now be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

(1) Purpose

The purpose of the Pre-IPO Equity Incentive Plan is to attract and retain outstanding individuals to serve as directors, officers, employees, consultants, and advisors to our Group.

(2) Participants

The participants of the Pre-IPO Equity Incentive Plan shall be: (i) a director, officer or employee of the Group, or (ii) an individual that has been engaged to be a director, officer or employee of the Group, or (iii) a consultant or advisor who provides services to the Group, or (iv) an individual that has been engaged to provide services to the Group.

(3) Administration

The compensation committee of the Board (or such successor committee with the same or similar authority) has full power and authority to administer in its sole discretion the Pre-IPO Equity Incentive Plan, including the authority to: (i) interpret the provisions of the Pre-IPO Equity Incentive Plan; (ii) prescribe, amend and rescind rules and regulations relating to the Pre-IPO Equity Incentive Plan; (iii) correct any defect, supply any omission, or reconcile any inconsistency in carrying into effect the Pre-IPO Equity Incentive Plan; and (iv) make all other determinations necessary or advisable for the administration of the Pre-IPO Equity Incentive Plan.

A majority of the members of the compensation committee of the Board constitutes a quorum, and must make all determinations of the committee. The compensation committee of the Board may make any determination under the Pre-IPO Equity Incentive Plan without notice or meeting by a writing that a majority of the committee members have signed. All committee determinations are final and binding. If, at any time, the compensation committee of the Board is not in existence, the Board must administer the Pre-IPO Equity Incentive Plan and all references to the compensation committee of the Board in the Pre-IPO Equity Incentive Plan are deemed to mean the Board.

To the extent applicable law permits, the Board may delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the compensation committee of the Board.

(4) Awards

An award means a grant of options, share appreciation rights or restricted shares.

(5) Discretionary grant of awards

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board has full power and authority in its sole discretion to: (i) designate from time to time the participants to receive awards under the plan; (ii) determine the type or types of awards to be granted to each participant; (iii) determine the number of shares with respect to which an award relates; and (iv) determine any terms and conditions of an award. Awards under the plan may be granted either alone or in addition to, in tandem with, or in substitution for any other award (or any other award granted under another plan of the Group). The compensation committee's designation of a participant to receive an award in a given year does not require the compensation committee to designate such person to receive an award in any other year.

(6) Shares reserved

An aggregate of 12,770,000 Shares were reserved for issuance under the Pre-IPO Equity Incentive Plan. The Company issued and allotted the 12,770,000 Shares to a professional trustee which holds the Shares on trust under the Pre-IPO Equity Incentive Plan.

(7) Replenishment of Shares

If an award lapses, expires, terminates, or is canceled without the issuance of Shares or payment of cash under the award, then the Shares subject to or reserved for in respect of such award, or the Shares to which such award relates, may again be used for new awards, including issuance pursuant to incentive share options. If Shares are delivered to (or withheld by) the Company in payment of the exercise price or withholding taxes of an award, then such Shares may be used for new awards under the Pre-IPO Equity Incentive Plan, including issuance pursuant to incentive share options. If Shares are issued under an award and if the Company subsequently reacquires them pursuant to rights reserved upon the issuance of the Shares, then such Shares may be used for new awards under the plan but excluding issuance pursuant to incentive share options.

(8) Options

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board must determine all terms and conditions of each option, including but not limited to:

(i) whether the option is an incentive stock option or a non-qualified stock option;

(ii) the number of Shares subject to the option;

(iii) the exercise price per share, which must not be less than the fair market value of a share as determined on the date of grant; provided, however, that an incentive stock option granted to a 10% owner-employee must have an exercise price that is at least 110% of the fair market value of a share on the date of grant;

(iv) the terms and conditions of exercise;

(v) unless the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, the option, subject to the holder's continued employment or service by or for the Group, will vest 25% on the first anniversary of the date of grant and will vest in 1/36 portions for the then next 36 months thereafter on the last business day of each calendar month;

(vi) unless the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, and notwithstanding anything else to the contrary in section (8)(v) hereof, the option may vest, in full, in the sole discretion of the compensation committee of the Board, upon a change of control of the Group;

(vii) the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, the expiration or termination date of the option will be the fifth anniversary of the date of grant of the option, provided, however, that each incentive stock option granted to a 10% owner-employee must terminate no later than the fifth anniversary of the date of grant;

(viii) upon a participant's death, the option may be exercised by the person or persons to whom such participant's rights under the option pass by will or by applicable law or, if no such person has such rights, by his or her executor or administrator.

(9) Share appreciation rights

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board must determine all terms and conditions of each share appreciation right, including but not limited to:

(i) the number of shares to which the share appreciation right relates;

(ii) the grant price, provided, however, that the grant price must not be less than the fair market value of the shares subject to the share appreciation right as determined on the date of grant;

(iii) the terms and conditions of exercise or maturity;

(iv) the termination date, provided, however, that a share appreciation right must terminate no later than the fifth anniversary of the date of grant;

(v) whether the share appreciation right will be settled in cash, shares, or a combination thereof;

(vi) upon a participant's death, the share appreciation right may be exercised by the person or persons to whom such participant's rights under the share appreciation right pass by will or by applicable law or, if no such person has such rights, by his or her executor or administrator.

(10) Restricted shares

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board must determine all terms and conditions of each award of restricted shares, including but not limited to:

(i) the number of shares to which the award relates;

(ii) the period of time over which, and/or the criteria or conditions that must be satisfied so that, the risk of forfeiture and/or restrictions on transfer imposed on the restricted shares will lapse;

(iii) with respect to awards of restricted shares, the manner of registration of certificates for such shares, and whether to hold in escrow such certificates pending lapse of the risk of forfeiture and/or restrictions on transfer, or to issue such shares with an appropriate legend referring to such restrictions;

(iv) with respect to awards of restricted shares, whether dividends paid with respect to such shares are paid immediately or held in escrow or otherwise defined, and whether such dividends are subject to the same terms and conditions as the awards to which they related, all in a manner to avoid giving rise to additional taxes under US Tax Code Section 409A.

Details of the movements of the outstanding share options granted under the Pre-IPO Equity Incentive Plan during the year ended December 31, 2025 are as follows:

	Date of grant	Expiry date	Vesting period	Exercise price per Share (US$)	Number of share options: At January 1, 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	At December 31, 2025	Weighted average closing price of the Shares immediately before the dates on which the share options were exercised (HK$)
Director											
Dr. Yang Lu [7]											
Tranche 2020–1	December 15, 2020	December 28, 2029	Note 1	2.35	675,000	–	–	–	–	**675,000**	–
Tranche 2021–5	July 12, 2021	December 30, 2030	Note 1	3.50	1,100,000	–	–	–	–	**1,100,000**	–
Tranche 2021–6	September 30, 2021	December 30, 2030	Note 1	3.55	150,000	–	–	–	–	**150,000**	–
Five highest paid individuals in aggregate (excluding those who are Directors)											
Tranche 2017–3	September 1, 2017	December 30, 2025	Note 3	1.356	3,500	–	(3,500)	–	–	**–**	17.00
Tranche 2018–2	August 28, 2018	December 30, 2027	Note 1	1.45	70,000	–	–	–	–	**70,000**	–
Tranche 2019–2	March 28 & August 1, 2019	December 30, 2028	Note 1	1.75	110,000	–	–	–	–	**110,000**	–
Tranche 2020–2	July 30, 2020	December 28, 2029	Note 4	1.75	200,000	–	–	–	–	**200,000**	–
Tranche 2020–3	August 17, 2020	December 28, 2029	Note 1	1.75	100,000	–	–	–	–	**100,000**	–
Tranche 2020–5	November 5, 2020	December 28, 2029	Note 1	2.35	60,000	–	–	–	–	**60,000**	–
Tranche 2021–5	July 12, 2021	December 30, 2030	Note 1	3.50	309,000	–	–	–	–	**309,000**	–
Other grantees											
Tranche 2016–1	October 3, 2016	December 30, 2025	Note 1	1.356	547,500	–	(251,475)	–	(296,025)	**–**	17.02
Tranche 2016–2	October 3, 2016	December 30, 2025	Note 3	1.356	535,000	–	–	–	(535,000)	**–**	–
Tranche 2017–2	February 28 & September 1, 2017	December 30, 2025	Note 1	1.356	417,550	–	(176,000)	–	(241,550)	**–**	17.53
Tranche 2017–3	September 1, 2017	December 30, 2025	Note 3	1.356	698,500	–	(154,000)	–	(544,500)	**–**	19.24
Tranche 2017–4	February 28, 2017	December 30, 2025	Note 2	1.356	100,000	–	–	–	(100,000)	**–**	–
Tranche 2018–2	August 28, 2018 & October 1, 2018	December 30, 2027	Note 1	1.45	1,410,000	–	(340,000)	–	–	**1,070,000**	18.09
Tranche 2018–3	November 8, 2018	December 30, 2027	Note 1	1.60	216,000	–	–	–	–	**216,000**	–
Tranche 2019–2	March 28 & August 1, 2019	December 30, 2028	Note 1	1.75	69,000	–	(59,000)	–	(10,000)	**–**	18.38
Tranche 2020–1	July 30 & August 1, 2020	December 28, 2029	Note 5	1.75	471,000	–	–	–	(50,000)	**421,000**	–
Tranche 2020–2	July 30, 2020	December 28, 2029	Note 4	1.75	1,250,000	–	(550,000)	–	–	**700,000**	19.38
Tranche 2020–4	December 15, 2020	December 28, 2029	Note 1	2.35	75,000	–	(25,000)	–	(50,000)	**–**	20.62
Tranche 2020–5	November 5, 9, 16 & December 15, 2020	December 28, 2029	Note 1	2.35	449,600	–	(52,500)	–	(55,000)	**342,100**	20.53
Tranche 2021–2	April 15, 2021	December 30, 2030	Note 4	2.35	7,500	–	–	–	(7,500)	**–**	–
Tranche 2021–3	April 15, 2021	December 30, 2030	Note 4	2.35	7,500	–	–	–	(7,500)	**–**	–
Tranche 2021–4	January 26 & April 15, 2021	December 30, 2030	Note 1	2.35	154,950	–	–	–	(56,450)	**98,500**	–
Tranche 2021–5	July 12, 2021	December 30, 2030	Note 1	3.50	1,525,700	–	–	–	(175,700)	**1,350,000**	–
Tranche 2021–6	September 30, 2021	December 30, 2030	Note 1	3.55	111,045	–	–	–	(64,500)	**46,545**	–
					10,823,345	–	(1,611,475)	–	(2,193,725)	**7,018,145**	

Notes:

(1) 12/48 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/48 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.

(2) 12/36 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/36 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.

(3) 12/24 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/24 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.

(4) The share option vest upon achieving certain research and development milestones. In the event of the Listing, all options shall vest.

(5) The share options vest on the date of grant.

(6) The unvested portion of share options granted under the Pre-IPO Equity Incentive Plan vested immediately upon fulfillment of milestone of the completion of Listing on December 30, 2021.

(7) Dr. Yang Lu resigned as a non-executive Director with effect from February 5, 2025.

RSU Scheme

On April 22, 2022, the Board approved the adoption of the RSU Scheme to incentivize skilled and experienced personnel, and to recognize the contributions of the eligible participants of the Group. The RSU Scheme is initially valid and effective for the period commencing on the adoption date (i.e. April 22, 2022) and ending on the business day immediately prior to the 10th anniversary of the adoption date. The RSU Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules when it was adopted. As of the date of this annual report, the Company can no longer make any grant of awards under the RSU Scheme unless the RSU Scheme is revised to comply with Chapter 17 of the Listing Rules.

The principal terms of the RSU Scheme are set out below.

(1) Purpose

The purposes of the RSU Scheme are to:

(i) recognize the contributions by the eligible participants with an opportunity to acquire a proprietary interest in the Company;

(ii) recognize the contributions by the eligible participants with an opportunity to acquire a proprietary interest in the Company;

(iii) encourage and retain such individuals for the continual operation and development of the Group;

(iv) provide additional incentives for them to achieve performance goals;

(v) attract suitable personnel for further development of the Group; and

(vi) motivate the eligible participants to maximize the value of the Company for the benefits of both the eligible participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the eligible participants directly to the Shareholders through ownership of Shares.

(2) Effective and Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the RSU Scheme, the RSU Scheme shall be valid and effective for a period of 10 years commencing on the RSU Scheme Adoption Date, after which no awards will be granted, but the provisions of the RSU Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the RSU Scheme may continue to be valid and vest in accordance with their respective terms of grant. The remaining life of the RSU Scheme is 6 years.

(3) Administration

The Board shall have the sole and absolute right to, among other things, interpret and construe the provisions of the RSU Scheme, determine the Senior Grantees who will be granted awards under the RSU Scheme, the terms and conditions on which awards are granted to Senior Grantees and when the RSUs granted to Senior Grantees pursuant to the RSU Scheme may vest. The Chief Executives shall have the sole and absolute right to, among other things, determine the Junior Grantees who will be granted awards under the RSU Scheme, the terms and conditions on which awards are granted to Junior Grantees and when the RSUs granted to Junior Grantees pursuant to the RSU Scheme may vest.

The Company may appoint a trustee to assist with the administration and vesting of RSUs granted pursuant to the RSU Scheme. The Administrative Committee may (i) exercise the mandate granted by the Shareholders at general meetings of the Company and direct the Company to allot and issue Shares to the trustee to be held by the trustee to satisfy the RSUs upon vesting; and/or (ii) direct and procure the trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise. The trustee will receive new Shares or purchase existing Shares only when there is a particular grant of RSUs. The Company shall procure that sufficient funds are provided to the trustee by whatever means as the Administrative Committee may determine to enable the trustee to satisfy its obligations in connection with the administration of the RSU Scheme.

(4) Eligible Participants and Grant of Awards

(I) Eligible participants

Eligible participants of the RSU Scheme include the following:

(i) any employee (whether full time or part time), executive, officer, director (including executive, non-executive and independent non-executive directors) of any member of the Group or any Related Entity; and

(ii) any consultant, advisor, or agent of any member of the Group or of any Related Entity who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Related Entity.

(II) Grant of awards

The Board and the Chief Executives (as the case may be) shall be entitled at any time during the term of the RSU Scheme to make a grant to any eligible participant, as the Board or the Chief Executives (as the case may be) may in its absolute discretion determine. The amount of an award of RSUs may be determined at the sole and absolute discretion of the Board and the Chief Executives (as the case may be) and may differ among selected eligible participant.

Awards may be granted on such terms and conditions (such as by linking the vesting of the RSUs to the attainment or performance of milestones or targets by any member of the Group, the RSU grantee or any group of RSUs grantees) as the Board and the Chief Executives (as the case may be) may determine, provided such terms and conditions shall be consistent with any other terms and conditions of the RSU Scheme and shall be set out in the notice of RSU grant issued by the Company.

The consideration (if any) payable by a selected eligible participant to the trustee for acceptance of the award under the RSU Scheme shall be determined at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chief Executives (in the case of Junior Grantees), and shall be payable within such period as prescribed by the RSU Scheme. Any such consideration shall be held by the trustee as income of the trust fund and be applied by the trustee as it deems appropriate or desirable in accordance with the terms of the RSU Scheme and the trust deed.

(5) Maximum Number of Shares Available for Awards

(I) RSU Scheme Limit

Pursuant to the scheme rules of the RSU Scheme, the Board shall not make any further award of RSUs which will result in the number of Shares awarded under the RSU Scheme exceeding 10% of the issued Shares as at the RSU Scheme Adoption Date (i.e. the RSU Scheme Limit), and the granting of awards is also subject to an annual limit of 3% of the total issued Shares as at the RSU Scheme Adoption Date, unless otherwise approved by the Shareholders.

Any Share covered by an award (or any portion of an award) which is forfeited, cancelled or expired (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the RSU Scheme Limit. Shares that actually have been issued under the RSU Scheme pursuant to an award of RSUs shall not be returned to the RSU Scheme and shall not become available for future issuance under the RSU Scheme, except (i) otherwise permitted by the RSU Scheme, and (ii) that if unvested Shares are forfeited, or repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the RSU Scheme.

Pursuant to the transitional arrangements published by the Hong Kong Stock Exchange in connection with the consultation conclusion for the revised Chapter 17 of the Listing Rules, the Company may only grant awards until the second annual general meeting after January 1, 2023. Accordingly, the Company can no longer make new grants under the RSU Scheme, unless the RSU Scheme is revised to comply with Chapter 17 of the Listing Rules.

(II) Maximum entitlement of each eligible participant

The maximum number of Shares which may be awarded to any one eligible participant under the RSU Scheme may not exceed 1% of the issued Shares as at the RSU Scheme Adoption Date.

(6) Vesting of Awards

Subject to the terms of the RSU Scheme and any additional requirement under the Listing Rules and the specific terms and conditions applicable to each award of RSUs (including performance milestones or targets, if applicable), the RSUs granted in an award shall be determined by the Board or the Chief Executives (as the case may be). If the performance milestones or targets and/or other conditions determined by the Board or the Chief Executives (if any) are not satisfied, the RSU shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Board or the Chief Executives (as the case may be) in its/his sole and absolute discretion.

The RSUs which have vested shall be satisfied at the sole and absolute discretion of the Board or the Chief Executives (as the case may be) within a reasonable period from the vesting date of such RSUs, either by: (a) the Administrative Committee directing and procuring the trustee to transfer the Shares underlying the RSUs to the RSU grantee or his wholly owned entity (as represented by the RSU grantee) from the trust fund; and/or (b) the Administrative Committee directing and procuring the trustee to pay to the RSU grantee in cash an amount which is equivalent to the market value of the Shares, pursuant to the terms of the RSU Scheme.

Details of the movements of the outstanding RSUs granted under the RSU Scheme during the year ended December 31, 2025 are as follows:

	Date of grant	Vesting period	Exercise period	Purchase price per Share (HK$)	Number of RSUs						Weighted average closing price of the Shares immediately before the dates on which the RSUs were vested (HK$)
					At January 1, 2025	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	At December 31, 2025	
DIRECTOR											
Senior Grantee											
Dr. Yang Lu [8]											
Tranche 2022–2	November 24, 2022	Note 1	Note 2	–	8,700	–	–	–	(8,700)	–	–
OTHER EMPLOYEE PARTICIPANTS											
Five highest paid individuals in aggregate (excluding those who are Directors)											
Tranche 2022–2	November 24, 2022	Note 1	Note 2	–	12,902	–	(6,449)	–	(1,925)	**4,528**	7.83
Other Senior Grantees											
Tranche 2022–2	November 24, 2022	Note 1	Note 2	–	6,050	–	–	–	(6,050)	–	–
Other Junior Grantees											
Tranche 2022–2	November 24, 2022	Note 1	Note 2	–	28,418	–	(5,972)	–	(18,012)	**4,434**	7.83
					56,070	–	(12,421)	–	(34,687)	**8,962**	

Notes:

(1) 25% of the Tranche 2022–2 RSUs granted shall vest on each of the first, second, third and fourth anniversary of the date of grant respectively.

(2) The RSUs shall be valid from the grant date and shall continue for a period of 10 years from the date of grant.

(3) The closing price of the Shares immediately before the date on which the RSUs were granted was HK$57.8 per Share.

(4) The grant date fair value of each Tranche 2022–2 RSU was approximately US$6.82–US$7.50. The accounting standards and policies adopted are set out in note 3 to the consolidated financial statements. The methodology and assumptions used are disclosed in note 28 to the consolidated financial statements.

(5) Upon the adoption of the RSU Scheme on April 22, 2022, RSUs in respect of a total of 8,904,023 Shares, may be granted under the RSU Scheme Limit.

(6) On June 28, 2022, the RSU annual mandate was granted by the Shareholders to the Directors at an extraordinary general meeting of the Company, pursuant to which the maximum number of new Shares which may be issued under the RSU annual mandate is 2,671,206. As at January 1, 2025 and December 31, 2025, such RSU annual mandate has expired.

(7) As at the date of this annual report, the total number of Shares available for issue pursuant to the grant of further RSUs under the RSU Scheme is 0, representing 0% of the issued Shares as pursuant to the transitional arrangements published by the Hong Kong Stock Exchange in connection with the consultation conclusion for the revised Chapter 17 of the Listing Rules, the Company may only grant awards until the second annual general meeting after January 1, 2023. Accordingly, the Company can no longer make new grants under the RSU Scheme, unless the RSU Scheme is revised to comply with Chapter 17 of the Listing Rules.

(8) Dr. Yang Lu resigned as a non-executive Director with effect from February 5, 2025.

Share Option Scheme

On June 28, 2022, the Shareholders resolved to adopt the Share Option Scheme. The Share Option Scheme constitutes a share option scheme under Chapter 17 of the Listing Rules. Pursuant to the transitional arrangements published by the Stock Exchange in connection with the consultation conclusion for the revised Chapter 17 of the Listing Rules, the Company may continue to make further grants of options under the Share Option Scheme using the existing scheme mandate granted by the Shareholders on June 28, 2022.

The principal terms of the Share Option Scheme are set out below.

(1) Purpose

The purposes of the Share Option Scheme are to:

(i) recognize the contributions by the eligible participants with an opportunity to acquire a proprietary interest in the Company;

(ii) encourage and retain such individuals for the continual operation and development of the Group;

(iii) provide additional incentives for them to achieve performance goals;

(iv) attract suitable personnel for further development of the Group; and

(v) motivate the eligible participants to maximize the value of the Company for the benefits of both the eligible participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the eligible participants directly to the Shareholders through ownership of Shares.

(2) Effective and Duration

The Share Option Scheme shall take effect on the date of the passing of an ordinary resolution to approve the adoption of the Share Option Scheme by the Shareholders in general meeting, provided that the Listing Committee of the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of share options granted under the Share Option Scheme.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Share Option Scheme Adoption Date, after which period no further share options will be granted under the Share Option Scheme, but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. The remaining life of the Share Option Scheme is 6 years.

(3) Administration

The Board shall have the sole and absolute right to, among other things, interpret and construe the provisions of the Share Option Scheme, determine the Senior Grantees who will be offered share options under the Share Option Scheme and the subscription price in relation to such share options in accordance with the provisions of the Share Option Scheme. The Chief Executives shall have the sole and absolute right to, among other things, determine the Junior Grantees who will be offered share options under the Share Option Scheme and the subscription price in relation to such share options in accordance with the provisions of the Share Option Scheme.

The Administrative Committee shall be responsible for, among other things, applying to the Listing Committee of the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of share options under the Share Option Scheme on the Hong Kong Stock Exchange and other administrative work of the Share Option Scheme as delegated by the Board and the Chief Executives from time to time.

(4) Eligible Participants and Making and Acceptance of a Grant

Eligible participants of the Share Option Scheme include the following:

(i) any employee (whether full time or part time, and include persons who are granted share options as an inducement to enter into employment contracts with the Group), executive, officer or director (including executive, non-executive and independent non-executive directors) of any member of the Group or any Related Entity; and

(ii) any consultant, advisor or agent of any member of the Group or of any Related Entity who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Related Entity.

