艾美疫苗
全产业链疫苗集团

艾美疫苗股份有限公司
AIM Vaccine Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 06660

2025
Annual Report

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Yan ZHOU (周延)
(Chairman of the Board and Chief Executive Officer)
Mr. Xin ZHOU (周欣)
(Executive Vice Chairman of the Board and Executive President)
Mr. Shaojun JIA (賈紹君) *(President)*
Mr. Wen GUAN (關文) *(Executive President)*
Mr. Jie ZHOU (周杰)

NON-EXECUTIVE DIRECTORS

Mr. Jichen ZHAO (趙