The Board (in the case of Senior Grantees) and the Chief Executives (in the case of Junior Grantees) shall be entitled at any time during the operation of the Share Option Scheme, at its/his sole and absolute discretion, to make an offer of share options to an eligible participants by letter in such form as the Board or the Chief Executives (as the case may be) may from time to time determine. An amount of HK$1.00 is payable by the share option grantee to the Company upon acceptance of the offer of share options within such period as prescribed by the Share Option Scheme, and such remittance shall not be refundable and shall not be deemed to be a part payment of the subscription price.

(5) Maximum Number of Shares Available for Subscription

(I) Share Option Scheme Limit

The total number of Shares which may be issued upon exercise of all share options that may be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the issued Shares as of the Share Option Scheme Adoption Date (i.e. the Share Option Scheme Limit), unless the Company obtains the approval of the Shareholders in accordance with the terms of the Share Option Scheme in sub-paragraph (II) below to refresh the Share Option Scheme Limit. Share options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating the Share Option Scheme Limit.

(II) Refreshment of Share Option Scheme Limit

Subject to any additional requirement under the Listing Rules, the Company may seek the approval of the Shareholders in general meeting to refresh the Share Option Scheme Limit. Share options previously granted under the Share Option Scheme, including share options outstanding, cancelled or lapsed in accordance with the relevant option scheme or exercised options, shall not be counted for the purpose of calculating the limit to be refreshed.

The Company may seek separate approval by the Shareholders in general meeting to grant share options beyond the Share Option Scheme Limit, provided that such share options are granted only to participants specifically identified by the Company and any other applicable requirements under the Listing Rules are complied with before the approval of the Shareholders is sought.

(III) Maximum number of Shares issued pursuant to share options

The maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share options granted and yet to be exercised under any other schemes of the Company shall not exceed 30% of the issued Shares from time to time.

(IV) Maximum entitlement of each eligible participants

Subject to any additional requirement under the Listing Rules, where any new grant of share options to any eligible participants, when aggregated with all share options granted to such eligible participants (excluding any share options lapsed in accordance with the terms of the relevant schemes) in the 12-month period up to and including the share option grant date of such new grant, would result in the total number of Shares issued and to be issued to such eligible participants in aggregate exceeding over 1% of the issued Shares as at the share option grant date of such new grant, such new grant of share options must be separately approved by the Shareholders in general meeting with such eligible participants and his/her close associates (or associates if the eligible participants is a connected person of the Company) abstain from voting.

(6) Subscription Price

The subscription price shall be a price determined by the Board or the Chief Executives (as the case may be) and notified to any share option grantee (subject to any adjustments made pursuant to the "Changes in Capital Structure" clause of the Share Option Scheme) which shall be not less than the highest of:

(i) the closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotations sheet on the share option grant date of the relevant share options, which must be a Business Day;

(ii) an amount equivalent to the average closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotation sheets for the 5 Business Days immediately preceding the share option grant date of the relevant share options; and

(iii) the nominal value per Share on the share option grant date.

(7) Vesting and Exercise Period

The Board or the Chief Executives (as the case may be) may specify the exercise period, vesting schedule and conditions (including performance milestones or targets, if applicable) of the share options in the share option grant letter, provided, however, that all share options shall automatically lapse upon the expiry of the 10th anniversary of the share option grant date. Unless the share options have been withdrawn and cancelled or been forfeited in whole or in part, and subject to the provisions in the Share Option Scheme, the share option grantee may exercise his rights under the Share Option Scheme according to the vesting schedule set out in the relevant share option grant letter.

Details of the movements of the outstanding share options granted under the Share Option Scheme during the year ended December 31, 2025 are as follows:

	Date of grant	Vesting period	Exercise period	Exercise price per Share (HK$)	Number of share options						Weighted average closing price of the Shares immediately before the dates on which the share options were exercised (HK$)
					At January 1, 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	At December 31, 2025	
DIRECTOR											
Senior Grantee											
Dr. Yang Lu [10]											
Tranche 2022–1	November 24, 2022	Note 1	Note 3	58.9	101,000	–	–	–	–	**101,000**	–
Tranche 2022–2	November 24, 2022	Note 2	Note 3	58.9	117,600	–	–	–	(58,800)	**58,800**	–
OTHER EMPLOYEE PARTICIPANTS											
Five highest paid individuals in aggregate (excluding those who are Directors)											
Tranche 2022–1	November 24, 2022	Note 1	Note 3	58.9	35,600	–	–	–	–	**35,600**	–
Tranche 2022–2	November 24, 2022	Note 2	Note 3	58.9	88,450	–	–	–	(9,739)	**78,711**	–
Other Senior Grantees											
Tranche 2022–1	November 24, 2022	Note 1	Note 3	58.9	177,200	–	–	–	–	**177,200**	–
Tranche 2022–2	November 24, 2022	Note 2	Note 3	58.9	104,161	–	–	–	(30,602)	**73,559**	–
Other Junior Grantees											
Tranche 2022–1	November 24, 2022	Note 1	Note 3	58.9	45,225	–	–	–	(100)	**45,125**	–
Tranche 2022–2	November 24, 2022	Note 2	Note 3	58.9	210,317	–	–	–	(48,633)	**161,684**	–
					879,553	–	–	–	(147,874)	**731,679**	

Notes:

(1) 50% of the Tranche 2022–1 share options granted shall vest on each of the first and second anniversary of the date of grant respectively.

(2) 25% of the Tranche 2022–2 share options granted shall vest on each of the first, second, third and fourth anniversary of the date of grant respectively.

(3) The share options shall be valid from the grant date and shall continue for a period of 10 years from the date of grant.

(4) The closing price of the Shares immediately before the date on which the Tranche 2022–1 and Tranche 2022–2 share options were granted was HK$57.8 per Share.

(5) The grant date fair value of each Tranche 2022–1 share option was approximately US$3.95–US$4.63. The grant date fair value of each Tranche 2022–2 share option was approximately US$4.26–US$4.93. The accounting standards and policies adopted are set out in note 3 to the consolidated financial statements. The methodology and assumptions used are disclosed in note 28 to the consolidated financial statements.

(6) Upon the adoption of the Share Option Scheme on June 28, 2022, share options to subscribe for a total of 8,904,023 Shares, may be granted under the Share Option Scheme Limit.

(7) As at January 1, 2025 and December 31, 2025, share options to subscribe for a total of 8,024,470 and 8,172,344 Shares, respectively, were available for grant under the Share Option Scheme Limit.

(8) As at the date of this annual report, the total number of Shares available for issue upon exercise of all outstanding share options granted under the Share Option Scheme is 731,679, representing approximately 0.67% of the issued Shares.

(9) As at the date of this annual report, the total number of Shares available for issue pursuant to the grant of further share options under the Share Option Scheme is 8,172,344, representing approximately 7.45% of the issued Shares.

(10) Dr. Yang Lu resigned as a non-executive Director with effect from February 5, 2025.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended December 31, 2025 divided by the weighted average number of Shares of the Company for the year ended December 31, 2025 is 0% as no option or award was granted under all schemes of the Company during the year ended December 31, 2025.

FINANCIAL SUMMARY

A summary of the audited consolidated results and financial position of the Group for the last five financial years is set out on page 8 of this annual report. This summary does not form part of the audited consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in note 33 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended December 31, 2025 are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL AND RESERVES

Details of the movements in the Company's share capital and reserves during the year ended December 31, 2025 are set out in notes 25 and 34 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company had US$529,152,000 distributable reserves.

DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025.

CHARITABLE DONATIONS

The Group did not make charitable donations during the year ended December 31, 2025.

DEBENTURE ISSUED

The Group did not issue any debenture during the year ended December 31, 2025.

BANK BORROWINGS

Details of bank borrowings of the Group as of December 31, 2025 are set out in note 24 to the consolidated financial statements.

THE COMPANY AND THE AUDIT COMMITTEE'S VIEW ON THE QUALIFIED OPINION OF THE INDEPENDENT AUDITOR'S REPORT

The basis for qualified opinion and the Company is set out on pages 90 to 91 of this annual report.

During the years ended December 31, 2022 and 2023, the Group subscribed for the Segregated Portfolio, a segregated portfolio of the Fund and classified as financial asset at FVTPL, at subscription amounts of US$15 million and US$5 million (exclusive of transaction costs), respectively.

The Company obtained a statement issued by the Investment Manager as evidence of the carrying value of the investment fund as at December 31, 2023. The statement simply stated the estimated carrying value of the investment fund held by the Company as at December 31, 2023 was US$20,043,000 without stating any details of the underlying assets that had been invested by the investment fund. The Company also obtained a calculation from the Investment Manager which indicated the underlying assets mainly represented loans to private companies with the remaining value invested in equity securities listed in Hong Kong. However, the Company did not obtain additional information about those investments, including but not limited to the names, industries and credit ratings of the private companies that borrowed from the investment fund, as well as the names of the companies whose equity securities were purchased.

During 2024 annual audit, ZHONGHUI ANDA CPA Limited ("**Zhonghui Anda**") requested further information from the Investment Manager to justify the carrying value of the investment fund as at December 31, 2023 and they did not receive further information. The Audit Committee also reassessed the situation and came to the same conclusion as Zhonghui Anda that the information obtained by the Company was limited that it was practically impossible to justify or determine the carrying value of the investment fund as at December 31, 2023.

As a result, the Audit Committee concurred with Zhonghui Anda, whom qualified their opinion relates to (i) the loss on changes in fair value of financial asset at FVTPL for the year ended December 31, 2024; and (ii) the accuracy of the disclosures in relation to the financial asset at FVTPL.

Since the Company has realized the loss on fair value of the investment fund and fully redeemed the remaining value of the investment fund during the year ended December 31, 2024, there was no financial asset at FVTPL as at December 31, 2024, and thus, the audit issue was resolved as at December 31, 2024 and would not have any impact on future financial years.

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by the Director as a Director in defending any proceedings, whether civil or criminal, in which judgement is given in the Director's favour, or in which the Director is acquitted.

Such permitted indemnity provision has been in force for the year ended December 31, 2025. The Company has arranged appropriate liability insurance coverage for the Directors.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the individual performance and comparable market statistics.

Details of the emoluments of the Directors and the five highest paid individuals for the year ended December 31, 2025 are set out in notes 11 and 12 to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office during the year ended December 31, 2025.

DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

The Company has entered into a service contract with each of the executive Director and non-executive Directors and a letter of appointment with each of the independent non-executive Directors. Each of the service contracts and the letters of appointment is for an initial fixed term of three years. All Directors are subject to retirement from office and re-election at the annual general meeting of the Company in accordance with the Memorandum and Articles of Association of the Company.

Save as disclosed above, none of our Directors has entered into, or has proposed to enter into, a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the year ended December 31, 2025.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party during or at the end of the year ended December 31, 2025.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

During the year ended December 31, 2025, the Company had no controlling shareholder.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates had engaged in or had any interest in any business, apart from the Group's business, which competed or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended December 31, 2025.

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

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

Interests in Shares and underlying Shares

Name of Director or chief executive	Nature of interest	Number of Shares/ underlying Shares	Approximately percentage of interest in the Company [1]
Dr. Poon Hung Fai	Beneficial interest; Interests in controlled corporation [2]	17,627,696 (L)	16.44%

Notes:

(L) denotes long position.

(1) The calculation is based on the total number of 107,221,538 issued Shares as at December 31, 2025.

(2) Quarmaceutical Limited is wholly owned by Dr. Poon Hung Fai ("**Dr. Poon**"). Under the SFO, the deemed interest of Dr. Poon consists of: (i) 17,527,696 Shares held by Quarmaceutical Limited; and (ii) 100,000 Shares held by Dr. Poon himself.

Save as disclosed above, as at December 31, 2025, so far as is known to any Directors or chief executive of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations, which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

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

Name of substantial shareholders	Nature of interest	Number of Shares/ underlying Shares	Approximately percentage of interest in the Company [1]
Quarmaceutical Limited	Beneficial Interest [2]	17,527,696 (L)	16.35%
Zhao Yan	Interest in a controlled corporation [3]	11,568,280 (L)	10.79%
Huaxi Xinyu Investment Co., Ltd. (華熙昕宇投資有限公司)	Interest in a controlled corporation [3]	11,568,280 (L)	10.79%
Bloomage Biotechnology Corporation Limited (華熙生物科技股份有限公司)	Interest in a controlled corporation [3]	11,568,280 (L)	10.79%
Bloomage Biotechnology (Hong Kong) Limited	Beneficial Interest [3]	11,568,280 (L)	10.79%
Dr. Yang Lu	Beneficial interest; Settlor of a discretional trust [4]	7,668,832 (L)	7.15%

Notes:

(L) denotes long position.

(1) The calculation is based on the total number of 107,221,538 issued Shares as at December 31, 2025.

(2) As Quarmaceutical Limited is wholly owned by Dr. Poon, Dr. Poon is deemed to be interested in these Shares as disclosed under "Report of the Directors — Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations".

(3) The Company (as issuer) entered into a subscription agreement with Bloomage Biotechnology (Hong Kong) Limited, in respect of the subscription of 11,568,280 new Shares at the subscription price of HK$12.00 per Share on September 7, 2025.

Bloomage Biotechnology (Hong Kong) Limited is wholly owned by Bloomage Biotechnology Corporation Limited, which is owned as to 59.58% by Huaxi Xinyu Investment Co., Ltd.. Huaxi Xinyu Investment Co., Ltd. is wholly owned by Zhao Yan. Zhao Yan, Huaxi Xinyu Investment Co., Ltd. and Bloomage Biotechnology Corporation Limited are deemed to be interested in the Shares held by Bloomage Biotechnology (Hong Kong) Limited under the SFO.

Subsequently, on March 7, 2026, the Company and Bloomage Biotechnology (Hong Kong) Limited mutually agreed to terminate the subscription of 9,068,280 Shares (representing a partial termination). Accordingly, the total number of new Shares issued by the Company to Bloomage Biotechnology (Hong Kong) Limited under the subscription was adjusted to 2,500,000 Shares.

(4) Dr. Yang Lu ("**Dr. Lu**") is the settlor of The Yang Lu Family Trust and the beneficiaries of The Yang Lu Family Trust are Zheng Joan Wang and Laura Yao Lu, being Dr. Lu's spouse and daughter, respectively. Zheng Joan Wang and Laura Yao Lu are co-trustees of The Yang Lu Family Trust. Therefore, Dr. Lu is deemed to be interested in the 1,745,350 Shares held by The Yang Lu Family Trust. Under the SFO, the deemed interest of Dr. Lu consists of: (i) 1,745,350 Shares held by The Yang Lu Family Trust; (ii) 3,838,682 Shares held by Dr. Lu himself; (iii) share options granted to Dr. Lu to subscribe for 1,925,000 Shares under the Pre-IPO Equity Incentive Plan; and (iv) share options granted to Dr. Lu to subscribe for 159,800 Shares under the Share Option Scheme.

Save as disclosed above, as at December 31, 2025, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

SHARE CAPITAL STRUCTURE

As at 31 December 2025, the Company's share capital structure consisted of one single class of shares, being ordinary shares. There are no special voting right structures or other classes of shares in the Company.

Details of the share capital structure are as follows:

Type of Shares	Number of issued Shares	Percentage of total issued Shares	Ranking
Ordinary Shares	107,221,538	100%	N/A(1)

Note:

(1) All ordinary shares in issue rank pari passu in all respects with each other, including in terms of voting rights, dividend rights and rights to capital.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the year ended December 31, 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

EMPLOYEES AND REMUNERATION POLICY

As at December 31, 2025, the Group had 37 employees. The Company has established the Remuneration Committee for reviewing the Group's remuneration policy and the remuneration structure of the Directors and senior management of the Group taking into consideration the Group's operating results, individual performance of each of the Directors and senior management and comparable market practices.

The remuneration package of our employees includes salaries, bonuses, contributions to retirement benefits plans, share option incentives, allowances and benefits in kind. We endeavor to attract and retain our employees by offering share options and employee benefits including but not limited to medical plan, dental plan and other benefits, providing tuition assistance and training opportunities, offering flexible worksite schedules and recognizing employee commitment and achievement by offering bonus and cash incentive award on performance basis and promotions based on annual performance appraisal process. Particulars of the retirement benefits plans are set out in note 27 to the consolidated financial statements.

The Company has adopted the Pre-IPO Equity Incentive Plan, the RSU Scheme and the Share Option Scheme to incentivize eligible employees, details of which are set out in the section headed "Pre-IPO Equity Incentive Plan, RSU Scheme and Share Option Scheme" as set out in this report of the Directors.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Pre-IPO Equity Incentive Plan, RSU Scheme and Share Option Scheme" as set out in this report of the Directors, 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 Group, or existed during the year ended December 31, 2025.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury Shares) during the year ended December 31, 2025. As of December 31, 2025, the Company did not hold any treasury Shares.

MATERIAL LITIGATION

Save as disclosed in note 35 to the consolidated financial statements, the Company was not involved in any material litigation or arbitration during the year ended December 31, 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the year ended December 31, 2025.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

ISSUANCE OF SHARES AND UTILIZATION OF PROCEEDS

(i) Use of Proceeds from Subscription of Shares in 2024

The Company (as issuer) entered into a subscription agreement with an individual subscriber, Dr. Poon Hung Fai, in respect of the subscription of 17,527,696 new Shares at the subscription price of HK$3.36 per Share on October 2, 2024. The subscription price of HK$3.36 per Share represents a discount of approximately 19.99999990% (being less than 20.0%) over the closing price of HK$4.20 per Share as quoted on the Hong Kong Stock Exchange on the date of the subscription agreement.

The net proceeds received by the Company from the subscription of 17,527,696 new Shares taken place in October 2024 were approximately US$7.5 million after deducting all applicable costs and expenses of the subscription. There was no change in the intended use of net proceeds as previously disclosed in the announcement of the Company dated October 3, 2024 and the Company intends to use the proceeds from the subscription for its general working capital. The Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purpose based on actual business needs.

The table below sets forth a detailed breakdown and description of the use of net proceeds, as previously disclosed in the announcement of the Company dated October 3, 2024, as at December 31, 2025:

Purpose	% of use of net proceeds	Net proceeds from subscription (US$ million)	Utilized net proceeds up to December 31, 2024 (US$ million)	Unutilized net proceeds up to January 1, 2025 (US$ million)	Net proceeds utilized during the Reporting Period (US$ million)	Unutilized net proceeds up to December 31, 2025 (US$ million)	Estimated timeline for utilizing the net proceeds from subscription
For general corporate and working capital purposes	100%	7.5	–	7.5	5.0	2.5	By mid-2026

(ii) Use of Proceeds from Subscription of Shares in 2025

The Company (as issuer) entered into subscription agreements with four subscribers, Bloomage Biotechnology (Hong Kong) Limited, Mr. Tse Shek Ho, Bamboo Bloom Limited and Capstone Resources Holding Limited, in respect of the subscription of 17,352,421 new Shares at the subscription price of HK$12.00 per Share on September 7, 2025. The subscription price of HK$12.00 per Share represents a discount of approximately 19.84% over the closing price of HK$14.97 per Share as quoted on the Hong Kong Stock Exchange on the last trading day prior to the date of the subscription agreements.

Subsequently, on December 7, 2025, the Company and the relevant subscribers mutually agreed to terminate the subscription of 2,151,286 Shares by Mr. Tse Shek Ho (representing a partial termination) and the entire subscription of 1,577,493 Shares by Bamboo Bloom Limited. On March 7, 2026, the Company and Bloomage Biotechnology (Hong Kong) Limited mutually agreed to terminate the subscription of 9,068,280 Shares (representing a partial termination). Accordingly, the total number of new Shares issued by the Company under the subscription was adjusted to 4,555,362 Shares.

Consequently, the net proceeds received by the Company from the subscription of 4,555,362 new Shares were approximately US$6.8 million after deducting all applicable costs and expenses of the subscription. There was no change in the intended use of net proceeds as previously disclosed in the announcement of the Company dated March 7, 2026. The Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purpose based on actual business needs.

As of December 31, 2025, the Company received the proceeds in advance from Bloomage Biotechnology (Hong Kong) Limited for the partial share subscription that was completed on March 7, 2026. The table below sets forth a detailed breakdown and description of the use of net proceeds as at December 31, 2025:

Purpose	% of use of net proceeds	Net proceeds from subscription (US$ million)	Net proceeds utilized during the Reporting Period (US$ million)	Unutilized net proceeds up to December 31, 2025 (US$ million)	Estimated timeline for utilizing the net proceeds from subscription
To fund the development and commercialization of STP705	47.1%	3.2	–	3.2	By end of 2027
To fund the development of STP122G	6.6%	0.5	–	0.5	By end of 2027
To fund the development of other drug candidates, including STP707, STP125G and STP144G	31.3%	2.1	–	2.1	By end of 2027
For business development activities to enrich the Group's pipeline	7.5%	0.5	–	0.5	By end of 2027
For general corporate and working capital purposes	7.5%	0.5	–	0.5	By end of 2027
Total	100.0%	6.8	–	6.8	

MAJOR CUSTOMER AND SUPPLIERS

Major customers

The Company did not generate any revenue during the year ended December 31, 2025.

Major suppliers

For the year ended December 31, 2025, purchases from the five largest suppliers in the aggregate accounted for 84.1% of the Group's total purchases, while purchases from the largest supplier accounted for 57.0% of the Group's total purchases.

To the best of the knowledge of the Directors, none of the Directors, their respective close associates or any shareholder (which to the knowledge of the Directors, own more than 5% of the Company's issued share capital) has any direct/indirect interest in any of the Group's five largest suppliers during the year ended December 31, 2025.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the year ended December 31, 2025, the Group had not entered into any connected transactions nor continuing connected transactions which are required to be disclosed in this annual report pursuant to the Listing Rules.

Details of material related party transactions of the Group undertaken in the normal course of business are set out in note 32 or elsewhere to the consolidated financial statements. Other than connected transactions that are exempted under Rule 14A.73 of the Listing Rules, none of the related party transactions as disclosed in note 32 or elsewhere to the consolidated financial statements falls under the definition of "Connected Transactions" or "Continuing Connected Transactions" under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, there are no important events affecting the Group occurred since December 31, 2025 and up to the date of this annual report.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save as disclosed in the Corporate Governance Report, the Board is of the view that the Company has complied with the code provisions in the CG Code as set out in Appendix C1 to the Listing Rules during the Reporting Period. No Director is aware of any information that reasonably reveals that there was any non-compliance with the code provisions of the CG Code by the Company at any time during the Reporting Period.

For details of the Corporate Governance Report, please refer to pages 70 to 89 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The text of the environmental, social and governance report is set out in the Company's 2025 ESG Report.

PRE-EMPTIVE RIGHTS

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

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.

SUFFICIENCY OF PUBLIC FLOAT

Throughout the year ended December 31, 2025, the Company was in compliance with the minimum public float requirement under Listing Rules by maintaining its public float at the level of at least 25% of its total issued shares. As at December 31, 2025, the Company's public float was 83.56% of its total issued shares.

Shareholding Ownership as at December 31, 2025 [1]

Name/category of Shareholders	No. of Shares held	% of Company Shares [2] in issue
(a) Shareholder who is not a member of "the public" under the Listing Rules		
Dr. Poon Hung Fai	17,627,696 [3]	16.44%
(b) Shareholders who are members of "the public" under the Listing Rules		
Person(s) who have disclosed their interests pursuant to Part XV of the SFO [4]		
— Dr. Yang Lu	5,584,032	5.21%
Others [5]	84,009,810	78.35%
Total	**107,221,538**	**100.00%**

Notes:

(1) This table is compiled based on the information disclosed in the Disclosure of Interests notices (DI notices) filed under Part XV of the SFO and other relevant information received by the Company up to the date of this Annual Report and on the assumption that all such information disclosed in the DI notice or received by the Company is accurate and complete.

(2) Percentage may not add up to the total amount due to rounding.

(3) These 17,627,696 Shares include 100,000 Shares held by Dr. Poon Hung Fai and 17,527,696 Shares held by Quarmaceutical Limited. Since Quarmaceutical Limited is wholly owned by Dr. Poon Hung Fai, he is deemed to be interested in the Shares held by Quarmaceutical Limited.

(4) This item aims to include only the beneficial ownership in cash positions in the Company's shares ("**Cash Positions**") that are held by substantial shareholders (as defined in the SFC DI Outline), who fall within the definition of "the public" and have disclosed their notifiable interests pursuant to Part XV of the SFO, as at December 31, 2025, through their relevant capacity(ies) specified in their DI notice(s). Where a substantial shareholder's interests are held through a chain of corporations, the disclosure will only cover the ultimate beneficial owner(s) as determined by applying the definition of controlled corporation under the SFC DI Outline. It should be noted that the substantial shareholders' Cash Positions may have changed since the filing of their DI notices and up to December 31, 2025. In addition, if there is any practical difficulty in disclosing only the Cash Position of any such persons, or excluding their interests that reflect, for example, synthetic exposures by way of equity derivatives ("**Non-cash Positions**"), due to the limited amount of information provided in their DI Notice(s), such a fact will be disclosed in the relevant note(s) below.

(5) This is the balancing figure between the total number of Shares in issue and the sum of Shares held by all specific Shareholders or groups of Shareholders as listed in this table.

AUDIT COMMITTEE

The Audit Committee had, together with the management of the Company, reviewed the consolidated financial statements of the Group for the year ended December 31, 2025 and the accounting principles and policies adopted by the Group.

AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by Zhonghui Anda, Certified Public Accountants and Registered Public Interest Entity Auditor, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

Zhonghui Anda were appointed as the Company's auditors on December 13, 2024 to fill the casual vacancy arising from the resignation of Deloitte Touche Tohmatsu on December 13, 2024. Save as disclosed above, there has been no other change of auditors for the preceding three years.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Tuesday, June 23, 2026. The notice of the annual general meeting will be published and dispatched (if requested) in due course in the manner required under the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' eligibility to attend and vote at the annual general meeting, the register of members of the Company will be closed from Wednesday, June 17, 2026 to Tuesday, June 23, 2026 (both days inclusive), during which no transfer of Shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all duly completed share transfer forms accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, June 16, 2026.

On behalf of the Board,

Dr. Poon Hung Fai
Chairman

Hong Kong, March 27, 2026

Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the Reporting Period.

The Board is committed to achieving good corporate governance standards. The Board believes that good corporate governance principles and practices should emphasize accountability and an increase in transparency will enable the Group's stakeholders, including Shareholders, employees, suppliers, medical experts, patients and the community to have trust and faith in the Group to take care of their needs, enhance corporate value, formulate its business strategies and policies, and enhance the sustainability of the Company's business.

CORPORATE MISSION, VALUES AND CULTURE

The Company's mission is to develop novel therapeutics to alleviate human suffering and advance patient care in areas of high unmet medical need. The guiding principles of the Company are: Innovation, Global Vision with a Patient Centered focus.

Our values and culture require that we:

- Treat employees and colleagues with respect; Sirnaomics does not tolerate discrimination or harassment of any kind.
- Encourage the involvement of all employees in creative problem solving.
- Provide consistent leadership and competent on-the-job training and development.
- Maintain an open-door policy that encourages interaction and discussion.
- Encourage ideas to improve the workplace and increase productivity.
- Make "Do It Right the First Time" our team attitude to ensure continued growth and prosperity.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and applied the code provisions of the CG Code set out in Appendix C1 to the Listing Rules. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period, save and except for the deviations of the following:

Code provision C.2.1 provides that the roles of the chairman of the Board and the chief executive should be separate and should not be performed by the same individual. The roles of chairman of the Board and the chief executive officer of our Company are currently performed by Dr. Poon Hung Fai ("**Dr. Poon**"). In view of Dr. Poon's substantial contribution to the Group and his extensive experience, the Board considers that having Dr. Poon acting as both the Chairman of the Board and the Chief Executive Officer of the Group will provide strong and consistent leadership to the Group and facilitate the efficient execution of the Group's business strategies. 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 of the Board and the chief executive officer is necessary.

As disclosed in the announcement of the Company dated January 1, 2025, following the resignation of Ms. Shing Mo Han, Yvonne as an independent non-executive Director, the chairperson and a member of the Audit Committee, and a member of the Nomination Committee, and the resignation of Mr. Mincong Huang as a non-executive Director and a member of the Audit Committee, the Company has not complied with Rules 3.10(1), 3.10(2), 3.21 and 3.27A of the Listing Rules. Upon the appointment of Ms. Monin Ung as a member of the Nomination Committee on February 5, 2025, the appointment of Mr. Wong Yu Shan Eugene as an independent non-executive Director and the chairperson of the Audit Committee on February 17, 2025, and the appointment of Dr. Cheung Hoi Yu as a member of the Audit Committee on February 19, 2025, the Company has re-complied with Rules 3.10(1), 3.10(2), 3.21 and 3.27A of the Listing Rules.

BOARD OF DIRECTORS

Board Composition

As at the date of this annual report, the Board consists of six Directors, including one executive Director, two non-executive Directors and three independent non-executive Directors, and has complied with the requirements under Rules 3.10(1) and (2), and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board and with at least one independent non-executive Director possesses appropriate professional qualifications or accounting or related financial management expertise. The Directors during the Reporting Period and up to the date of this annual report were:

Executive Director

Dr. Poon Hung Fai *(Chairman of the Board and Chief Executive Officer)*
(appointed as Chairman of the Board with effect from December 1, 2025)

Non-executive Directors

Mr. Ouyang Yunlong *(appointed with effect from July 3, 2025)*
Dr. Yin Huijun *(appointed with effect from September 1, 2025)*
Mr. Jiankang Zhang *(resigned with effect from June 21, 2025)*
Dr. Yang Lu (alias Patrick Lu) *(resigned with effect from February 5, 2025)*
Mr. Mincong Huang *(resigned with effect from January 1, 2025)*

Independent Non-executive Directors

Mr. Wong Yu Shan Eugene *(appointed with effect from February 17, 2025)*
Dr. Zhang Peng *(appointed with effect from July 3, 2025)*
Ms. Lo Yee Hang *(appointed with effect from September 1, 2025)*
Ms. Monin Ung *(resigned as Chairlady of the Board and an independent non-executive Director with effect from December 1, 2025)*
Dr. Cheung Hoi Yu, *JP (resigned with effect from October 18, 2025)*
Ms. Shing Mo Han Yvonne (alias Mrs. Yvonne Law), *BBS, JP (resigned with effect from January 1, 2025)*

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

The Board has received from each independent non-executive Director a written annual confirmation of such director's independence pursuant to Rule 3.13 of the Listing Rules, and the Nomination Committee has assessed the independence of each independent non-executive Director and the Company considers each of them to be independent.

To the best knowledge of the Company, none of the members of the Board is related to one another and the Directors do not have financial, business, family or other material/relevant relationships with each other.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Pursuant to the Board Diversity Policy, the Nomination Committee is responsible for reviewing the structure, size and composition of the Board at least annually. The Company is committed to achieving and maintaining at least one Director of a different gender on the Board. The Nomination Committee monitors and evaluates the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Board Diversity Policy is well implemented as evidenced by the fact that there are both female (one out of six) and male (five out of six) Directors ranging from 38 years old to 56 years old with wide variety of working experience from different industries and business sectors. After an annual assessment by the Nomination Committee, the Board considers the current structure, size and composition of the Board is performing a balanced and independent monitoring function on management practices to complement the Company's corporate strategies.

The Board also places emphasis on diversity (including gender diversity) across all levels of the Group, and the Group has achieved a balanced gender diversity in the workforce. As at December 31, 2025, the employees of the Group (including senior management) comprise of approximately 43.2% female and 56.8% male. The Group will continue striving towards increased female representation at both the Board and workforce levels.

Induction and Continuing Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that the Director has a proper understanding of the Company's operations and business as well as the Director's responsibilities under relevant statutes, laws, rules and regulations. The Directors are also provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. Mr. Wong Yu Shan Eugene ("**Mr. Wong**"), who was appointed as an independent non-executive Director on February 17, 2025, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on February 17, 2025. Mr. Ouyang Yunlong ("**Mr. Ouyang**") and Dr. Zhang Peng ("**Dr. Zhang**"), who were appointed as a non-executive Director and an independent non-executive Director on July 3, 2025, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on June 26, 2025 and June 30, 2025, respectively. Dr. Yin Huijun ("**Dr. Yin**") and Ms. Lo Yee Hang ("**Ms. Lo**"), who were appointed as a non-executive Director and an independent non-executive Director on September 1, 2025, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on August 18, 2025. Mr. Wong, Mr. Ouyang, Dr. Zhang, Dr. Yin and Ms. Lo confirmed their understanding of their obligations as directors of a listed issuer.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has provided relevant reading materials published by professional bodies or regulators to the Directors to keep them abreast of the latest development of legal, regulatory and corporate governance. During the Reporting Period, certain Directors have participated in conferences, seminars, forums and/or training programs organized by professional bodies and/or regulators.

Name of Directors	Reading materials	Attending conferences, seminars, forums and/or training programs
Executive Director		
Dr. Poon Hung Fai	✓	✓
Non-executive Directors		
Mr. Ouyang Yunlong (1)	✓	✓
Dr. Yin Huijun (2)	✓	✓
Mr. Jiankang Zhang (3)	✓	✓
Dr. Yang Lu (4)		
Mr. Mincong Huang (5)		
Independent Non-executive Directors		
Mr. Wong Yu Shan Eugene (6)	✓	✓
Dr. Zhang Peng (7)	✓	✓
Ms. Lo Yee Hang (8)	✓	✓
Ms. Monin Ung (9)	✓	✓
Dr. Cheung Hoi Yu (10)	✓	✓
Ms. Shing Mo Han, Yvonne (11)		

Notes:

(1) Mr. Ouyang Yunlong was appointed as a non-executive Director with effect from July 3, 2025.

(2) Dr. Yin Huijun was appointed as a non-executive Director with effect from September 1, 2025.

(3) Mr. Jiankang Zhang resigned as a non-executive Director with effect from June 21, 2025.

(4) Dr. Yang Lu resigned as a non-executive Director with effect from February 5, 2025.

(5) Mr. Mincong Huang resigned as a non-executive Director with effect from January 1, 2025.

(6) Mr. Wong Yu Shan Eugene was appointed as an independent non-executive Director with effect from February 17, 2025.

(7) Dr. Zhang Peng was appointed as an independent non-executive Director with effect from July 3, 2025.

(8) Ms. Lo Yee Hang was appointed as an independent non-executive Director with effect from September 1, 2025.

(9) Ms. Monin Ung resigned as an independent non-executive Director with effect from December 1, 2025.

(10) Dr. Cheung Hoi Yu resigned as an independent non-executive Director with effect from October 18, 2025.

(11) Ms. Shing Mo Han, Yvonne resigned as an independent non-executive Director with effect from January 1, 2025.

Directors' Responsibilities

The Board is responsible for the overall leadership of the Group, overseeing the Group's strategic decisions and monitors business and performance. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference.

The non-executive Directors and independent non-executive Directors have diversified industry expertise and professional knowledge, and provide advisory, adequate check and balances for effective and constructive contribution to the executive Directors to safeguard the interests of the Company and the Shareholders as a whole.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage is reviewed on an annual basis.

Delegation by the Board

The senior management, consisting of the executive Directors along with other senior executives, is delegated with authority and responsibilities for implementing strategies and directions as adopted by the Board and conducting day-to-day management and operation of the Group. The senior management meets regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board gives clear directions as to their powers of management including circumstances where senior management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Directors' Responsibilities in respect of the Financial Statements

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group in accordance with statutory requirements and applicable accounting standards and for timely financial disclosures under the Listing Rules and any other regulatory requirements.

The independent auditor has issued a qualified audit opinion with a "Material Uncertainty Related to Going Concern" section in the auditor's report on the Group's consolidated financial statements for the year ended December 31, 2025. As disclosed in note 3.1 to the consolidated financial statements, the Group incurred a net loss of approximately US$14,605,000 and a net operating cash outflow of approximately US$9,197,000 for the year ended December 31, 2025, and as of that date, the Group had net current liabilities of approximately US$22,776,000, net liabilities of approximately US$24,492,000 and cash and cash equivalents of approximately US$13,518,000. The Group's ability to continue as a going concern is highly dependent on its ability to maintain minimal cash outflows from operations and sufficient financing resources to meet its financial obligations as and when they fall due. The Group is actively improving the liquidity and cashflow by implementing different plans and measures. Significant uncertainties exist as to whether management of the Group will be able to achieve its plans and measures. If the plans and measures could not be implemented successfully as planned, the Group would be unable to finance its operations or meet its financial obligations as and when they fall due in the ordinary course of business. The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Save as disclosed above and in this annual report, the Directors are not aware of 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 consolidated financial statements is set out in the Independent Auditor's Report on pages 90 to 93 of this annual report.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code, which includes but not limited to the following:

(a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Appointment, Re-election, Rotation and Removal of Directors

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and making recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the Chairman of the Board and the Chief Executive Officer of the Company.

Dr. Poon Hung Fai, being the executive Director, has entered into a service contract with the Company on October 15, 2024 for an initial term of three years with effect from October 15, 2024, subject to provisions on retirement by rotation of Directors as set out in the Articles of Association. Either party has the right to give not less than three months' written notice to terminate the agreement.

Each of the non-executive Directors, being Mr. Ouyang Yunlong and Dr. Yin Huijun, has entered into an appointment letter with our Company on July 3, 2025 and September 1, 2025, respectively. The initial term for their appointment letters shall be three years from the date of their appointments, subject to provisions on retirement by rotation of Directors as set out in the Articles of Association. Either party has the right to give not less than three months' written notice to terminate the agreement.

During the Reporting Period, Mr. Jiankang Zhang, Dr. Yang Lu and Mr. Mincong Huang resigned as non-executive Directors with effect from June 21, 2025, February 5, 2025 and January 1, 2025, respectively.

Each of the independent non-executive Directors, being Mr. Wong Yu Shan Eugene, Dr. Zhang Peng and Ms. Lo Yee Hang, has entered into an appointment letter with our Company on February 17, 2025, July 3, 2025 and September 1, 2025, respectively. The initial term for their appointment letters shall be three years from the date of their appointments, subject to provisions on retirement by rotation of Directors as set out in the Articles of Association. Either party has the right to give not less than three months' written notice to terminate the agreement.

During the Reporting Period, Ms. Monin Ung, Dr. Cheung Hoi Yu and Ms. Shing Mo Han, Yvonne resigned as independent non-executive Directors with effect from December 1, 2025, October 18, 2025 and January 1, 2025, respectively.

In accordance with the Articles of Association, the Company may by ordinary resolution remove any Director before the expiration of the Director's period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director. The Company may also by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

At every annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Mr. Wong Yu Shan Eugene shall retire from office and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, Mr. Ouyang Yunlong, Dr. Yin Huijun, Dr. Zhang Peng and Ms. Lo Yee Hang shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company adopts the practice of holding Board meetings regularly, at least four times a year and at approximately quarterly intervals, either in person or through electronic means of communications; and the Chairman of the Board at least annually holds meetings with the independent non-executive Directors without the presence of other Directors.

Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and Board committees meetings, reasonable notice is generally given. The agenda and accompanying board papers are sent to the Directors or Board committee members at least 3 days before the meetings, and all Directors have full and timely access to the senior management, board papers and related materials for any information to enable them to make informed decisions and perform their duties and responsibilities.

Minutes of the Board meetings and Board committees meetings are recorded in sufficient detail about the matters considered and decisions reached, including any concerns raised by the Directors. Draft and final versions of minutes of each meeting are sent to the Directors or Board committees members for their comments and records respectively, within a reasonable time after the meeting is held. Minutes of the Board meetings and Board committees meetings are kept by the company secretary and are open for inspection by the Directors.

The Directors are authorized to seek independent professional advice from external consultants or experts at the Company's expense, to assist them perform their duties to the Company. During the Reporting Period, the Board reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board.

Code provision C.5.1 of the CG Code stipulates that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communications.

Code provision C.2.7 of the CG Code requires that the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the Reporting Period, the Chairman of the Board held three meetings with the independent non-executive Directors without the presence of other Directors.

A summary of the attendance records of each Director at Board meetings, committee meetings and general meetings during the Reporting Period is set out below:

	Attendance/Number of Meetings				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Executive Director					
Dr. Poon Hung Fai [(1)]	11/11	N/A	N/A	2/2	1/1
Non-executive Directors					
Mr. Ouyang Yunlong [(2)]	5/5	2/2	N/A	N/A	N/A
Dr. Yin Huijun [(3)]	2/2	N/A	N/A	N/A	N/A
Mr. Jiankang Zhang [(4)]	6/6	N/A	2/2	N/A	1/1
Dr. Yang Lu [(5)]	N/A	N/A	N/A	N/A	N/A
Mr. Mincong Huang [(6)]	N/A	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Wong Yu Shan Eugene [(7)]	10/10	6/6	N/A	N/A	1/1
Dr. Zhang Peng [(8)]	5/5	N/A	N/A	N/A	N/A
Ms. Lo Yee Hang [(9)]	2/2	2/2	N/A	N/A	N/A
Ms. Monin Ung [(10)]	10/11	5/6	2/2	2/2	1/1
Dr. Cheung Hoi Yu [(11)]	7/10	4/5	2/2	2/2	1/1
Ms. Shing Mo Han, Yvonne [(12)]	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Dr. Poon Hung Fai was appointed as a member of Nomination Committee with effect from February 17, 2025.

(2) Mr. Ouyang Yunlong was appointed as a non-executive Director with effect from July 3, 2025, and a member of Audit Committee and Remuneration Committee with effect from September 1, 2025.

(3) Dr. Yin Huijun was appointed as a non-executive Director with effect from September 1, 2025.

(4) Mr. Jiankang Zhang resigned as a non-executive Director and a member of Remuneration Committee with effect from June 21, 2025.

(5) Dr. Yang Lu resigned as a non-executive Director and a member of Nomination Committee with effect from February 5, 2025.

(6) Mr. Mincong Huang resigned as a non-executive Director and a member of Audit Committee with effect from January 1, 2025.

(7) Mr. Wong Yu Shan Eugene was appointed as an independent non-executive Director and the chairperson of Audit Committee with effect from February 17, 2025, and a member of Remuneration Committee with effect from September 1, 2025.

(8) Dr. Zhang Peng was appointed as an independent non-executive Director with effect from July 3, 2025, a member of Nomination Committee with effect from September 1, 2025, and the chairperson of Remuneration Committee with effect from December 1, 2025.

(9) Ms. Lo Yee Hang was appointed as an independent non-executive Director and a member of Audit Committee with effect from September 1, 2025, and the chairperson of Nomination Committee with effect from October 18, 2025.

(10) Ms. Monin Ung was appointed as a member of Nomination Committee on February 5, 2025 and resigned as an independent non-executive Director, the chairperson of Remuneration Committee, and a member of Audit Committee and Nomination Committee with effect from December 1, 2025.

(11) Dr. Cheung Hoi Yu was appointed as a member of Audit Committee on February 19, 2025 and resigned as an independent non-executive Director, the chairperson of Nomination Committee, and a member of Audit Committee and Remuneration Committee with effect from October 18, 2025.

(12) Ms. Shing Mo Han, Yvonne resigned as an independent non-executive Director, the chairperson of Audit Committee and a member of Nomination Committee with effect from January 1, 2025.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee and all of which are chaired by an independent non-executive Director to oversee particular aspects of the Company's affairs as set out below. Each committee is established with defined written terms of reference.

All 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 expenses.

Audit Committee

The Audit Committee was established by the Board with its written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As at the date of this annual report, the Audit Committee consists of one non-executive Director, being Mr. Ouyang Yunlong, and two independent non-executive Directors, being Mr. Wong Yu Shan Eugene and Ms. Lo Yee Hang. Mr. Wong Yu Shan Eugene is the chairperson of the Audit Committee.

The primary duties of the Audit Committee are set out in the written terms of reference which include reviewing and supervising the financial reporting process, risk management and internal control systems of the Group, and overseeing the audit process. The written terms of reference of the Audit Committee are available on the websites of the Company and the Hong Kong Stock Exchange.

The Audit Committee held six meetings during the Reporting Period, all of which were attended by the external auditor without the presence of the executive Directors. The following is a summary of work performed by the Audit Committee during the Reporting Period:

- reviewed the Group's annual consolidated financial statements for the year ended December 31, 2024 and made recommendation to the Board for approval;
- reviewed the Group's interim consolidated financial statements for the six months ended June 30, 2025 and made recommendation to the Board for approval;
- reviewed the external auditor's management letter and management's response;

- reviewed the external auditor's independence and objectivity and recommended for the Board's approval on the re-appointment of the external auditor;

- reviewed the Group's financial controls, risk management and internal control systems, and discussed on the adequacy and competency of resources, and findings on risk management and internal control matters;

- reviewed the Group's financial and accounting policies and practices; and

- reviewed the arrangements for raising concerns about possible improprieties in financial reporting, internal control or other matters.

Remuneration Committee

The Remuneration Committee was established by the Board with its written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code adopting the model to make recommendations to the Board on the remuneration packages of individual Directors and senior management. As at the date of this annual report, the Remuneration Committee consists of one non-executive Director, being Mr. Ouyang Yunlong, and two independent non-executive Directors, being Dr. Zhang Peng and Mr. Wong Yu Shan Eugene. Dr. Zhang Peng is the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee are set out in the written terms of reference which include making recommendations to the Board on the Company's remuneration policy and structure, and on the remuneration packages of the Directors and senior management. The written terms of reference of the Remuneration Committee are available on the websites of the Company and the Hong Kong Stock Exchange.

The Remuneration Committee held two meetings during the Reporting Period. The following is a summary of work performed by the Remuneration Committee during the Reporting Period:

- reviewed the Company's remuneration policy and structure;

- determined, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; and

- reviewed the remuneration of non-executive Directors and independent non-executive Directors and made recommendation to the Board for approval.

Details of the Directors' remuneration for the Reporting Period are set out in note 11 to the consolidated financial statements.

The remuneration of the senior management[1] (other than Directors) of the Group by band for the Reporting Period is set out below:

Remuneration bands (HK$)	Number of individuals
HK$1,500,001 to HK$2,000,000	1
Total	**1**

Note:

(1) Included Dr. Edward Yongxiang Wang, who ceased to be a member of the senior management of the Group following his departure from the role of Chief Production Officer of the Group in November 2025.

Nomination Committee

The Nomination Committee was established by the Board with its written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG Code. As at the date of this annual report, the Nomination Committee consists of one executive Director, being Dr. Poon Hung Fai, and two independent non-executive Directors, being Ms. Lo Yee Hang and Dr. Zhang Peng. Ms. Lo Yee Hang is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are set out in the written terms of reference which include reviewing the structure, size and composition of the Board, selecting and recommending individuals for directorship to the Board, and assessing the independence of the independent non-executive Directors. The written terms of reference of the Nomination Committee are available on the websites of the Company and the Hong Kong Stock Exchange.

When selecting candidates for directorship, the Nomination Committee would consider the following criteria, including, among other things, character and integrity, qualifications (cultural and educational background, professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy), any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity, and willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s).

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship with a ranking of the candidates (if applicable) by order of preference based on the needs of the Company and reference check of each candidate.

The Nomination Committee held two meetings during the Reporting Period. The following is a summary of work performed by the Nomination Committee during the Reporting Period:

- reviewed the structure, size and composition of the Board;
- reviewed the Board Diversity Policy and the workforce diversity policy;
- assessed the independence of independent non-executive Directors;
- made recommendations to the Board on the re-election of retiring Directors;
- reviewed and assessed each Director's time commitment and contribution to the Board as well as the Director's ability to discharge his or her responsibilities effectively; and
- supported the regular evaluation of the performance of the Board.

Model Code for Securities Transactions

The Company has adopted its own code of conduct regarding securities transactions, which applies to all Directors and relevant employees of the Group who are likely to be in possession of unpublished price-sensitive information of the Company, on terms no less than the required standard indicated by the Model Code.

All Directors have confirmed, following specific enquiries by the Company, that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the Directors and relevant employees was noted during the Reporting Period.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Company has an internal audit function responsible for independently reviewing the adequacy and effectiveness of the risk management and internal control systems, the adequacy of resources, staff qualifications and experience, and training programs of the Company.

The Audit Committee assists the Board at least annually, in reviewing the design, implementation and monitoring of the risk management and internal control systems.

Under the Company's risk management and internal control structure, the senior management is responsible for the design, implementation and maintenance of risk management and internal control systems to ensure that, amongst others, (i) appropriate policies and control procedures have been designed and established to safeguard the Group's assets against improper use or disposal; (ii) relevant laws, rules and regulations are adhered to and complied with; and (iii) reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

- **Risk management**

  The Company has conducted risk assessment by the senior management to identify and assess enterprise risks (including environmental, social and governance risks) with reference to the Group's business objectives and strategies. Key risks and the respective mitigation strategies have been discussed among senior management. The senior management reviews the action plans on an on-going basis which have been developed to further enhance the risk management capabilities of particular key risks as appropriate and reports to the Audit Committee and the Board concerning the effectiveness of risk management.

- **Internal control**

  The Company ensures internal controls are designed and implemented in all major aspects of the Group's operations and details of internal control activities are included in the operating policies and procedures. The senior management regularly revisits the policies and procedures and furnishes updates as necessary and reports to the Audit Committee and the Board concerning the effectiveness of internal controls.

  In relation to the handling and dissemination of inside information, the Company has adopted a communication policy to ensure potential inside information being captured and confidentiality of such information being maintained until consistent and timely disclosure are made in accordance with the Listing Rules.

The following is a summary of work performed by the senior management in relation to risk management and internal control during the Reporting Period:

- monitored and reviewed the risk management and internal control systems on an on-going basis and reported to the Audit Committee regarding the status of the systems;

- periodically followed up and reviewed the implementation of the measures, controls and response plans to major risks identified in order to make sure that sufficient attention, monitor and responses were given to all major risks identified;

- reviewed the risk management and internal control systems periodically to identify process and control deficiencies, and designed and implemented corrective actions to address such deficiencies; and

- ensured appropriate procedures and measures such as safeguarding assets against unauthorised use or disposition, controlling capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publications, etc. are in place.

The Company engaged an independent third-party consultant (the "**Internal Control Consultant**") to perform a review over selected areas of internal controls (the "**Internal Control Review**") for the Reporting Period. The selected areas of internal controls that were reviewed by the Internal Control Consultant included entity level controls and business process level controls, including corporate level controls, financial reporting, cash and treasury management, investment management and regulatory compliance.

The Audit Committee reviewed the internal control review report issued by the Internal Control Consultant and the Company's risk management and internal control systems in respect of the Reporting Period and considered that they are effective and adequate. Any findings or irregularities identified, together with the remedial actions and recommendations to enhance our internal control measures and policies, are discussed with the management and reported to the Audit Committee. The Board assessed the effectiveness of the internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same.

The Company has established a whistleblowing policy for employees and those who deal with the Group to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in matters of financial reporting, internal control or other matters relating to the Group.

The Company has established anti-corruption, anti-bribery and anti-money laundering policies to set out the minimum standards of ethical conduct to which all employees are required to adhere.

As disclosed in the announcement of the Company dated January 14, 2025, an interim investigation report ("**Interim Report**") has been issued by Alvarez & Marsal Disputes and Investigations Limited, containing, among others, the relevant findings of the Investigation and internal control recommendations. The Company has since enhanced its internal control systems and has been implementing the internal control recommendations in accordance with the Interim Report. For details, please refer to the announcements of the Company dated March 18, 2025 and October 31, 2025.

COMPANY SECRETARY

Mr. Yuen Yun Ting ("**Mr. Yuen**") was appointed as the company secretary. Mr. Yuen is an employee of the Company and has day-to-day knowledge of the Company's affairs. In compliance with Rule 3.29 of the Listing Rules, Mr. Yuen undertook not less than 15 hours of professional training during the Reporting Period.

AUDITOR'S REMUNERATION

The remuneration paid or payable to ZHONGHUI ANDA CPA Limited ("**Zhonghui Anda**"), the external auditor of the Company, in respect of its audit and non-audit services provided to the Group during the Reporting Period is set out below:

Type of Services	**Amount** (US$'000)
Audit services	224
Non-audit services:	
— Agreed-upon procedures engagement	32
Total	**256**

DIVIDEND POLICY

With respect to dividend policy, the Company currently expects to retain all future earnings for use in the operation and expansion of our business. Any future declarations and payments of dividends will be at the absolute discretion of the Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which the Directors consider relevant.

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The Board would take into account the following factors of the Group when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- general economic conditions and other internal or external factors which may have an impact on the business of the Group;
- amount of distributions (if any) received by the Company from its subsidiaries;
- capital requirements and expenditure plans;
- interests of the Shareholders;
- any legal/contractual restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meeting

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

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company. If a shareholder wishes to nominate a person to stand for election as a Director of the Company at the general meeting, the following documents must be addressed to the company secretary of the Company and validly served at the registered office of the Company, namely (1) a notice of intention to propose a resolution at the general meeting; (2) a notice signed by the nominated candidate of the candidate's willingness to be elected; (3) the nominated candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (4) the nominated candidate's written consent to the publication of the candidate's personal data.

Enquiries to the Board

Shareholders who wish to make enquiries about the Company to the Board may send their enquiries to the Company's principal place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by email at IR@sirnaomics.com. The Company will not normally deal with verbal or anonymous enquiries.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

The annual general meeting provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of the Board and the chairpersons of the Board committees will attend the annual general meeting to answer questions from Shareholders. The Company's external auditor will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the independent auditor's report, accounting policies and auditor independence.

To facilitate effective communication, the Company maintains a website at www.sirnaomics.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access. As disclosed in the section headed "Shareholders' Rights — Enquiries to the Board", Shareholders may at any time send their enquiries and concerns to the Board in writing.

The Company has reviewed the current channel of Shareholders communication and is of the view that it was implemented effectively during the Reporting Period as the Company was able to understand the views of its Shareholders through the channels described above.

CHANGES IN CONSTITUTIONAL DOCUMENTS

There were no changes to the Company's constitutional documents during the Reporting Period. The latest version of the Memorandum and Articles of Association are available on the websites of the Company and the Hong Kong Stock Exchange.

Independent Auditor's Report

中汇 ZHONGHUI

TO THE SHAREHOLDERS OF SIRNAOMICS LTD.

(Incorporated in the Cayman Islands with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Sirnaomics Ltd. (the "**Company**" and its subsidiaries (collectively referred to as the "**Group**")) set out on pages 94 to 183 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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 issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

Financial asset at fair value through profit or loss ("FVTPL")

In 2024, the Company was informed by the investment manager of a potential default by the issuer of a private debt in which the financial asset at FVTPL had invested by Sirnaomics (Hong Kong) Limited ("**HK Sirnaomics**"), a wholly owned subsidiary of the Company, which could significantly impact the financial asset at FVTPL's net asset value. A substantial loss in the financial asset at FVTPL was reported, prompting the Company to establish an investigation committee and arbitration proceedings initiated by HK Sirnaomics against the investment manager at the Hong Kong International Arbitration Centre. In addition, the Company requested and received redemption of its remaining investment. Due to the arbitration proceedings in processing, we were unable to obtain direct audit confirmation from the investment manager in relation to the financial asset at FVTPL and unable to obtain the underlying financial information of the financial asset at FVTPL to measure its fair value.

Due to the insufficient supporting information mentioned above, we were unable to obtain sufficient and appropriate audit evidence to satisfy ourselves as to whether (i) the loss on changes in fair value of financial asset at FVTPL of approximately US$18,178,000 for the year ended December 31, 2024 is fairly stated and (ii) the disclosures in relation to the financial asset at FVTPL are accurate.

Any adjustments to the figures as described above might have a consequential effect on the Group's results and cash flows for the year ended December 31, 2024 and the related disclosures thereof in the consolidated financial statements.

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately US$14,605,000 and a net operating cash outflow of approximately US$9,197,000 for the year ended December 31, 2025, and as of that date, the Group had net current liabilities of approximately US$22,776,000, net liabilities of approximately US$24,492,000 and cash and cash equivalents of approximately US$13,518,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. In addition to the matter described in the Basis for Qualified Opinion section and the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Cut-off of outsourcing research and development expenses

During the year ended December 31, 2025, the Group incurred research and development ("**R&D**") expenses approximately US$10,311,000, out of which approximately US$4,757,000 were attributable to the outsourcing R&D expenses payable to outsourced service providers including contract research organizations, contract manufacturing organizations, and contract development and manufacturing organizations (collectively referred to as the "**Outsourced Service Providers**").

These Outsourced Service Providers provided supports to the Group's various R&D activities in the form of R&D services. And these services are typically performed across the financial reporting periods.

We identified the cut-off of outsourcing R&D expenses as a key audit matter due to its significance and risk of not recording the outsourcing R&D expenses in the appropriate financial reporting period.

Our procedures in relation to the cut-off of outsourcing R&D expenses included:

— Obtaining an understanding of key controls of the management's basis and assessment in relation to the accrual process of the R&D expenses including those payable to Outsourced Service Providers;

— Confirming with the Outsourced Service Providers in respect of the progress of the outsourcing R&D projects, on a sample basis, for the year ended December 31, 2025; and

— Performing cut-off testing for the outsourcing R&D expenses recorded before and after the year-end date, on a sample basis, by checking relevant supporting documents including invoices and contracts to determine whether the outsourcing R&D expenses were recorded in the appropriate financial reporting period.

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. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the financial assets at FVTPL. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

RESPONSIBILITIES OF DIRECTORS 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 and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at: https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre.

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Pang Hon Chung
Audit Engagement Director
Practising Certificate Number P05988
Hong Kong, March 27, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

	Notes	2025 US$'000	2024 US$'000
Revenue	5	–	1,778
Cost of sales		–	(579)
Gross profit		–	1,199
Other income	6	**575**	1,029
Other gains and losses	7	**739**	20
Changes in fair value of financial asset at fair value through profit or loss ("**FVTPL**")		–	(18,178)
Changes in fair value of financial liabilities at FVTPL	23	**1,700**	6,903
Impairment losses recognized on property, plant and equipment and right-of-use assets		**(1,459)**	(2,190)
Administrative expenses		**(5,037)**	(17,161)
Research and development expenses		**(10,311)**	(20,802)
Other expenses		–	(16)
Finance costs	8	**(812)**	(1,049)
Loss before tax		**(14,605)**	(50,245)
Income tax expense	9	–	–
Loss for the year	10	**(14,605)**	(50,245)
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(33)**	(402)
Other comprehensive expense for the year		**(33)**	(402)
Total comprehensive expense for the year		**(14,638)**	(50,647)
(Loss) profit for the year attributable to:			
Owners of the Company		**(14,403)**	(51,383)
Non-controlling interests		**(202)**	1,138
		(14,605)	(50,245)
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(14,430)**	(51,774)
Non-controlling interests		**(208)**	1,127
		(14,638)	(50,647)
Loss per share	14		
— Basic and diluted (US$)		**(0.15)**	(0.66)

Consolidated Statement of Financial Position

As at December 31, 2025

	Notes	As at December 31, 2025 US$'000	As at December 31, 2024 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*15*	**3,866**	6,893
Right-of-use assets	*16*	**162**	728
Intangible assets	*17*	**657**	730
Deposits	*18*	**521**	519
		5,206	8,870
CURRENT ASSETS			
Prepayments, deposits and other receivables	*18*	**1,881**	7,690
Cash and cash equivalents	*19*	**13,518**	11,769
		15,399	19,459
CURRENT LIABILITIES			
Trade and other payables	*20*	**12,724**	11,603
Contract liabilities	*21*	**711**	696
Deferred income		**300**	228
Lease liabilities	*22*	**63**	546
Financial liabilities at FVTPL	*23*	**22,048**	23,748
Bank borrowings	*24*	**2,329**	405
		38,175	37,226
NET CURRENT LIABILITIES		**(22,776)**	(17,767)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(17,570)**	(8,897)
NON-CURRENT LIABILITIES			
Lease liabilities	*22*	**6,922**	7,107
NET LIABILITIES		**(24,492)**	(16,004)

Consolidated Statement of Financial Position

As at December 31, 2025

	Notes	As at December 31, 2025 US$'000	As at December 31, 2024 US$'000
CAPITAL AND RESERVES			
Share capital	*25*	**107**	105
Deficits		**(10,021)**	(1,785)
Deficits attributable to owners of the Company		**(9,914)**	(1,680)
Non-controlling interests	*26*	**(14,578)**	(14,324)
TOTAL DEFICITS		**(24,492)**	(16,004)

The consolidated financial statements on pages 94 to 183 were approved and authorized for issue by the Board of Directors on March 27, 2026 and are signed on its behalf by:

Dr. Poon Hung Fai
DIRECTOR

Dr. Zhang Peng
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Attributable to owners of the Company											
	Share capital US$'000	Shares held for share option scheme US$'000	Shares held for share award scheme US$'000	Share premium US$'000	Other reserves *(Note (j))* US$'000	Translation reserve US$'000	Share option reserve US$'000	Share award reserve US$'000	Accumulated losses US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total US$'000
At January 1, 2024	88	(11)	(1)	513,962	(12,561)	(3,229)	14,444	143	(472,639)	40,196	(15,739)	24,457
(Loss) profit for the year	–	–	–	–	–	–	–	–	(51,383)	(51,383)	1,138	(50,245)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(391)	–	–	–	(391)	(11)	(402)
Total comprehensive (expense) income for the year	–	–	–	–	–	(391)	–	–	(51,383)	(51,774)	1,127	(50,647)
Recognition of share-based payment	–	–	–	–	–	–	1,454	924	–	2,378	288	2,666
Exercise of share options	–	–	–	3	–	–	(1)	–	–	2	–	2
Vesting of restricted share units ("**RSUs**")	–	–	–	1,051	–	–	–	(1,051)	–	–	–	–
Proceeds from share subscription *(Note 25)*	17	–	–	7,501	–	–	–	–	–	7,518	–	7,518
At December 31, 2024	105	(11)	(1)	522,517	(12,561)	(3,620)	15,897	16	(524,022)	(1,680)	(14,324)	(16,004)

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Attributable to owners of the Company											
	Share capital US$'000	Shares held for share option scheme US$'000	Shares held for share award scheme US$'000	Share premium US$'000	Other reserves *(Note (i))* US$'000	Translation reserve US$'000	Share option reserve US$'000	Share award reserve US$'000	Accumulated losses US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total US$'000
At 1 January 2025	**105**	**(11)**	**(1)**	**522,517**	**(12,561)**	**(3,620)**	**15,897**	**16**	**(524,022)**	**(1,680)**	**(14,324)**	**(16,004)**
Loss for the year	–	–	–	–	–	–	–	–	(14,403)	(14,403)	(202)	(14,605)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(27)	–	–	–	(27)	(6)	(33)
Total comprehensive expense for the year	–	–	–	–	–	(27)	–	–	(14,403)	(14,430)	(208)	(14,638)
Recognition of share-based payment	–	–	–	–	–	–	266	111	–	377	94	471
Exercise of share options	–	2	–	3,399	–	–	(866)	–	–	2,535	–	2,535
Lapse/forfeiture of share options	–	–	–	–	–	–	(1,492)	–	1,632	140	(140)	–
Vesting of RSUs	–	–	–	94	–	–	–	(94)	–	–	–	–
Proceeds from share subscription *(Note 25)*	2	–	–	3,142	–	–	–	–	–	3,144	–	3,144
At December 31, 2025	**107**	**(9)**	**(1)**	**529,152**	**(12,561)**	**(3,647)**	**13,805**	**33**	**(536,793)**	**(9,914)**	**(14,578)**	**(24,492)**

Note:

(i) Other reserves included 1) effect of series C warrants granted to non-controlling shareholders to convert their registered capital in a subsidiary, Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd.* 聖諾生物醫藥技術（蘇州）有限公司 ("**Suzhou Sirnaomics**") to preferred shares of its holding company, namely, Sirnaomics, Inc. ("**US Sirnaomics**"), 2) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of issuance of subsidiary's equity and the relevant proceeds received, 3) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of conversion of Simple Agreements for Future Equity ("**SAFE**") shares to ordinary shares of a subsidiary, RNAimmune, Inc. ("**RNAimmune**"), 4) differences between the decrease in the carrying amounts of net assets attributable to the non-controlling shareholders and the relevant consideration paid in the acquisition, 5) effect of group reorganization in connection with the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") which was completed on January 21, 2021 and 6) differences between the decrease in the carrying amounts of net assets attributable to the non-controlling shareholders and the relevant consideration paid in the acquisition of additional interest in a subsidiary, EDIRNA Inc. ("**EDIRNA**"), during the year ended December 31, 2023.

* The English name is for identification purpose only.

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Notes	2025 US$'000	2024 US$'000
OPERATING ACTIVITIES			
Loss before tax		**(14,605)**	(50,245)
Adjustments for:			
Impairment loss on property, plant and equipment		**1,459**	1,929
Impairment loss on right-of-use assets		**–**	261
Amortisation of intangible assets		**84**	84
Interest income		**(29)**	(56)
Changes in fair value of financial liabilities at FVTPL		**(1,700)**	(6,903)
Changes in fair value of financial asset at FVTPL		**–**	18,178
Depreciation of property, plant and equipment		**1,616**	4,588
Depreciation of right-of-use assets		**137**	884
(Gain) loss on disposal of property, plant and equipment		**(19)**	29
Gain on termination/modification of leases		**(746)**	(44)
Finance costs		**812**	1,049
Share-based payment expense	*29*	**471**	2,666
Operating cash outflows before movements in working capital		**(12,520)**	(27,580)
Change in prepayments, deposits and other receivables		**5,986**	7,108
Change in trade and other payables		**(2,728)**	774
Change in deferred income		**65**	(30)
NET CASH USED IN OPERATING ACTIVITIES		**(9,197)**	(19,728)
INVESTING ACTIVITIES			
Purchase and deposits paid for property, plant and equipment		**(56)**	(108)
Proceeds from rental deposits		**–**	182
Proceeds from redemption of financial asset at FVTPL		**–**	1,865
Interest received		**29**	56
Proceeds from disposal of property, plant and equipment		**50**	143
NET CASH GENERATED FROM INVESTING ACTIVITIES		**23**	2,138

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	Notes	2025 US$'000	2024 US$'000
FINANCING ACTIVITIES			
Proceeds from exercise of share options		**2,535**	2
Proceeds from bank borrowings		**1,948**	417
Repayment of bank borrowings		**(75)**	(12)
Interest paid on lease liabilities		**(95)**	(1,041)
Interest paid on bank borrowings		**(26)**	(8)
Repayment of lease liabilities		**(183)**	(1,059)
Proceeds from share subscriptions		**7,008**	7,550
Accrued issue costs paid		**(166)**	(32)
NET CASH GENERATED FROM FINANCING ACTIVITIES		**10,946**	5,817
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**1,772**	(11,773)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**11,769**	23,884
Effect of foreign exchange rate changes		**(23)**	(342)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**13,518**	11,769
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		**13,518**	11,769

1. GENERAL INFORMATION

Sirnaomics Ltd. (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of the Hong Kong Stock Exchange effective from December 30, 2021. The respective address of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are clinical-stage biotechnology companies engaged in developing and commercializing of ribonucleic acid interference ("**RNAi**") technology and multiple therapeutics. Details of particulars of the Company's principal subsidiaries are disclosed in note 33.

The consolidated financial statements are presented in US$ and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied all the new and amendments to IFRS Accounting Standards which comprise International Financial Reporting Standards ("**IFRS**"), International Accounting Standards ("**IASs**") and interpretations 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 the Group's consolidated financial statements.

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

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

The Group has not early applied the new and amendments to IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and amendments to IFRS Accounting Standards but is not yet in a position to state whether these new and amendments to IFRS Accounting Standards would have a material impact on its results of operations and financial position.

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

3.1 Basis of preparation of consolidated financial statements

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

Going concern

The Group engages in developing and commercializing of RNAi technology and multiple therapeutics with certain drug candidates in different preclinical and clinical stages. The Group incurred a net loss of approximately US$14,605,000 and a net operating cash outflow of approximately US$9,197,000 for the year ended December 31, 2025, and as of that date, the Group had net current liabilities of approximately US$22,776,000, net liabilities of approximately US$24,492,000 and cash and cash equivalents of approximately US$13,518,000. The Group's ability to continue as a going concern is highly dependent on its ability to maintain minimal cash outflows from operations and sufficient financing resources to meet its financial obligations as and when they fall due. The Group is actively improving the liquidity and cashflow by implementing different plans and measures, including, but not limited to, the followings:

(i) The Group is implementing restructuring initiatives to further streamline the organizational structure, enhance operational efficiency, and align its resources more effectively with the Group's strategic objectives to continue advancing its core product in order to reduce the cash outflow from the operating activities; and

(ii) The Group's indirectly non-wholly owned subsidiary, RNAimmune, will continue to seek equity and other alternative financing, including but not limited to issuance of preference shares, to finance its own operations and meet its own financial obligations without relying on the additional financing support from the Group.

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

3.1 Basis of preparation of consolidated financial statements (Continued)

Going concern (Continued)

The directors of the Company performed an assessment of the Group's future liquidity and cash flows, which included preparing a cash flow projection for the Group covering a period of 18 months till June 30, 2027 and a review of assumptions about the likelihood of success of the plans and measures being implemented to meet the Group's financing needs. When preparing the consolidated financial statements for the year ended December 31, 2025, the directors, based on their assessment, are of the opinion that (a) the Group will be able to implement the restructuring initiatives in order to reduce the cash outflow from the operating activities; and (b) RNAimmune will be able to obtain new sources of external financing resources to finance its own operations and meet its own financial obligations, so that the Group has sufficient financial resources to finance its operations and to meet its financial obligations as and when they fall due at least twelve months from the date of approval of the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

Significant uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above. If the above-mentioned plans and measures could not be implemented successfully as planned, the Group would be unable to finance its operations or meet its financial obligations as and when they fall due in the ordinary course of business. The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms, or to recognize a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

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

3.2 Material accounting policy information

Basis of consolidation

The 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 the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

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.

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)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the company.

Leases

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application of IFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as 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.

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 lessee (Continued)

Short-term leases

The Group applies the short-term lease recognition exemption to leases of 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.

Right-of-use assets

The cost of right-of-use assets includes:

— the amount of the initial measurement of the lease liability;

— any lease payments made at or before the commencement date, less any lease incentives received; and

— any initial direct costs incurred by the Group.

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

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

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

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 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 asset.

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 lessee (Continued)

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 include:

— fixed payments (including in-substance fixed payments) less any lease incentives receivable; and

— payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

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

— the lease term has changed or there is a change in the assessment of exercise of a purchase option, 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 due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

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 lessee (Continued)

Lease modifications

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

— the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

— the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

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

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 exchange prevailing on the dates of the transactions. At the end of each 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.

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

3.2 Material accounting policy information (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e., US$) 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).

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.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

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.

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)

Share options granted to employees (Continued)

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). 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 option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

An expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where the modification reduces the fair value of the equity instruments granted, measured immediately before and after the modification, the decrease in fair value will not be recognized. The amount recognized for services received continues to be measured based on the grant date fair value of the instrument originally granted. Where the modification reduces the number of equity instruments granted to an employee, the reduction is accounted for as a cancellation of that portion of the grant. Where the modification of vesting conditions is a manner that is not beneficial to the employee, the amount recognized for services received shall not take the modified vesting conditions into account and continues to be measured based on the grant date vesting conditions of the instrument originally granted.

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)

Share options granted to non-employees

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognized as expenses (unless the services qualify for recognition as assets).

Share award

For share award schemes, the fair value of services received, determined by reference to the fair value of awarded shares granted at the grant date, is expensed on a straight-line basis over the vesting period, with a corresponding increase in share award reserve. The cost of acquisition of the Company's shares held for the share award scheme is recorded as treasury shares (shares held for share award scheme). At the time when the awarded shares are vested, the amount previously recognized in share award reserve and the amount of the relevant treasury shares will be transferred to accumulated losses. At the end of each reporting period, the Group revisits its estimates of the number of awarded shares that are expected to ultimately vest, The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss, with a corresponding adjustment to the share award reserve.

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/periods 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 each reporting period.

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 is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally 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 utilized. 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.

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 realized, based on tax rates (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 utilized 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.

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

3.2 Material accounting policy information (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Assets under construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including costs of testing whether the related assets is functioning properly, and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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 property, 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 property, 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.

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

3.2 Material accounting policy information (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 amortization and accumulated impairment losses (if any).

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

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives 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.

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

3.2 Material accounting policy information (Continued)

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

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

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

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset of 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 other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of it fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

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

3.2 Material accounting policy information (Continued)

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

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 of 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 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 comprise 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.

Financial instruments

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

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 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 or liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized 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 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

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized 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.

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.

(i) Amortized cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets 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 includes any dividend or interest earned on the financial asset and is included in the "Changes in fair value of financial asset at FVTPL" line item.

Impairment of financial assets which are subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including other receivables and deposits 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. Assessment is 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 both the current conditions at the reporting date as well as the forecast of future conditions.

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 which are subject to impairment assessment under IFRS 9 (Continued)

The Group measures the loss allowance equal to 12m ECL for its financial instruments, unless when 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) 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 Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

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)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period, specifically:

— For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Other gains and losses" line item as part of the net foreign exchange losses; and

— For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "Changes in fair value of financial asset at FVTPL" line item.

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 amortized cost, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

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

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 (Continued)

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 a group entity 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 amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

— such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

— the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

— it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

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 (Continued)

*Series seed preferred shares ("**Series Seed Preferred Shares**") and series A preferred shares ("**Series A Preferred Shares**")*

The Series Seed Preferred Shares and Series A Preferred Shares are designated as financial liabilities at FVTPL.

The amount of change in the fair value of the financial liability measured at FVTPL that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of the financial liability measured at FVTPL is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability. Fair value is determined in the manner described in note 23.

Financial liabilities at amortized cost

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

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the "Other gains and losses" line item in profit or loss as part of net foreign exchange losses for financial liabilities that are not part of a designated hedging relationship. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

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 (Continued)

Derecognition/modification 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.

Bank Borrowings

Bank borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

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 recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

— the customer simultaneously receives and consumes the benefits provided by the Group's performance;

— the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

— the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognized by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the product or service.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES 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 judgments, 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 ongoing 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 judgement in applying accounting policies

The following are the critical judgements, 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 the consolidated financial statements.

Going concern basis

These consolidated financial statements have been prepared on a going concern basis. The validity of which depends upon (a) the Group will be able to implement the restructuring initiatives in order to reduce the cash outflow from the operating activities; and (b) RNAimmune will able to obtain new sources of external financing resources to finance its own operations and meet its own financial obligations. Details are explained in note 3 to the consolidated financial statements.

Research and development expenditures

Development expenses incurred on the Group's product pipelines are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. The management of the Group assesses the progress of each of the research and development projects and determines that the Group's product pipelines do not meet the above-said capitalization criteria. During the year, all the development costs are expensed when incurred.

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

Key sources of estimation uncertainties

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

Fair value of financial liabilities at FVTPL

The Group had issued Series Seed Preferred Shares and Series A Preferred Shares to a group of investors prior to the reporting period as set out in note 23. The Group recognized these financial instruments as financial liabilities at FVTPL in which no quoted prices in an active market exist. The fair value of the financial instruments is established by using valuation techniques, which include back-solve method and equity allocation based on the Black-Scholes Option Pricing Model ("**OPM**") involving various parameters and inputs. Valuation techniques are certified by an independent qualified professional valuer before being implemented for valuation and are calibrated to ensure that outputs reflect market conditions. Valuation models established by the valuer make the maximum use of market inputs and rely as little as possible on the Group's specific data, However, it should be noted that some inputs, such as fair value of the ordinary shares of RNAimmune, possibilities under different scenarios, such as qualified initial public offering, redemption, liquidation and other inputs, such as time to liquidation, risk-free interest rate, expected volatility value and dividend yield, require management estimates. Management estimates and assumptions are reviewed periodically and are adjusted if necessary.

Should any of the estimates and assumptions change, it may lead to a change in the fair value of financial liabilities at FVTPL. The fair value of the financial liabilities at FVTPL of the Group as at December 31, 2025, representing Series Seed Preferred Shares and Series A Preferred Shares of RNAimmune, were approximately US$22,048,000 (2024: US$23,748,000).

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; and (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cashflows which are estimated based upon the continued use of the asset.

As at December 31, 2025, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were approximately US$2,189,000 and nil, respectively. Details of the impairment of property, plant and equipment and right-of-use assets are disclosed in notes 15 and 16, respectively.

5. REVENUE AND SEGMENT INFORMATION

	2025 US$'000	2024 US$'000
At a point in time		
Licensing income	–	1,778

Licensing income

During the year ended December 31, 2024, the Group entered into an exclusive license development and commercialisation agreement, pursuant to which the Group may receive upfront payments, milestone payments and sales-based royalties.

For contracts that contain variable consideration in relation to milestone payments and sales-based royalties from license agreements, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled. The potential milestone payments that the Group is eligible to receive were considered as variable considerations as all milestone amounts were fully constrained due to uncertainty of achievement.

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.

During the year ended December 31, 2024, the Group recognized a milestone payment of approximately US$1,778,000 at a point in time when certain uncertainty resolved according to the license agreement. No licensing income was recognised for the year ended December 31, 2025.

Segment information

For the purpose of resource allocation and assessment of performance, the executive director of the Company, being the chief operating decision maker, focuses and reviews on the overall results and financial position of the Group as a whole. Accordingly the Group has only one single operating segment and no further analysis of the single segment is presented.

5. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

All the revenue is derived from the mainland of the People's Republic of China (the "**PRC**").

The Group's operations and non-current assets are mainly located at the United States of America (the "**U.S.**") and the mainland of the PRC. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets excluding financial instruments	
	2025	2024
	US$'000	US$'000
The U.S.	**2,115**	5,089
The PRC	**2,560**	3,228
Hong Kong	**10**	34
	4,685	8,351

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2025	2024
	US$'000	US$'000
Customer A	**–**	1,778

6. OTHER INCOME

	2025 US$'000	2024 US$'000
Government grants *(Note)*	**411**	880
Interest income from bank balances	**29**	56
Rental income	**14**	–
Consultancy income	**33**	4
Others	**88**	89
	575	1,029

Note: For both years, government grants include cash incentives specifically for research and development activities, which are recognized upon compliance with the relevant conditions where applicable.

7. OTHER GAINS AND LOSSES

	2025 US$'000	2024 US$'000
Net foreign exchange (losses) gains	**(26)**	5
Gain (loss) on disposal of property, plant and equipment	**19**	(29)
Gain on termination/modification of leases	**746**	44
	739	20

8. FINANCE COSTS

	2025 US$'000	2024 US$'000
Interest on lease liabilities	**786**	1,041
Interest on bank borrowings	**26**	8
	812	1,049

9. INCOME TAX EXPENSE

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

Hong Kong Profits Tax of Sirnaomics (Hong Kong) Limited ("**HK Sirnaomics**") is calculated at 8.25% on the first Hong Kong Dollar ("**HK$**") 2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the U.S. Tax Cuts and Jobs Act, the U.S. corporate income tax rate has charged at flat rate of 21% during both years. In addition, under the relevant rules of state taxes in Florida, Virginia, California, Massachusetts and Maryland of the U.S., the state tax rates are charged at ranging from 5.5% to 8.84% during the year (2024: 5.3% to 7.25%).

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the basic tax rate of the Company's PRC subsidiaries is 25% for both years.

Sirnaomics Biopharmaceuticals (Guangzhou) Co., Ltd.* 聖諾生物醫藥技術（廣州）有限公司 ("**Guangzhou Sirnaomics**") has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Guangzhou City and relevant authorities in June 2017, December 2020 and December 2023 respectively, and has been registered with the local tax authorities for enjoying the reduced Enterprise Income Tax ("**EIT**") rate at 15% during the financial years from 2017 to 2026.

Suzhou Sirnaomics had been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Suzhou City and relevant authorities in October 2022, and had been registered with the local tax authorities for enjoying the reduced EIT rate at 15% for a term of three years. This tax benefit was obtained by Suzhou Sirnaomics in October 2022 for the financial years of 2022, 2023 and 2024.

No Hong Kong Profits Tax, U.S. corporate income and state taxes and EIT were provided as the group entities had no assessable profits for both years.

* The English name is for identification purpose only.

9. INCOME TAX EXPENSE (Continued)

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

	2025 US$'000	2024 US$'000
Loss before tax	**(14,605)**	(50,245)
Tax at the U.S. corporate income tax rate of 21% *(Note (i))*	**(3,067)**	(10,551)
Tax effect of (income not taxable) expenses not deductible for tax purposes	**(245)**	69
Additional tax reduction on research and development expenses *(Note (ii))*	**(171)**	(155)
Tax effect of tax losses not recognized	**6,622**	8,033
Tax effect of deductible temporary differences not recognized	**(3,025)**	1,625
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(114)**	979
Income tax expense for the year	**–**	–

Notes:

(i) The domestic tax rate (which is U.S. corporate income tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

(ii) Pursuant to Announcement of the Ministry of Finance, the State Taxation Administration and the Ministry of Science and Technology 2022 circular No. 16, the PRC subsidiaries for Small and Medium Sci-tech Enterprises enjoy super deduction of 200% on qualifying research and development expenditures throughout the years ended December 31, 2025 and 2024.

Upon the implementation of the U.S. Tax Cuts and Jobs Act in 2018, net operating losses, losses incurred in business pursuits, can be carried forward indefinitely as a result of the U.S. Tax Cuts and Jobs Act.

As at December 31, 2025, the Group had unused tax losses of approximately US$294,822,000 (2024: US$256,841,000) for offset against future profits. No deferred tax asset has been recognized in respect of tax losses due to the unpredictability of future profit streams. Included in unrecognized tax losses as at December 31, 2025 are the amounts of approximately US$93,477,000 (2024: US$86,490,000) which will expire from 2026 to 2037. Other losses may be carried forward indefinitely.

10. LOSS FOR THE YEAR

	2025 US$'000	2024 US$'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration		
— audit services	**224**	279
— other services	**32**	55
Outsourcing service fees included in research and development expenses	**4,757**	4,223
Impairment loss on property, plant and equipment	**1,459**	1,929
Impairment loss on right-of-use assets	**–**	261
Amortization of intangible assets	**84**	84
Depreciation of property, plant and equipment	**1,616**	4,588
Depreciation of right-of-use assets	**137**	884
	1,837	5,556
Analyzed as:		
— charged in administrative expenses	**499**	1,209
— charged in research and development expenses	**1,338**	4,347
	1,837	5,556
Directors' remuneration *(Note 11)*	**508**	1,434
Other staff costs		
— Salaries and other allowances	**3,391**	8,743
— Retirement benefit scheme contributions	**369**	655
— Share-based payment expense	**484**	2,027
	4,752	12,859
Analyzed as:		
— charged in administrative expenses	**2,386**	4,509
— charged in research and development expenses	**2,366**	8,350
	4,572	12,859

11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS

Details of the emoluments paid to the individuals, who were appointed as the directors and chief executives of the Company (including emoluments for services as employees/directors of the group entities prior to becoming the directors of the Company), during the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows:

Year ended December 31, 2025

	Date of appointment as director of the Company	Fees US$'000	Salaries and other allowances US$'000	Retirement benefit schemes contribution US$'000	Share-based payment expenses US$'000	Total US$'000
Name of directors						
Chairman and executive director:						
Dr. Poon Hung Fai	October 15, 2024	–	176	–	–	176
Non-executive directors:						
Mr. Ouyang Yunlong	July 3, 2025	5	–	–	–	5
Dr. Yang Lu *(Note (i))*	October 15, 2020	–	75	4	(13)	66
Dr. Yin Huijun	September 1, 2025	3	–	–	–	3
Mr. Jiankang Zhang *(Note (ii))*	July 12, 2021	16	–	–	–	16
		24	75	4	(13)	90
Independent non-executive directors:						
Ms. Lo Yee Hang	September 1, 2025	15	–	–	–	15
Ms. Monin Ung *(Note (iii))*	December 20, 2021	127	–	–	–	127
Mr. Wong Yu Shan Eugene	February 17, 2025	40	–	–	–	40
Dr. Cheung Hoi Yu *(Note (iv))*	December 20, 2021	37	–	–	–	37
Dr. Zhang Peng	July 3, 2025	23	–	–	–	23
		242	–	–	–	242
Total		266	251	4	(13)	508

11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (Continued)

Year ended December 31, 2024

	Date of appointment as director of the Company	Fees US$'000	Salaries and other allowances US$'000	Retirement benefit schemes contribution US$'000	Share-based payment expenses US$'000	Total US$'000
Name of directors						
CEO and executive director:						
Dr. Poon Hung Fai	October 15, 2024	–	–	–	–	–
Executive directors:						
Dr. David Mark Evans *(Note (v))*	July 12, 2021	–	90	5	98	193
Dr. Xiaochang Dai *(Note (vi))*	January 25, 2021	–	96	3	(48)	51
Dr. Edward Yongxiang Wang *(Note (vii))*	May 10, 2024	–	28	2	12	42
		–	214	10	62	286
Non-executive directors:						
Dr. Yang Lu *(Note (i))*	October 15, 2020	–	250	9	577	836
Mr. Mincong Huang *(Note (viii))*	January 25, 2021	23	–	–	–	23
Mr. Jiankang Zhang *(Note (ii))*	July 12, 2021	23	–	–	–	23
		46	250	9	577	882
Independent non-executive directors:						
Dr. Cheung Hoi Yu *(Note (iv))*	December 20, 2021	54	–	–	–	54
Mr. Fengmao Hua *(Note (ix))*	December 20, 2021	22	–	–	–	22
Ms. Monin Ung *(Note (iii))*	December 20, 2021	121	–	–	–	121
Ms. Shing Mo Han, Yvonne *(Note (x))*	December 20, 2021	69	–	–	–	69
Mr. Wong Yu Shan Eugene	February 17, 2025	–	–	–	–	–
		266	–	–	–	266
Total		312	464	19	639	1,434

11. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS (Continued)

Notes:

(i) Dr. Yang Lu was re-designated from an executive director to a non-executive director with effect from November 5, 2024 and resigned as a non-executive director with effect from February 5, 2025.

(ii) Mr. Jiankang Zhang resigned as a non-executive director with effect from June 21, 2025.

(iii) Ms. Monin Ung resigned as an independent non-executive director with effect from December 1, 2025.

(iv) Dr. Cheung Hoi Yu resigned as an independent non-executive director with effect from October 18, 2025.

(v) Dr. David Mark Evans retired as an executive director of the Company with effect from June 20, 2024.

(vi) Dr. Xiaochang Dai resigned as an executive director of the Company with effect from October 21, 2024.

(vii) Dr. Edward Yongxiang Wang was appointed as an executive director with effect from May 10, 2024 and retired as an executive director of the Company with effect from June 20, 2024.

(viii) Mr. Mincong Huang resigned as a non-executive director of the Company with effect from January 1, 2025.

(ix) Mr. Fengmao Hua retired as an independent non-executive director of the Company with effect from June 20, 2024.

(x) Ms. Shing Mo Han, Yvonne resigned as an independent non-executive director of the Company with effect from January 1, 2025.

The executive director's and non-executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group.

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

There were no arrangement under which a director of the Company or the chief executives waived or agreed to waive any remuneration during the year.

No emolument was paid to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group included 1 director of the Company for the year ended December 31, 2025 (2024: 1 director), and details of those remunerations are set out above. Details of the remuneration for the remaining 4 (2024: 4) highest paid employees for the year ended December 31, 2025 are as follows:

	2025	2024
	US$'000	US$'000
Salaries and other allowances	**590**	546
Retirement benefit scheme contributions	**67**	46
Share-based payment expenses	**218**	622
Total	**875**	1,214

The emoluments of these employees (excluding the directors) are within the following bands:

	2025	2024
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**2**	1
HK$2,000,001 to HK$2,500,000	**1**	2
HK$2,500,001 to HK$3,000,000	**–**	1
Total	**4**	4

13. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended December 31, 2025 and 2024, nor has any dividend been proposed since the end of each reporting period.

14. 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:

	2025 US$'000	2024 US$'000
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(14,403)**	(51,383)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**94,460,230**	77,469,892

The weighted average number of ordinary shares for the purpose of basic loss per share shown above for the years ended December 31, 2025 and 2024 has been arrived at after deducting the shares held by the trustee for the share option schemes and share award scheme of the Company and treasury shares held by the Company as set out in note 25. Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended December 31, 2025 and 2024, the different series of preferred shares issued by RNAimmune and the share options issued by the Company, RNAimmune and EDIRNA outstanding were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement US$'000	Furniture and fixtures US$'000	Laboratory equipment US$'000	Vehicles US$'000	Equipment and computers US$'000	Assets under construction US$'000	Total US$'000
COST							
At January 1, 2024	14,795	988	12,056	276	547	72	28,734
Additions	–	–	131	–	1	–	132
Disposals/written off	(357)	(90)	(201)	(21)	(62)	–	(731)
Exchange adjustments	(22)	(4)	(94)	(4)	(3)	–	(127)
At December 31, 2024	**14,416**	**894**	**11,892**	**251**	**483**	**72**	**28,008**
Additions	**–**	**–**	**24**	**–**	**4**	**–**	**28**
Disposals/written off	**–**	**–**	**(7)**	**(105)**	**–**	**–**	**(112)**
Exchange adjustments	**25**	**4**	**136**	**2**	**3**	**–**	**170**
At December 31, 2025	**14,441**	**898**	**12,045**	**148**	**490**	**72**	**28,094**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS							
At January 1, 2024	8,801	314	5,683	151	257	–	15,206
Provided for the year	1,635	115	2,679	48	111	–	4,588
Impairment loss recognized in profit or loss	1,301	–	628	–	–	–	1,929
Eliminated on disposals/written off	(256)	(39)	(201)	(20)	(43)	–	(559)
Exchange adjustments	(8)	(2)	(34)	(3)	(2)	–	(49)
At December 31, 2024	**11,473**	**388**	**8,755**	**176**	**323**	**–**	**21,115**
Provided for the year	**430**	**131**	**977**	**18**	**60**	**–**	**1,616**
Impairment loss recognized in profit or loss	**1,459**	**–**	**–**	**–**	**–**	**–**	**1,459**
Eliminated on disposals/written off	**–**	**–**	**(5)**	**(76)**	**–**	**–**	**(81)**
Exchange adjustments	**18**	**4**	**95**	**–**	**2**	**–**	**119**
At December 31, 2025	**13,380**	**523**	**9,822**	**118**	**385**	**–**	**24,228**
CARRYING VALUES							
At December 31, 2025	**1,061**	**375**	**2,223**	**30**	**105**	**72**	**3,866**
At December 31, 2024	2,943	506	3,137	75	160	72	6,893

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than assets under construction, are depreciated on a straight-line basis except for certain leasehold improvement and laboratory equipment, after taking into account the residual value, at the rate per annum as follows:

Leasehold improvement	Over the term of the lease
Furniture and fixtures	5 years
Laboratory equipment	3–10 years
Vehicles	4–5 years
Equipment and computers	3 years

Impairment assessment of property, plant and equipment and right-of-use assets

During the years ended December 31, 2025 and 2024, the directors of the Company considered that there were indications for impairment and conducted impairment assessments on certain property, plant and equipment and right-of-use assets with carrying amounts of approximately US$2,189,000 (2024: US$2,361,000) and nil (2024: US$261,000), respectively.

Based on the result of the assessment, management of the Group determined that the recoverable amount of property, plant and equipment and right-of-use assets is lower than the carrying amounts. The impairment amount has been allocated to relevant category of property, plant and equipment and right-of-use assets. Based on the allocation, an impairment of approximately US$1,459,000 (2024: US$1,929,000) and nil (2024: US$261,000) has been recognized against the carrying amounts of property, plant and equipment and right-of-use assets, respectively.

16. RIGHT-OF-USE ASSETS

	Leased properties US$'000
Carrying amount	
At January 1, 2024	1,956
Additions	68
Disposals	(142)
Depreciation charge for the year	(884)
Impairment loss *(Note 15)*	(261)
Exchange adjustments	(9)
At December 31, 2024	**728**
Additions	**145**
Lease modification	**(577)**
Depreciation charge for the year	**(137)**
Impairment loss *(Note 15)*	**–**
Exchange adjustments	**3**
At December 31, 2025	**162**

	2025 US$'000	2024 US$'000
Expenses relating to short-term leases	**164**	104
Total cash outflows for leases	**442**	2,204

During the year, the Group leases various offices, staff quarter and equipment for its operations, Lease contracts are entered into for fixed term of one to ten years (2024: one to ten years). The lease terms are negotiated on an individual basis and contain a wide range of 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 office use. As at December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short term leases to which the short-term lease expense disclosed above.

16. RIGHT-OF-USE ASSETS (Continued)

The Group has an extension option in one lease for its office. This is used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The extension option held is exercisable only by the Group and not by the lessor.

The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension option. The potential exposures to these future lease payments for the extension option in which the Group is not reasonably certain to exercise are summarized below:

	Lease liabilities recognized as at December 31, 2025 US$'000	**Potential future lease payments not included in lease liabilities (undiscounted) as at December 31, 2025 US$'000**	Lease liabilities recognized as at December 31, 2024 US$'000	Potential future lease payments not included in lease liabilities (undiscounted) as at December 31, 2024 US$'000
Office — the U.S.	**6,811**	**17,622**	7,476	17,622

During the year ended December 31, 2025, the Group has not recognized any additional lease liabilities as the Group did not exercise any extension option.

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year, there is no such triggering event (2024: nil).

Restrictions on assets

In addition, lease liabilities of approximately US$6,985,000 (2024: US$7,653,000) are recognized with related right-of-use assets of approximately US$162,000 (2024: US$728,000) as at December 31, 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

17. INTANGIBLE ASSET

	Patent rights US$'000
COST	
At January 1, 2024	1,092
Exchange adjustments	(10)
At December 31, 2024	**1,082**
Exchange adjustments	**16**
At December 31, 2025	**1,098**
ACCUMULATED AMORTIZATION	
At January 1, 2024	269
Provided for the year	84
Exchange adjustments	(1)
At December 31, 2024	**352**
Provided for the year	**84**
Exchange adjustments	**5**
At December 31, 2025	**441**
CARRYING VALUE	
At December 31,2025	**657**
At December 31, 2024	730

The above intangible assets represent patent rights which are amortized over a period of 10 years to 16.2 years (2024: 10 years to 16.2 years) on a straight-line basis. The useful lives of patent rights were determined based on (i) the license period in accordance with the license agreements entered into between the Group and the patent owners and (ii) the expiration date of the relevant patents.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 US$'000	2024 US$'000
Prepayments to outsourced service providers	**675**	6,676
Prepayments for legal and other professional services	**341**	69
Rental deposits	**608**	737
Others receivables, net of allowance for credit losses	**778**	727
	2,402	8,209
Analyzed as:		
Current	**1,881**	7,690
Non-current	**521**	519
	2,402	8,209

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates ranging from 0.001% to 2.78% (2024: 0.001% to 3.8%).

Details of impairment assessment of bank balances are set out in note 30.

20. TRADE AND OTHER PAYABLES

	2025 US$'000	2024 US$'000
Trade payables	**3,156**	4,599
Accruals for outsourcing research and development fees	**2,371**	3,010
Accruals for other operating expenses	**2,948**	3,451
Accruals for staff costs	**380**	492
Receipt in advance for share subscription *(Note 25)*	**3,846**	–
Payables for acquisition of property, plant and equipment	**23**	51
	9,568	7,004
	12,724	11,603

The credit period on purchase of materials or receiving services for research and development activities is usually within 90 days (2024: 90 days). The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2025 US$'000	2024 US$'000
0 to 30 days	**79**	475
31 to 60 days	**20**	403
61 to 90 days	**5**	180
Over 90 days	**3,052**	3,541
	3,156	4,599

21. CONTRACT LIABILITY

In 2021, the Group entered into a license agreement (the "**Agreement**") with Walvax Biotechnology Co., Ltd. ("**Walvax**") to co-develop small interfering RNA drugs targeting the influenza virus. Pursuant to the Agreement, the Group will grant the exclusive rights of license in the target drug in the territory covering Mainland China, Hong Kong, Macau and Taiwan plus research and development services to Walvax. The license and the research and development service are not distinct and they are accounted for as a performance obligation that is satisfied over time using input method. The consideration of the Agreement includes an upfront payment of RMB5,000,000 (approximately US$711,000 (2024: US$696,000)), a service payment for preclinical research and development services of RMB36,500,000, and variable considerations including milestone payments up to an aggregate amount of RMB100,000,000 and a sales-based royalty.

21. CONTRACT LIABILITY (Continued)

As at December 31, 2025 and 2024, the Group had received an upfront fee of RMB5,000,000 (approximately US$711,000 (2024: US$696,000)) which was recognized as a contract liability until the services have been delivered to the customer.

The directors of the Company expected the contract liability to be settled within normal operating cycles. Therefore, the amount is classified under current liabilities.

22. LEASE LIABILITIES

	2025 **US$'000**	2024 US$'000
Lease liabilities payable:		
Within one year	**63**	546
Within a period of more than one year but not exceeding two years	**221**	460
Within a period of more than two years but not exceeding five years	**3,271**	2,039
Exceeding five years	**3,430**	4,608
	6,985	7,653
Less: Amount due for settlement with 12 months shown under current liabilities	**(63)**	(546)
Amount due for settlement after 12 months shown under non-current liabilities	**6,922**	7,107

As at December 31, 2025, the incremental borrowing rates applied to lease liabilities ranged from 9.8% to 14% (2024: 9.8% to 14%).

23. FINANCIAL LIABILITIES AT FVTPL

(i) Preferred Shares

RNAimmune was authorized to issue 50,000,000 preferred shares of US$0.00001 par value per share, of which 7,936,509 and 15,000,000 authorized preferred shares were designated as Series Seed Preferred Shares and Series A Preferred Shares, respectively. The remaining 27,063,491 authorized preferred shares had not been designated as at December 31, 2025.

Preferred shares	Year of issue	Number of investor(s)	Total number of preferred share issued	Subscription price per preferred share US$	Total consideration US$'000
Series Seed Preferred Shares	2021	7	7,936,509	1.26	10,000
Series A Preferred Shares	2022	8	7,553,390	3.09	23,340
			15,489,899		33,340

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune

On March 29, 2021, RNAimmune entered into share purchase agreements of Series Seed Preferred Shares with US Sirnaomics and independent investors to issue 1,587,302 and 6,349,207 Series Seed Preferred Shares at a consideration of US$2,000,000 and US$8,000,000, respectively. As at December 31, 2025 and 2024, 7,936,509 Series Seed Preferred Shares were issued and outstanding.

On March 10,2021, RNAimmune entered into share purchase agreements of Series A Preferred Shares with US Sirnaomics and independent investors to issue 2,588,997 and 6,258,891 Series A Preferred Shares at a consideration of US$8,000,000 and US$19,340,000, respectively. As at December 31, 2022, out of the 6,258,891 Series A Preferred Shares which the independent investors agreed to purchase, 4,964,393 Series A Preferred Shares with a total consideration of US$15,340,000 were issued and outstanding. During the year ended December 31, 2023, the Company has entered into a termination agreement with an investor for the remaining 1,294,498 non-issued Series A Preferred Shares. As at December 31, 2025 and 2024, 7,553,390 Series A Preferred Shares were issued and outstanding.

23. FINANCIAL LIABILITIES AT FVTPL (Continued)

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

No redemption rights are held by the holders of Series Seed Preferred Shares and Series A Preferred Shares and the other key terms of the Series Seed Preferred Shares and Series A Preferred Shares of RNAimmune are as follows:

(a) Voting Right

The voting, dividend and liquidation rights of ordinary shares are subject to and qualified by the rights, powers and preferences of Series Seed Preferred Shares and Series A Preferred Shares. Ordinary shares are entitled to one vote per share at all meetings of stockholders and there is no cumulative voting. On any matter presented to stockholders of RNAimmune for their action or consideration at any meeting of stockholders, each holder of outstanding Series Seed Preferred Shares and Series A Preferred Shares is entitled to the number of votes equal to the number of whole shares of ordinary shares into which Series Seed Preferred Shares and Series A Preferred Shares are convertible. Holders of Series Seed Preferred Shares and Series A Preferred Shares shall vote together with the holders of ordinary shares as a single class. Holders of ordinary shares, voting exclusively and as a separate class, shall be entitled to elect four directors of RNAimmune. Holders of ordinary shares, Series Seed Preferred Shares and Series A Preferred Shares vote together as a single class shall be entitled to elect the balance of the total number of directors of RNAimmune.

(b) Dividends

RNAimmune shall not declare, pay, or set aside any dividends on shares of any other class or series of capital stock, unless holders of Series Seed Preferred Shares and Series A Preferred Shares shall first receive a dividend in an amount at least equal to the product of (a) the dividend payable as if all shares had been converted into ordinary shares and (b) the number of shares of ordinary shares issuable upon conversion of a share of preferred shares calculated on the record date for determination of holders entitled to receive such dividend.

The dividend payable to holders of preferred shares shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest dividend to, first, holders of Series A Preferred Shares and, second, holders of Series Seed Preferred Shares.

A dividend is payable only when funds are legally available therefore and only when, as and if declared by the board of directors of RNAimmune. RNAimmune is not obligated to pay a dividend. During the years ended December 31, 2025 and 2024, the board of directors of RNAimmune has not declared any dividends.

23. FINANCIAL LIABILITIES AT FVTPL (Continued)

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(c) Liquidation Preference

In the event of any liquidation, dissolution or winding up of RNAimmune or a deemed liquidation event as defined in the amended and restated certificate of incorporation of RNAimmune, outstanding Series Seed Preferred Shares and Series A Preferred Shares are entitled to be paid in full out of RNAimmune's assets available for distribution before payment on ordinary shares in the following order: (i) on Series A Preferred Shares, the sum of (I) US$3.09 and (II) any dividends accrued or declared but unpaid and (ii) on Series Seed Preferred Shares, the sum of (I) US$1.26 and (II) any dividends accrued or declared but unpaid. If RNAimmune's assets available for distribution are insufficient to pay the full amount on a series of outstanding preferred shares, such series of preferred shares shall share rateably in any distribution of the assets available for distribution.

After payment of all preferential amounts on outstanding preferred shares, the remaining RNAimmune's assets are distributed among preferred shares and ordinary shares, pro rata based on the number of share held by each holder as if they had been converted to ordinary share immediately prior to such liquidation, dissolution or winding up of RNAimmune or deemed liquidation event.

(d) Optional Conversion

Holders of Series Seed Preferred Shares and Series A Preferred Shares have conversion rights. Each series of preferred shares is convertible, at holder's option, without payment of additional consideration, into number of fully paid ordinary shares of RNAimmune as determined by dividing original issue price by the conversion price for each series (as disclosed below) in effect at the time of conversion.

In order for a holder of preferred shares to convert preferred shares into ordinary shares, such holder provides written notice to RNAimmune that such holder elects to convert all or any portion of preferred shares. In general, preferred shares which have been surrendered for conversion are no longer deemed to be outstanding, and all rights with respect to such preferred shares cease and terminate at the conversion time. Any preferred shares so converted are retired and cancelled and may not be reissued.

23. FINANCIAL LIABILITIES AT FVTPL (Continued)

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(e) Conversion Price/Anti-Dilution Protection

The conversion price for each Series Seed Preferred Share and Series A Preferred Share is adjusted on a weighted-average basis if RNAimmune issues additional shares of ordinary shares or ordinary shares equivalents (other than for stock option grants and other customary exclusions) at a purchase price less than the applicable conversion price, subject to appropriate adjustments in the certificate of incorporation. The initial "series seed conversion price" and "series A conversion price" is US$1.26 per share and US$3.09 per share, which also represents the original issue price of Series Seed Preferred Shares and Series A Preferred Shares, respectively.

If RNAimmune, after the original issue date for a series of preferred shares issues additional shares of ordinary shares or ordinary shares equivalents, without consideration or for a consideration per share less than the conversion price for such series in effect immediately prior to such issue, then the conversion price for such series is reduced, concurrently with such issue, to a price determined in accordance with the formula set forth in the restated certificate of incorporation.

No adjustment in the conversion price for a series of preferred shares is made if RNAimmune receives written notice from holders of a majority of such series of preferred shares then outstanding agreeing that no such adjustment should be made as the result of the issuance or deemed issuance of additional shares of ordinary shares or ordinary shares equivalents.

(f) Mandatory Conversion

Upon (i) the closing of the sale of ordinary shares of RNAimmune to the public in a firm-commitment underwritten public offering resulting in at least US$50,000,000 of aggregate proceeds, net of the underwriting discount and commissions, the ordinary shares of RNAimmune is listed for trading on Nasdaq Stock Market's National Market, the Hong Kong Stock Exchange, or another stock exchange approved by the board of directors of RNAimmune or (ii) the date and time, or the occurrence specified by vote or written consent of requisite holders, then all outstanding shares of Series Seed Preferred Shares and Series A Preferred Shares of RNAimmune shall be converted automatically into ordinary shares of RNAimmune, at the effective conversion price and such shares may not be reissued by RNAimmune.

23. FINANCIAL LIABILITIES AT FVTPL (Continued)

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(f) Mandatory Conversion (Continued)

With respect to each series of preferred shares of RNAimmune, all holders of such series of preferred shares are sent written notice of the mandatory conversion time and the place designated for mandatory conversion of all such series. In general, all rights with respect to a series of preferred shares of RNAimmune converted, including the rights, if any, to receive notices and vote (other than as a holder of ordinary shares of RNAimmune), terminate at the mandatory conversion time for such series. Such converted shares of such series of preferred shares shall be retired and cancelled and may not be reissued as shares of such series.

Presentation and Classification

The directors of the Company considered that the Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune are accounted for as financial liabilities measured at FVTPL.

The directors of the Company also considered that the changes in the fair value of the Series Seed Preferred Shares and Series A Preferred Shares attributable to the change in credit risk of these financial liabilities are minimal. Changes in fair value of the Series Seed Preferred Shares and Series A Preferred Shares not attributable to the change in credit risk of the financial liabilities are charged to profit or loss and presented as "Changes in fair value of financial liabilities at FVTPL".

The Series Seed Preferred Shares and Series A Preferred Shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("**AVISTA Valuation**"), which has appropriate qualifications and experiences in valuation of similar instruments. The address of AVISTA Valuation is Suites 2401–06, 24/F, Everbright Centre, No. 108 Gloucester Road, Wan Chai, Hong Kong.

The directors of the Company used the back-solve method to determine the underlying share value of RNAimmune and performed an equity allocation based on OPM to arrive the fair value of the Series Seed Preferred Shares and Series A Preferred Shares at December 31, 2025.

23. FINANCIAL LIABILITIES AT FVTPL (Continued)

Presentation and Classification (Continued)

In addition to the underlying share value of RNAimmune determined by the back-solve method, other key valuation assumptions used in OPM to determine the fair value of Series Seed Preferred Shares and Series A Preferred Shares are as follows:

Series Seed Preferred Shares and Series A Preferred Shares

	At December 31, 2025	At December 31, 2024
Time to liquidation	**4.5 years**	4.48 years
Risk-free interest	**3.68%**	4.35%
Expected volatility value	**64.40%**	69.40%
Dividend yield	**0%**	0%
Possibilities under liquidation	**80%**	80%
Possibilities under IPO	**20%**	20%

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Government Bond with a maturity life equal to period from the respective valuation dates to the expected liquidation dates. Expected volatility value was estimated on each valuation date based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation dates. Dividend yield, possibilities under different scenarios and time to liquidation are estimated based on management estimation at the valuation dates.

	Series Seed Preferred Shares issued by RNAimmune US$'000	**Series A Preferred Shares issued by RNAimmune** US$'000	**Total** US$'000
At January 1, 2024	13,492	17,159	30,651
Unrealized changes in fair value	(2,412)	(4,491)	(6,903)
At December 31, 2024	**11,080**	**12,668**	**23,748**
Unrealized changes in fair value	**(1,493)**	**(207)**	**(1,700)**
At December 31, 2025	**9,587**	**12,461**	**22,048**

24. BANK BORROWINGS

	2025 US$'000	2024 US$'000
Bank borrowings — secured *(Note (i))*	**1,707**	–
Bank borrowings — unsecured *(Note (ii))*	**622**	405
	2,329	405

Notes:

(i) The bank borrowings are secured by personal guarantee from the management of a subsidiary at an annual rate of one-year Loan Prime Rate ("**LPR**") and are repayable by monthly instalments in 3 years with repayable-on-demand clause and classified as current liabilities.

(ii) The bank borrowings are unsecured, at an annual rate of one-year LPR and are repayable by monthly instalments in 3 years with repayable-on-demand clause and classified as current liabilities.

25. SHARE CAPITAL

	Number of shares	Share capital US$
Ordinary shares of US$0.001 each		
Authorized		
At December 31, 2024, January 1, 2025 and December 31, 2025	230,000,000	230,000
Issued and fully paid		
At January 1, 2024	87,638,480	87,638
Share subscription *(Note (i))*	17,527,696	17,528
At December 31, 2024	105,166,176	105,166
Share subscription *(Note (ii))*	2,055,362	2,055
At December 31, 2025	**107,221,538**	**107,221**

25. SHARE CAPITAL (Continued)

Notes:

(i) On December 2, 2024, the Company completed the allotment and issuance of a total of 17,527,696 ordinary shares to one subscriber at the subscription price of HK$3.36 per subscription share raising proceeds of approximately HK$58,643,000 (equivalent to approximately US$7,518,000), net of share issue expenses of approximately HK$250,000 (equivalent to approximately US$32,000).

(ii) On September 7, 2025, the Company (as issuer) entered into the Subscription Agreements with four subscribers in respect of the subscriptions of 17,352,421 subscription shares (Subscriber A: 11,568,280 subscription shares, Subscriber B: 3,154,986 subscription shares, Subscriber C: 1,577,493 subscription shares and Subscriber D: 1,051,662 subscription shares) at the subscription price of HK$12.00 per Subscription Share.

On October 22, 2025, the Company partially completed the allotment and issuance of a total of 1,051,662 ordinary shares to Subscriber D at the subscription price of HK$12 per subscription share raising proceeds of approximately HK$12,552,000 (equivalent to approximately US$1,609,000), net of share issue expenses of approximately HK$68,000 (equivalent to approximately US$9,000).

On December 7, 2025, the Company partially completed the allotment of a total of 1,003,700 ordinary shares to Subscriber B and share issuance on December 8, 2025 at the subscription price of HK$12 per subscription share raising proceeds of approximately HK$11,973,000 (equivalent to approximately US$1,535,000), net of share issue expenses of approximately HK$71,000 (equivalent to approximately US$9,000). After amicable negotiations in good faith, the Company and the Subscriber B mutually agreed that the subscription of the remaining 2,151,286 Shares was terminated on December 7, 2025.

The Subscriber C was unable to perform its duties as set out under the Subscription Agreement C by December 7, 2025 and the Company has terminated the Subscription Agreement C for the subscription of 1,577,493 shares in accordance with the provisions set out thereunder.

The Company received in advance from Subscriber A for share subscription of HK$30,000,000 (equivalent to approximately US$3,846,000) as at December 31, 2025. On March 7, 2026, the Company partially completed the allotment of a total of 2,500,000 ordinary shares to Subscriber A and share issuance on March 9, 2026 at the subscription price of HK$12 per subscription share raising proceeds of approximately HK$28,589,000 (equivalent to approximately US$3,665,000), net of share issue expenses of approximately HK$1,411,000 (equivalent to approximately US$181,000). After amicable negotiations in good faith, the Company and the Subscriber A mutually agreed that the subscription of the remaining 9,068,280 shares was terminated on March 7, 2026.

26. NON-CONTROLLING INTERESTS

	Share of net assets of subsidiaries US$'000	Share option reserve of subsidiaries US$'000	Total US$'000
At January 1, 2024	(15,905)	166	(15,739)
Share of profit for the year	1,138	–	1,138
Exchange differences arising on translation of foreign operations	(11)	–	(11)
Recognition of share-based payment	–	288	288
At December 31, 2024	**(14,778)**	**454**	**(14,324)**
Share of loss for the year	**(202)**	**–**	**(202)**
Exchange differences arising on translation of foreign operations	**(6)**	**–**	**(6)**
Recognition of share-based payment	**–**	**94**	**94**
Lapse/forfeiture of share options	**–**	**(140)**	**(140)**
At December 31, 2025	**(14,986)**	**408**	**(14,578)**

27. RETIREMENT BENEFITS PLANS

Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") for all qualified employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at a rate of 5% specified in the rules, but subject to a cap of HK$1,500 per month. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the scheme.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

The Group maintains multiple qualified contributory saving plans as allowed under Section 401(k) of the Internal Revenue Code in the U.S. These plans are defined contribution plans covering employees employed in the U.S. 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 total expense recognized in profit or loss of approximately US$373,000 (2024: US$674,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

28. SHARE-BASED PAYMENT TRANSACTIONS

(a) Share option scheme

Equity-settled share option scheme of US Sirnaomics

2016 Stock Incentive Plan

Effective on June 10, 2016, US Sirnaomics adopted the "2016 Stock Incentive Plan" pursuant to which US Sirnaomics is authorized to grant stock options stock appreciation rights, and restricted stock to directors, officers, employees, consultants and other non-employee individuals of US Sirnaomics. Under the 2016 Stock Incentive Plan, a total of 12.7 million shares of ordinary shares was reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of US Sirnaomics' ordinary shares at the date of grant and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of US Sirnaomics, and are subject generally to a continued service relationship.

Effective on January 21, 2021, the Group terminated the 2016 Stock incentive Plan, meaning that, while no additional awards of stock options, stock appreciation rights, or restricted stock were permitted thereunder, all outstanding awards continued to be governed by their existing terms.

Substitution of ordinary shares of US Sirnaomics to the Company's ordinary shares under 2016 Stock Incentive Plan

As part of the group reorganization in connection with the listing of the Company's share on the Hong Kong Stock Exchange, US Sirnaomics would i) substitute 1 share of ordinary share of US Sirnaomics under 2016 Stock Incentive Plan to 1 share of ordinary share of the Company and ii) assume on the same terms and conditions as the 2016 Stock Incentive Plan for issuance of stock options, stock appreciation rights, and restricted stock under the 2021 Stock Incentive Plan as defined and detailed below. The directors of the Company considered that the modification of terms of 2016 Stock Incentive Plan have no material change in fair value of the share options at the date of modification.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of US Sirnaomics (Continued)

Substitution of ordinary shares of US Sirnaomics to the Company's ordinary shares under 2016 Stock Incentive Plan (Continued)

The following table discloses movements of the share options during the year ended December 31, 2025 under 2016 Stock Incentive Plan:

				Number of share options ('000)						
Options	Vesting year	Expiry year	Exercise price US$	At January 1, 2024	Exercised during the year	Forfeited during the year	At December 31, 2024	Exercised during the year	Lapsed/ forfeited during the year	At December 31, 2025
Tranche 2016-1	2020	2025	1.36	547	–	–	547	**(251)**	**(296)**	**–**
Tranche 2016-2	2018	2025	1.36	535	–	–	535	**–**	**(535)**	**–**
Tranche 2017-2	2021	2025	1.36	421	–	–	421	**(180)**	**(241)**	**–**
Tranche 2017-3	2019	2025	1.36	698	–	–	698	**(154)**	**(544)**	**–**
Tranche 2017-4	2020	2025	1.36	100	–	–	100	**–**	**(100)**	**–**
Tranche 2018-2	2022 *(Note (ii))*	2027	1.45	1,480	–	–	1,480	**(340)**	**–**	**1,140**
Tranche 2018-3	2022 *(Note (ii))*	2027	1.60	216	–	–	216	**–**	**–**	**216**
Tranche 2019-2	2023 *(Note ii)*	2028	1.75	179	–	–	179	**(59)**	**(10)**	**110**
Tranche 2020-1	2020	2029	1.75	472	(1)	–	471	**–**	**(50)**	**421**
Tranche 2020-1	2024 *(Note (ii))*	2029	2.35	675	–	–	675	**–**	**–**	**675**
Tranche 2020-2	Milestones *(Note (i))*	2029	1.75	1,450	–	–	1,450	**(550)**	**–**	**900**
Tranche 2020-3	2024 *(Note (ii))*	2029	1.75	100	–	–	100	**–**	**–**	**100**
Tranche 2020-4	2021	2029	2.35	75	–	–	75	**(25)**	**(50)**	**–**
Tranche 2020-5	2024 *(Note (ii))*	2029	2.35	510	–	–	510	**(53)**	**(55)**	**402**
				7,458	(1)	–	7,457	**(1,612)**	**(1,881)**	**3,964**
Exercisable at the end of the reporting period				7,458			7,457			**3,964**
Weighted average exercise price				1.67	1.75	–	1.67	**1.57**	**1.42**	**1.82**

Notes:

(i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, the completion of the Company's IPO, series D financing by the fourth quarter in 2020 or achievement of drug-project-related milestones.

(ii) The unvested portion of share options having an original vesting year of 2022 or later are vested immediately upon fulfilment of milestone of completion of the Company's IPO on December 30, 2021.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company

2021 Stock Incentive Plan

Effective on January 21, 2021, the Company adopted the "2021 Stock Incentive Plan" pursuant to which the Company is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisers and individuals who provide services to the Company and its affiliates. Under the 2021 Stock Incentive Plan, a total of 13.3 million ordinary shares of the Company were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of the Company's ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of the Company, and are subject generally to a continued service relationship.

The following table discloses movements of the Company's share options during the year ended December 31, 2025 under 2021 Stock Incentive Plan:

				Number of share options ('000)						
Options	Vesting year	Expiry year	Exercise price US$	At January 1, 2024	Exercised during the year	Forfeited during the year	At December 31, 2024	Exercised during the year	Lapsed/ forfeited during the year	At December 31, 2025
Tranche 2021-2	Milestone *(Note (i))*	2030	2.35	8	–	–	8	–	(8)	–
Tranche 2021-3	Milestone *(Note (i))*	2030	2.35	8	–	–	8	–	(8)	–
Tranche 2021-4	2025 *(Note (ii))*	2030	2.35	155	–	–	155	–	(56)	99
Tranche 2021-5	2025 *(Note (ii))*	2030	3.5	2,933	–	–	2,933	–	(176)	2,757
Tranche 2021-6	2025 *(Note (ii))*	2030	3.55	262	–	–	262	–	(64)	198
				3,366	–	–	3,366	–	(312)	3,054
Exercisable at the end of the reporting period				3,594			3,366			3,054
Weighted average exercise price				3.45	N/A	N/A	3.45	N/A	3.25	3.47

Notes:

(i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, the execution of a collaboration, development, joint venture, or partnership agreement or completion of achievement of drug-project-related milestones.

(ii) The unvested portion of share options having an original vesting year of 2022 or later are vested immediately upon fulfilment of milestone of completion of the Company's IPO on December 30, 2021.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

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

2022 Post-IPO Scheme

The Company adopted the restricted share unit scheme (the "**RSU Scheme**") on April 22, 2022 and adopted the Post-IPO share option scheme (the "**2022 Post-IPO Scheme**") on June 28, 2022 (collectively referred to as "**2022 Post-IPO Incentive Plans**"). The purposes of the 2022 Post-IPO Incentive Plans are to (i) recognize the contributions by the eligible participants ("**Participants**") with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain individuals for the continual operation and development of the Group; (iii) provide additional incentives to achieve performance goals; (iv) attract suitable personnel for further development of the Group and (v) motivate the Participants to maximize the value of the Group for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the shareholders through ownership of the shares of the Company.

Under the 2022 Post-IPO Incentive Plans, the directors of the Company may grant options to subscribe for shares in the Company or award ordinary shares of the Company to eligible employees, executives, officers, directors, consultants, advisors or agents of any member of the Group or holding companies and fellow subsidiaries of the Company.

Pursuant to the 2022 Post-IPO Scheme, the directors of the Company may invite Participants to take up the options at a price determined by the board of directors or the chief executives (the chairman of the board of directors of the Company and the chief executive officer of the Company) provided that it shall be not less than the highest of (a) the closing price of a share as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date on which an offer is made by the Company to the grantee (which must be a business day, the "**Grant Date**"); (b) a price being the average closing price of a share of the Company as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the Grant Date; and (c) the nominal value per share of the Company on the Grant Date.

At December 31, 2025, the number of shares in respect of which options had been granted and remained outstanding under the 2022 Post-IPO Scheme was approximately 732,000 (2024: 880,000), representing 0.7% (2024: 0.8%) of the shares of the Company in issue at that date. The total number of shares which may be issued upon exercise of all options that may be granted under the 2022 Post-IPO Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the issued shares as of June 28, 2022 (i.e., the Share Option Scheme Adoption Date) unless the Company obtains the approval from the shareholders to refresh the limit.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

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

2022 Post-IPO Scheme (Continued)

The maximum entitlement for any one Participant is that the total number of shares issued and to be issued to each Participant (excluding any options lapsed) in any 12-month period shall not exceed 1% of the issued shares unless otherwise separately approved by the shareholders of the Company in a general meeting. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

A letter comprising acceptance of the share option duly signed by the grantee together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within the period specified in the letter containing the offer of the grant of the share option.

The option may be exercised in accordance with the terms of the 2022 Post-IPO Scheme of up to 10 years with vesting periods which were determined and notified by the board of directors to the grantee at the time of making an offer.

The 2022 Post-IPO Scheme is valid and effective for a period of 10 years commencing on June 28, 2022.

On November 24, 2022, the Company granted 1,293,000 share options to certain selected directors and employees of the Company and the Group and conditionally granted 219,000 share options to Chief Executive, which entitle them to subscribe for a total of 1,512,000 shares at an exercise price of HK$58.9 per share (equivalent to approximately US$7.55 per share). The closing price of the shares of the Company immediately before the date on which the options were granted was HK$57.8 per share. The 219,000 share options conditionally granted to the Chief Executive have been approved in the shareholder's meeting held on February 3, 2023.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

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

2022 Post-IPO Scheme (Continued)

The following table discloses movements of the Company's share options during the year ended December 31, 2025 under 2022 Post-IPO Scheme:

					Number of share options ('000)						
Options	**Date of grant**	**Vesting year**	**Expiry year**	**Exercise price** US$	**At January 1, 2024**	**Granted during the year**	**Forfeited during the year**	**At December 31, 2024**	**Granted during the year**	**Lapsed/ forfeited during the year**	**At December 31, 2025**
Tranche 2022-1	November 4, 2022	2024 *(Note (i))*	2032	7.55	319	–	(61)	258	–	–	**258**
Tranche 2022-2	November 4, 2022	2026 *(Note (ii))*	2032	7.55	717	–	(314)	403	–	**(89)**	**314**
Tranche 2022-1	February 3, 2023	2024 *(Note (i))*	2032	7.55	101	–	–	101	–	–	**101**
Tranche 2022-2	February 3, 2023	2026 *(Note (ii))*	2032	7.55	118	–	–	118	–	**(59)**	**59**
Tranche 2023-1	November 30, 2023	2027 *(Note (ii))*	2033	6.03	409	–	(409)	–	–	–	**–**
					1,664	–	(784)	880	–	**(148)**	**732**
Exercisable at the end of the reporting period					419			684			**711**
Weighted average exercise price					7.18	N/A	6.76	7.55	**N/A**	**7.55**	**7.55**

Notes:

(i) 50% of the share options granted are vested on each of the first and second anniversary of the grant date respectively.

(ii) 25% of the share options granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of RNAimmune

2020 Stock Incentive Plan

Effective on March 8, 2020, RNAimmune adopted the "2020 Stock Incentive Plan" pursuant to which RNAimmune is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisers and individuals who provide services to RNAimmune and its affiliates. Under the 2020 Stock Incentive Plan, a total of seven million ordinary shares of RNAimmune were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of RNAimmune's ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of RNAimmune, and are subject generally to a continued service relationship.

The following table discloses movements of RNAimmune's share options during the year ended December 31, 2025 under 2020 Stock Incentive Plan:

				Number of share options ('000)						
Options	Vesting year	Expiry year	Exercise price US$	At January 1, 2024	Granted during the year	Forfeited during the year	At December 31, 2024	Granted during the year	Lapsed/ forfeited during the year	At December 31, 2025
Tranche 2020-1	Milestones *(Note (i))*	2029	0.11	2,100	–	–	2,100	–	–	**2,100**
Tranche 2020-2	Milestones *(Note (i))*	2029	0.1	962	–	–	962	–	**(332)**	**630**
Tranche 2021–1	Milestones *(Note (i))*	2030	0.51 *(Note (ii))*	200	–	–	200	–	–	**200**
Tranche 2022-2	Milestones *(Note (i))*	2031	0.51	25	–	–	25	–	**(13)**	**12**
Tranche 2023-1	Milestones *(Note (i))*	2032	1.39	1,304	–	–	1,304	–	**(619)**	**685**
Tranche 2021-2	2024	2030	0.51 *(Note (ii))*	25	–	–	25	–	–	**25**
Tranche 2021-3	2025	2030	0.51 *(Note (ii))*	75	–	–	75	–	**(50)**	**25**
Tranche 2022-2	2026	2031	0.51	50	–	–	50	–	**(20)**	**30**
Tranche 2023-1	2027	2032	1.39	2,246	–	(619)	1,627	–	**(755)**	**872**
				6,987	–	(619)	6,368	–	**(1,789)**	**4,579**
Exercisable at the end of the reporting period				3,631			4,598			**4,105**
Weighted average exercise price				0.78	N/A	1.39	0.72	**N/A**	**1.11**	**0.57**

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of RNAimmune (Continued)

2020 Stock Incentive Plan (Continued)

Notes:

(i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, closing a seed round financing, obtaining an approval of non-dilutive government or foundation funding execution of a collaboration, development, joint venture, or partnership agreement or completion of achievement of drug-project-related milestones.

(ii) During the year ended December 31, 2022, RNAimmune has repriced the exercise price of these share options from US$1.26 per share to US$0.51 per share. The incremental fair value of approximately US$23,000 will be expensed over the remaining vesting period.

Equity-settled share option scheme of EDIRNA

2023 Stock Incentive Plan

Effective on January 15, 2023, EDIRNA adopted the "2023 Stock Incentive Plan" pursuant to which EDIRNA is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisors and individuals who provide services to EDIRNA and its affiliates. Under the 2023 Stock Incentive Plan, a total of 170,000 ordinary shares of EDIRNA were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of EDIRNA's ordinary shares at the date of grant and have exercise terms of up to 10 years with the vesting periods determined at the discretion of the board of directors of EDIRNA, and are subject generally to a continued service relationship.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of EDIRNA (Continued)

2023 Stock Incentive Plan (Continued)

The following table discloses movements of EDIRNA's share options during the year ended December 31, 2025 under the 2023 Stock Incentive Plan:

				Number of share options ('000)						
Options	Vesting year	Expiry year	Exercise price US$	At January 1, 2024	Granted during the year	Forfeited during the year	At December 31, 2024	Granted during the year	Lapsed/ forfeited during the year	At December 31, 2025
Tranche 2023-1	2027 *(Note (i))*	2032	1.49 *(Note (ii))*	85	–	–	85	–	**(85)**	–
Tranche 2023-2	2027 *(Note (i))*	2032	1.49	15	–	–	15	–	**(15)**	–
				100	–	–	100	–	**(100)**	–
Exercisable at the end of the reporting period				–			40			–
Weighted average exercise price				1.49	N/A	N/A	1.49	**N/A**	**1.49**	**N/A**

Notes:

(i) 12/48 of the share options granted vest on the last business day of the month which includes the first anniversary of the grant date and thereafter 1/48 of the share options vest on the last business day of each month until the share options are vested in full.

(ii) During the year ended December 31, 2023, EDIRNA has repriced the exercise price of these share options from US$4.50 per share to US$1.49 per share. The incremental fair value of approximately US$20,000 will be expensed over the remaining vesting period.

The fair value of services received in return for share options under the 2020 Stock Incentive Plan of RNAimmune, the 2022 Post-IPO Scheme of the Company and the 2023 Stock Incentive Plan of EDIRNA is measured by reference to the fair value of share options granted. The back-solve method was used to determine the equity fair value of RNAimmune and EDIRNA at grant date for options granted under 2020 Stock Incentive Plan and 2023 Stock Incentive Plan. The estimated fair value of the share options granted is measured based on the binomial option pricing model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate with reference to valuation reports carried out by AVISTA Valuation. The value of an option varies with different variables of certain subjective assumptions.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of EDIRNA (Continued)

2023 Stock Incentive Plan (Continued)

The key inputs of the model as at the grant date and modification date were as follows:

	2020 Stock Incentive Plan of RNAimmune	2022 Post-IPO Scheme of the Company	2023 Stock Incentive Plan of EDIRNA
Share price	US$0.03–US$1.38	US$5.90–US$7.50	US$1.49–US$2.21
Exercise price	US$0.1–US$1.39	US$5.90–US$7.55	US$1.49
Expected volatility	68%–75%	74%–77%	54%–76%
Risk-free rate	0.48%–4.94%	3.11%–3.72%	3.55%–4.36%
Expected dividend yield	0%	0%	0%
Time-to-maturity	4.8–8.8 years	10 years	9.3–9.7 years

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Government Bond and Hong Kong Monetary Authority with a maturity life equal to the option life of the share options granted under the 2020 Stock Incentive Plan of RNAimmune, the 2022 Post-IPO Scheme of the Company and the 2023 Stock Incentive Plan of EDIRNA, respectively. 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 time-to-maturity used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

For the year ended December 31, 2025, the Group recognized a total expense of approximately US$360,000 (2024: US$1,742,000) in relation to share options granted by the Company, RNAimmune and EDIRNA.

(b) RSU Scheme of the Company

The RSU Scheme is valid and effective for a period of 10 years commencing from April 22, 2022. Pursuant to the rules of the RSU Scheme, the Group is holding the awarded shares before they are vested.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) RSU Scheme of the Company (Continued)

The number of RSUs awarded under the RSU Scheme shall not exceed 10% of the issued shares as at April 22, 2022 (i.e., the RSU Scheme Adoption Date). The granting of restricted share unit awards is also subject to an annual limit of 3% of the total issued shares as at the RSU Scheme Adoption Date, unless otherwise approved by the shareholders of the Company. The maximum number of shares which may be awarded to any one Participant under the RSU Scheme may not exceed 1% of the issued shares as at the RSU Scheme Adoption Date.

On November 24, 2022, the Company awarded 564,200 RSUs to certain selected employees of the Company and conditionally awarded 339,000 RSUs to certain directors of the Company and an officer of a subsidiary of the Company (the "**Connected Persons**") under the RSU Scheme. The closing price of the shares of the Company immediately before the grant of awarded shares was HK$57.8 per share. The 339,000 RSUs conditionally granted to the Connected Persons have been approved in the shareholder's meeting held on February 3, 2023.

The estimated fair value of the awarded shares underlying the RSUs at the grant date was HK$58.9 per share based on the market trading price of the share. The Group recognized a total expense of approximately US$111,000 for the year ended December 31, 2025 (2024: US$924,000) in relation to RSUs granted by the Company.

The following table discloses movements of the Company's RSUs during the year ended December 31, 2025:

			Number of RSUs ('000)								
RSUs	Date of grant/ approval	Vesting year	At January 1, 2024	Awarded during the year	Vested during the year	Redeemed/ lapsed/ forfeited during the year	At December 31, 2024	Awarded during the year	Vested during the year	Lapsed/ forfeited during the year	At December 31, 2025
Tranche 2022-1	November 24, 2022	2024 *(Note (i))*	63	–	(41)	(22)	–	–	–	–	–
Tranche 2022-2	November 24, 2022	2026 *(Note (ii))*	178	–	(23)	(115)	40	–	**(12)**	**(19)**	**9**
Tranche 2022-1	February 3, 2023	2024 *(Note (i))*	147	–	(78)	(69)	–	–	–	–	–
Tranche 2022-2	February 3, 2023	2026 *(Note (ii))*	34	–	(5)	(13)	16	–	–	**(16)**	–
			422	–	(147)	(219)	56	–	**(12)**	**(35)**	**9**

Notes:

(i) 50% of the RSUs granted are vested on each of the first and second anniversary of the grant date respectively.

(ii) 25% of the RSUs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to equity holders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged during the year.

The capital structure of the Group consists of net debts, which includes lease liabilities, bank borrowings and financial liabilities at FVTPL, and cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital and reserves.

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 recommendations of the management of the Group, the Group will balance its overall capital structure through the new ordinary share/preferred share issues, share repurchase as well as the issue of new debts.

30. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025	2024
	US$'000	US$'000
Financial assets		
Amortized cost	**14,904**	13,233
Financial liabilities		
Amortized cost	**10,827**	11,516
Designated as at FVTPL	**22,048**	23,748

Financial risk management objectives and policies

The Group's major financial instruments include deposits and other receivables, cash and cash equivalents, bank borrowings, trade and other payables and financial liabilities at FVTPL. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below, The management of the Group manages and monitors these exposures to ensure appropriate measures were implemented on a timely and effective manner.

30. FINANCIAL INSTRUMENTS (Continued)

Market risk

(i) Currency risk

Certain bank balances, deposits and other receivables and trade and other payables denominated in foreign currencies of respective group entities expose the Group 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 carrying amounts of the Group's foreign-currency-denominated monetary assets and liabilities and intra-group balances at the end of each reporting period are mainly as follows:

	2025	2024
	US$'000	US$'000
Assets		
US$	**874**	870

The management of the Group considers that as HK$ is pegged to US$, the Group is not subject to significant foreign currency risk from change in foreign exchange rate of HK$ against US$ and no sensitivity analysis was presented.

(ii) Interest rate risk

The Group is primarily exposed to fair value interest rate risk in relation to lease liabilities, cash flow interest rate risk in relation to variable-rate bank balances and bank borrowings.

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.

Total interest income from financial assets (including bank balances) that are measured at amortized cost for the year ended December 31, 2025 was approximately US$29,000 (2024: US$56,000).

30. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Interest charges on financial liabilities not measured at FVTPL:

	2025	2024
	US$'000	US$'000
Lease liabilities	**786**	1,041
Bank borrowings	**26**	8
	812	1,049

No sensitivity analysis was presented for variable-rate bank balances and bank borrowings as the management considers that the relevant interest rate risk is minimal.

(iii) Other price risk

The Group is exposed to other price risk arising from Series Seed Preferred Shares and Series A Preferred Shares which were classified as financial liabilities at FVTPL as at December 31, 2025.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the reporting date for financial liabilities at FVTPL.

Financial liabilities at FVTPL

If the equity value of RNAimmune had been changed based on the 5% higher/lower:

— the loss of the Group for the year ended December 31, 2025 would increase by approximately US$1,006,000 (2024: US$1,138,000) and decrease by approximately US$970,000 (2024: US$1,144,000).

30. FINANCIAL INSTRUMENTS (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to bank balances and deposits and other receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, is summarized as below:

Deposits and other receivables

For deposits and other receivables, the management of the Group makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management of the Group believes that there are no significant increase in credit risk of the deposits and other receivables since initial recognition and the Group provided impairment based on 12m ECL.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant.

30. FINANCIAL INSTRUMENTS (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Watch list	Debtor frequently repays after due dates but settle the amounts in full	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the assets 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 table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	**Internal/external credit rating**	**12m or lifetime ECL**	**December 31, 2025 Gross carrying amount US$'000**	December 31, 2024 Gross carrying amount US$'000
Financial assets at amortized cost					
Cash and cash equivalents	*19*	Baa2-Aa2 (2024: Baa2-A3)	12m ECL	**13,518**	11,769
Deposits and other receivables	*18*	Low risk *(Note)*	12m ECL	**1,386**	1,464
				14,904	13,233

30. FINANCIAL INSTRUMENTS (Continued)

Credit risk and impairment assessment (Continued)

Note: For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition:

At December 31, 2025

	Past due US$'000	No fixed repayment terms US$'000	Total US$'000
Deposits and other receivables	–	1,386	1,386

At December 31, 2024

	Past due US$'000	No fixed repayment terms US$'000	Total US$'000
Deposits and other receivables	–	1,464	1,464

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains levels 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 directors of the Company are of the opinion that, taking into account the above measures as mentioned in note 3, and the Group's cash flow projection for the coming year, the Group will have sufficient working capital to meet its cash flow requirements in the next twelve months.

30. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. 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 interest rate %	On demand or less than 30 days US$'000	31 days to 180 days US$'000	181 days to 365 days US$'000	>1 year US$'000	Total undiscounted cash flow US$'000	Carrying amount US$'000
At December 31, 2025							
Trade and other payables	–	**8,498**	–	–	–	**8,498**	**8,498**
Lease liabilities	**11.71**	**11**	**42**	**26**	**10,841**	**10,920**	**6,985**
Bank borrowings	**3.08**	**25**	**123**	**429**	**1,894**	**2,471**	**2,329**
		8,534	**165**	**455**	**12,735**	**21,889**	**17,812**

	Weighted average interest rate %	On demand or less than 30 days US$'000	31 days to 180 days US$'000	181 days to 365 days US$'000	>1 year US$'000	Total undiscounted cash flow US$'000	Carrying amount US$'000
At December 31, 2024							
Trade and other payables	–	11,111	–	–	–	11,111	11,111
Lease liabilities	12.93	162	599	726	11,166	12,653	7,653
Bank borrowings	3.54	13	19	31	370	433	405
		11,286	618	757	11,536	24,197	19,169

Note: The amounts as at December 31, 2025 shown in the above table have excluded the carrying amounts of preferred shares issued by RNAimmune amounting to approximately US$22,048,000 (2024: preferred shares issued by RNAimmune amounting to US$23,748,000) as these instruments do not contain any redemption rights.

30. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial liabilities.

Fair value measurements and valuation processes

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine 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. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements and works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial liabilities 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 liabilities are determined (in particular, the valuation technique(s) and inputs used). There were no transfers out of Level 3 during the year.

	Fair value at December 31,		Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
	2025 US$'000	2024 US$'000				
Financial liabilities						
Financial liabilities at FVTPL — Preferred shares	**22,048**	23,748	Level 3	Back-solve method and the OPM Time to liquidation, risk-free interest, expected volatility value, dividend yield, possibilities under liquidation scenario and IPO scenario	Expected volatility value	A significant increase in expected volatility value would result in a significant increase in fair value and vice versa *(Note (i))*.

Note:

(i) A 5% increases (decreases) in the expected volatility value, while all other variables keep constant, would increase (decrease) the carrying amount of financial liabilities at FVTPL as at December 31, 2025 by approximately US$(91,000) (2024: US$244,000) and approximately US$283,000 (2024: US$(161,000)).

30. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements

The reconciliation of Level 3 measurements of financial liabilities at FVTPL are set out in note 23 and fair value changes on financial liabilities at FVTPL are presented as "Changes in fair value of financial liabilities at FVTPL".

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures required)

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values.

31. 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.

	Bank borrowings US$'000	Financial liabilities at FVTPL US$'000	Lease liabilities US$'000	Total US$'000
At January 1, 2024	–	30,651	8,845	39,496
Financing cash flows	397	–	(2,100)	(1,703)
Non-cash changes				
New leases entered/lease modified	–	–	68	68
Termination of leases	–	–	(185)	(185)
Finance costs	8	–	1,041	1,049
Change in fair value	–	(6,903)	–	(6,903)
Exchange adjustments	–	–	(16)	(16)
At December 31, 2024	**405**	**23,748**	**7,653**	**31,806**
Financing cash flows	**1,847**	**–**	**(278)**	**1,569**
Non-cash changes				
New leases entered/lease modified	**–**	**–**	**(1,180)**	**(1,180)**
Termination of leases	**–**	**–**	**–**	**–**
Finance costs	**26**	**–**	**786**	**812**
Change in fair value	**–**	**(1,700)**	**–**	**(1,700)**
Exchange adjustments	**51**	**–**	**4**	**55**
At December 31, 2025	**2,329**	**22,048**	**6,985**	**31,362**

32. RELATED PARTY TRANSACTIONS

Saved for disclosed elsewhere in the consolidated financial statements, the Group also entered into the following significant transactions with its related parties during the year.

Compensation of key management personnel

The remuneration of the directors of the Company and key management personnel of the Group during the year was as follows:

	2025	2024
	US$'000	US$'000
Salaries and other allowances	**685**	1,315
Retirement benefit scheme contributions	**18**	34
Share-based payment expense	**45**	1,011
	748	2,360

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

33.1 General information of principal subsidiaries

Details of principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiary	Place and date of incorporation or establishment/ operation	Issued and fully paid share capital/paid-up capital		Effective equity interest attributable to the Group As at December 31,		Principal activity
		2025	2024	**2025**	2024	
Directly owned subsidiaries						
US Sirnaomics	The U.S. February 12, 2007	**US1**	US1	**100%**	100%	Developing and commercializing of RNAi technology and multiple therapeutics
HK Sirnaomics	Hong Kong March 8, 2019	**HK$10,000**	HK$10,000	**100%**	100%	Investment holding
Indirectly owned subsidiaries						
RNAimmune	The U.S. May 5, 2016	**US$208**	US$208	**60.21%**	60.21%	Technical research and development of mRNA delivery platform and mRNA-based drug and vaccine
Suzhou Sirnaomics	The PRC March 10, 2008	**RMB435,267,785**	RMB417,571,270	**100%**	100%	Technical research, development, service and transfer of nucleic acid drugs
Guangzhou Sirnaomics	The PRC May 8, 2012	**RMB121,200,000**	RMB118,000,000	**100%**	100%	Manufacturing and development of drug products
RNAimmune Vaccine (Guangzhou) Co., Ltd. 達冕疫苗（廣州）有限公司 ("**Guangzhou RNAimmune**")	The PRC January 28, 2021	**RMB46,726,077**	RMB46,726,077	**60.21%**	60.21%	Manufacturing and development of vaccines
Zhongshan Sirnaomics	The PRC August 6, 2025	**RMB6,000,000**	–	**100%**	–	Manufacturing and development of vaccines

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

33.1 General information of principal subsidiaries (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

All subsidiaries are limited liability companies and have adopted December 31, as their financial year-end date.

Other than the financial instruments set out in note 23, none of the subsidiaries had issued any debt securities at the end of the year.

33.2 Details of non-wholly owned subsidiaries that have material non-controlling interests

		Proportion of ownership interests held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		As at December 31,		For the year ended December 31,		As at December 31,	
Name of subsidiary	Place of incorporation and principal place of business	**2025 US$'000**	2024 US$'000	**2025 US$'000**	2024 US$'000	**2025 US$'000**	2024 US$'000
RNAimmune	The U.S.	**39.79%**	39.79%	**356**	1,839	**(11,162)**	(11,608)
Individually immaterial subsidiaries with non-controlling interests				**(558)**	(701)	**(3,416)**	(2,716)
				(202)	1,138	**(14,578)**	(14,324)

Summarized financial information in respect of the Group's subsidiaries that had material non-controlling interests is set out below. The summarized financial information below represents amounts before the elimination of intra-group transactions.

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

33.2 Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

(a) RNAimmune

	2025 US$'000	2024 US$'000
Current assets	**142**	183
Non-current assets	**9,245**	9,787
Current liabilities	**(35,324)**	(36,889)
Non-current liabilities	**(2,120)**	(2,257)
Net liabilities	**(28,057)**	(29,176)
Total deficit attributable to		
— owners of the Company	**(16,895)**	(17,568)
— non-controlling interests	**(11,162)**	(11,608)
	(28,057)	(29,176)

	For the year ended December 31, 2025 US$'000	For the year ended December 31, 2024 US$'000
Profit for the year	**896**	4,623
Profit and total comprehensive income for the year attributable to		
— owners of the Company	**540**	2,784
— non-controlling interests	**356**	1,839
	896	4,623
Net cash inflow (outflow) from operating activities	**379**	(2,759)
Net cash outflow from investing activities	**–**	(126)
Net cash (outflow) inflow from financing activities	**(464)**	547
Net cash outflow	**(85)**	(2,338)

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025	2024
	US$'000	US$'000
CURRENT ASSETS		
Prepayments and other receivables	**313**	41
Cash and cash equivalents	**9,819**	8,208
	10,132	8,249
CURRENT LIABILITY		
Other payables	**5,449**	589
NET ASSETS	**4,683**	7,660
CAPITAL AND RESERVES		
Share capital	**107**	105
Reserves *(Note)*	**4,576**	7,555
TOTAL EQUITY	**4,683**	7,660

34. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

Note: The movements in the reserves of the Company are as follow:

	Shares held for share option scheme US$'000	Shares held for share award scheme US$'000	Share premium US$'000	Share option reserve US$'000	Share award reserve US$'000	Accumulated losses US$'000	Total US$'000
At January 1, 2024	(11)	(1)	513,962	14,198	143	(496,146)	32,145
Loss and total comprehensive expense for the year	–	–	–	–	–	(34,048)	(34,048)
Recognition of share-based payment	–	–	–	1,031	924	–	1,955
Exercise of share options	–	–	3	(1)	–	–	2
Vesting of RSUs	–	–	1,051	–	(1,051)	–	–
Proceeds from share subscription *(Note 25)*	–	–	7,501	–	–	–	7,501
At December 31, 2024	**(11)**	**(1)**	**522,517**	**15,228**	**16**	**(530,194)**	**7,555**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**(7,592)**	**(7,592)**
Recognition of share-based payment	**–**	**–**	**–**	**124**	**111**	**–**	**235**
Exercise of share options	**2**	**–**	**3,399**	**(866)**	**–**	**–**	**2,535**
Lapse/forfeiture of share options	**–**	**–**	**–**	**(1,299)**	**–**	**–**	**(1,299)**
Vesting of RSUs	**–**	**–**	**94**	**–**	**(94)**	**–**	**–**
Proceeds from share subscription *(Note 25)*	**–**	**–**	**3,142**	**–**	**–**	**–**	**3,142**
At December 31, 2025	**(9)**	**(1)**	**529,152**	**13,187**	**33**	**(537,786)**	**4,576**

35. PENDING ARBITRATION PROCEEDINGS

As at December 31, 2025, the Company was involved in litigation or claims of material importance arising in the ordinary course of business as follows:

On August 23, 2024, HK Sirnaomics commenced an arbitration proceedings against the Investment Manager at the Hong Kong International Arbitration Centre. The arbitration proceedings against the Investment Manager and TradArt Flagship Investment SPC are for the damages for breach of the contract. The tribunal has been constituted on November 8, 2024 and proceedings are under way. The Group's management believed that the arbitration proceedings are still in pleading stage and the possibility of claims was not virtually certain and therefore no provision of the arbitration proceedings were considered necessary.

Save as disclosed above and elsewhere in the consolidated financial statements, during the year ended December 31, 2025, no member of the Group is subject to any litigation, arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

36. MAJOR NON-CASH TRANSACTIONS

Saved for disclosed elsewhere in the consolidated financial statements, the Group has the following major non-cash transactions during the year:

Lease arrangements

During the years ended December 31, 2025 and 2024, the Group entered into new lease agreements with lease term for two to three years and renewed the existing leases for the use of leased properties for three years. On lease commencement or effective date of lease modification, the Group recognized approximately US$145,000 (2024: US$68,000) of right-of-use assets and approximately US$145,000 (2024: US$68,000) of lease liabilities during 2025.

Definitions

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

"Administrative Committee"	the committee comprising any one executive Director and any other two officers of the Company as designated by the Board from time to time
"AI"	artificial intelligence
"Articles" or "Articles of Association"	the articles of association of the Company, as amended, supplemented and restated from time to time
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"Business Day(s)"	a day on which banks in Hong Kong are generally open for business and the Hong Kong Stock Exchange is open for business of dealing securities
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Chief Executives"	(i) the Chairman of the Board, and (ii) the Chief Executive Officer of the Company, or, for the purpose of the Share Option Scheme and the RSU Scheme only, any person as designated by him/her from time to time. For the avoidance of doubt, any decision prescribed to be made by the Chief Executives under the Share Option Scheme or the RSU Scheme (as the case may be) shall be made jointly by both persons of (i) and (ii) above
"China", "mainland China" or the "PRC"	the People's Republic of China, but for the purpose of this annual report and for geographical reference only, except where the context requires, references in this annual report to "China", "mainland China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Company", "our Company" or "the Company"	Sirnaomics Ltd., an exempted company incorporated in the Cayman Islands with limited liability on October 15, 2020
"Core Product"	STP705, the designated "core product" as defined under Chapter 18A of the Listing Rules

"Director(s)"	the director(s) of the Company
"EDIRNA"	EDIRNA Inc., a company incorporated under the laws of Delaware, U.S. on February 18, 2022, a directly non-wholly owned subsidiary of the Company
"ESG"	Environmental, Social and Governance
"ESG Report"	the Environmental, Social and Governance report
"EU"	the European Union
"FDA"	U.S. Food and Drug Administration
"Fund"	TradArt Flagship Investment SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands on August 6, 2021
"FVTPL"	Fair value through profit or loss
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "the Group", "we", "us" or "our"	the Company, its subsidiaries or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"Guangzhou Facility"	our manufacturing facility in Guangzhou
"Guangzhou RNAimmune"	RNAimmune Vaccine (Guangzhou) Co., Ltd. (達冕疫苗（廣州）有限公司), a company established under the laws of the PRC on January 28, 2021 with limited liability, an indirectly non-wholly owned subsidiary of the Company
"Guangzhou Sirnaomics"	Sirnaomics Biopharmaceuticals (Guangzhou) Co., Ltd. (聖諾生物醫藥技術（廣州）有限公司), a company established under the laws of the PRC on May 8, 2012 with limited liability, an indirectly wholly owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

Definitions

"HK Sirnaomics"	Sirnaomics (Hong Kong) Limited (聖諾（香港）有限公司), a company incorporated under the laws of Hong Kong on March 8, 2019 with limited liability, a directly wholly owned subsidiary of the Company
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IASB"	International Accounting Standards Board
"IASs"	International Accounting Standards
"IFRSs"	International Financial Reporting Standards
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of the Company
"Investment Manager"	TradArt Asset Management Co., Limited, a company incorporated under the laws of Hong Kong on July 14, 2021 with limited liability, licensed for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
"IP"	intellectual property
"Junior Grantee(s)"	any grantee(s) other than a Senior Grantee
"Listing"	the listing of the Shares on the Main Board by way of the Global Offering
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange

"Memorandum" or "Memorandum of Association"	the memorandum of association of the Company, as amended, supplemented and restated from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"NMPA"	the National Medical Products Administration
"Nomination Committee"	the nomination committee of the Board
"Pre-IPO Equity Incentive Plan"	the pre-IPO equity incentive plan adopted by the Company on January 21, 2021
"R&D"	research and development
"Related Entity"	the holding companies, fellow subsidiaries or associated companies of the Company
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	for the year ended December 31, 2025
"RNAimmune"	RNAimmune, Inc., a company incorporated under the laws of Delaware, U.S. on May 5, 2016, an indirectly non-wholly owned subsidiary of the Company
"RSU Scheme"	the restricted share unit scheme adopted by the Company on April 22, 2022
"RSU Scheme Adoption Date"	April 22, 2022, being the date on which the RSU Scheme first was adopted by the Board
"RSU Scheme Limit"	has the meaning described in the sub-paragraph headed "(I) RSU Scheme Limit" under the paragraph headed "Report of the Directors — Pre-IPO Equity Incentive Plan, RSU Scheme and Share Option Scheme — RSU Scheme — (5) Maximum Number of Shares Available for Awards" in this annual report
"RSU(s)"	the restricted share unit(s) granted and/or conditionally granted (as the case may be) under the RSU Scheme
"SAFE"	Simple Agreements for Future Equity

Definitions

"Segregated Portfolio"	SP1 of TradArt Flagship Investment SPC, a segregated portfolio of the Fund
"Senior Grantee(s)"	the grantee(s) under the Share Option Scheme or the RSU Scheme (as the case may be) who is either (i) a Director, or (ii) a member of the senior management of the Company as included in the latest annual report of the Company published on the website of the Hong Kong Stock Exchange immediately before the grant date
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.001 each
"Shareholder(s)"	holder(s) of our Shares
"Share Option Scheme Adoption Date"	June 28, 2022, being the date on which the Share Option Scheme was approved and adopted by the Shareholders
"Share Option Scheme Limit"	has the meaning described in the sub-paragraph headed "(I) Share Option Scheme Limit" under the paragraph headed "Report of the Directors — Pre-IPO Equity Incentive Plan, RSU Scheme and Share Option Scheme — Share Option Scheme — (5) Maximum Number of Shares Available for Subscription" in this annual report
"Share Option Scheme"	the share option scheme adopted by the Company on June 28, 2022
"Subscriber A"	Bloomage Biotechnology (Hong Kong) Limited
"Subscriber B"	Mr. Tse Shek Ho
"Subscriber C"	Bamboo Bloom Limited
"Subscriber D"	Capstone Resources Holding Limited
"Subscription Agreement A"	the subscription agreement dated September 7, 2025 entered into between the Company and the Subscriber A

"Subscription Agreement B"	the subscription agreement dated September 7, 2025 entered into between the Company and the Subscriber B
"Subscription Agreement C"	the subscription agreement dated September 7, 2025 entered into between the Company and the Subscriber C
"Subscription Agreement D"	the subscription agreement dated September 7, 2025 entered into between the Company and the Subscriber D
"Subscription Agreements"	Subscription Agreement A, Subscription Agreement B, Subscription Agreement C and Subscription Agreement D
"Suzhou Sirnaomics"	Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd. (聖諾生物醫藥技術（蘇州）有限公司), a company established under the laws of the PRC on March 10, 2008 with limited liability, an indirectly wholly owned subsidiary of the Company
"United States", "U.S." or "US"	the United States of America
"US$"	U.S. dollars, the lawful currency of the United States of America
"US Sirnaomics"	Sirnaomics, Inc., a company incorporated under the laws of Delaware, U.S. on February 12, 2007, a directly wholly owned subsidiary of the Company
"Walvax"	Walvax Biotechnology Co., Ltd. (雲南沃森生物技術股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 300142), one of our collaborators and an Independent Third Party
"Zhongshan Sirnaomics"	Sirnaomics Biopharmaceuticals (Zhongshan) Co., Ltd. (康聖生物醫藥技術（中山）有限公司), a company established under the laws of the PRC on August 6, 2025 with limited liability, an indirectly wholly owned subsidiary of the Company
"%"	per cent

Glossary of Technical Terms

This glossary contains explanations of certain technical terms used in connection with the Company and its business.

"AE(s)"	adverse event(s), which may be mild, moderate, or severe, any untoward medical occurrences in a patient administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"AODC"	antibody-oligonucleotide conjugates are a novel drug modality that links oligonucleotides to antibodies via chemical linkers, leveraging the targeting specificity of antibodies for precise delivery of nucleic acid therapeutics
"ApoC3"	apolipoprotein C3
"ASGPR"	asialoglycoprotein receptor
"BCC"	basal cell carcinoma, a type of non-melanoma skin cancer
"CDMO"	contract development and manufacturing organization, a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"cohort"	a group of patients as part of a clinical trial who share a common characteristic or experience within a defined period and who are monitored over time
"COX-2"	cyclooxygenase-2, a membrane-bound, short-living, and rate-limiting enzyme
"CRO"	contract research organization, a pharmaceutical company that conducts research for other pharmaceutical companies on a contractual basis
"CSR"	a clinical study report is a comprehensive document detailing the design, methodology, results, and analysis of a clinical trial, submitted to regulatory authorities to support drug approval
"delivery platform"	the platform used for the delivery of drugs to target sites of pharmacological actions

Glossary of Technical Terms

"DOACs"	direct oral anticoagulants are oral medications that prevent and treat thrombosis by directly inhibiting specific coagulation factors, such as Factor Xa or thrombin
"Factor XI"	a plasma glycoprotein that is primarily synthesized in the liver and is part of the coagulation cascade, playing a role in clot stabilization and expansion
"GalAhead"	our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers
"GalNAc"	N-Acetylgalactosamine, a sugar molecule that can recognize and bind to a cell surface protein, the asialoglycoprotein receptor
"global rights"	rights of a commercial nature to develop or commercialize a product, which may include rights in know-how and rights in patents and patent applications, in each case, directed to the drug product, drug composition and/or methods of use thereof or in the drug delivery platform
"GMP"	Good Manufacturing Practice, a system for ensuring that products are consistently produced and controlled according to quality standards, which is designed to minimize the risks involved in any pharmaceutical production that cannot be eliminated through testing the final product. It is also the practice required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of pharmaceutical products
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application
"isSCC"	squamous cell carcinoma in situ
"LANP"	lipidic amino acid nanoparticle, our self-developed four-component nano-sized particle for delivery of mRNA/siRNA, which features low apparent pKa and low immunogenicity
"LNP"	lipid nanoparticles are spherical vesicles made of ionizable lipids, which are positively charged at low pH (enabling RNA complexation) and neutral at physiological pH (reducing potential toxic effects, as compared with positively charged lipids, such as liposomes)

Glossary of Technical Terms

"LSRs"	local skin reactions refer to adverse effects at the injection site or surrounding skin, such as erythema, edema, or pruritus, commonly assessed to evaluate the safety of topical or locally injected formulations
"mRNA"	messenger RNA, a large family of RNA molecules that are complimentary to DNA molecules and convey genetic information from the DNA to be translated by ribosomes into proteins
"microfluidic"	microfluidic is the science of manipulating and controlling fluids, usually in the range of microliters (10^{-6}) to picoliters (10^{-12}), in networks of channels with dimensions from tens to hundreds of micrometers
"muRNA"	multi-unit RNAi trigger, RNAi trigger composed of multiple oligonucleotides (2 or more) to simultaneously downregulate two or more gene targets
"mxRNA"	miniaturized RNAi trigger, RNAi trigger composed of single ~30 nucleotide long oligonucleotides designed to downregulate individual gene target
"NHP"	non-human primates, such as cynomolgus monkeys and rhesus macaques, are widely used in preclinical safety and efficacy studies due to their physiological and genetic similarity to humans
"NMSC"	non-melanoma skin cancer
"PCT"	Patent Cooperation Treaty, which assists applicants in seeking patent protection internationally for their inventions, helps patent offices with their patent granting decisions, and facilitates public access to a wealth of technical information relating to those inventions
"PE"	pulmonary embolism is an acute condition where a blood clot, typically from deep veins in the legs, blocks one or more arteries in the lungs, causing dyspnea, chest pain, and potentially life-threatening complications
"Phase I clinical trials" or "Phase I"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness

Glossary of Technical Terms

"Phase I/II clinical trials" or "Phase I/II"	Phase I/II clinical trials combine Phase I and Phase II into one trial. The clinical trial design may adaptively use data from all previous patients to make decisions and select the best dose for each new cohort
"Phase II clinical trials" or "Phase II"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase IIa clinical trials" or "Phase IIa"	Phase IIa clinical trials are usually pilot studies designed to demonstrate clinical efficacy or biological activity
"Phase IIb clinical trials" or "Phase IIb"	Phase IIb clinical trials determine the optimal dose at which the drug shows biological activity with minimal side-effects
"Phase II/III clinical trials" or "Phase II/III"	a study that tests how well a new treatment works for a certain type of cancer or other disease and compares the new treatment with a standard treatment. Phase II/III clinical trials also provide more information about the safety and side effects of the new treatment. Combining Phase II and Phase III allows research questions to be answered more quickly or with fewer patients
"Phase III clinical trials" or "Phase III"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PLNP"	polypeptide-lipid nanoparticle, a proprietary polypeptide nanoparticle combined with LNP
"PNP"	polypeptide nanoparticle is composed of a branched histidine lysine polymer
"PNP-ID"	PNP platform formulated for intradermal administration
"PNP-IT"	PNP platform formulated for intratumoral administration
"PNP-IV"	PNP platform formulated for intravenous administration

Glossary of Technical Terms

"preclinical studies"	studies or programs testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"RNA"	ribonucleic acid, a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes
"RNAi"	RNA interference, a biological process in which RNA molecules are involved in sequence-specific suppression of gene expression by double-stranded RNA, through translation or transcriptional repression
"SAE(s)"	serious AE(s), any medical occurrence in human drug trials that at any dose: results in death; is life-threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/ incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage
"SD"	stable disease is a tumor response category indicating that the tumor has neither shrunk significantly (partial response) nor grown significantly (progressive disease), often reflecting controlled disease status
"siRNA"	small interference RNA, double-stranded RNA molecules comprised of two oligonucleotides of about 20nt-long guide (antisense) and passenger (sense) strands; the RNA-Induced Silencing Complex (RISC) incorporates the guide strand and binds mRNA target molecules to generate its cleavage or inhibit protein translation from it
"solid tumors"	an abnormal mass of tissue that usually does not contain cysts or liquid areas. Solid tumors may be benign (not cancer), or malignant (cancer). Different types of solid tumors are named for the type of cells that form them
"TGF-ß1"	transforming growth factor beta 1 or TGF-ß1, a polypeptide member of the transforming growth factor beta superfamily of cytokines, which activates Smad and non-Smad signaling pathways
"VTE"	venous thromboembolism is a condition encompassing deep vein thrombosis and pulmonary embolism, caused by the abnormal formation of blood clots in the veins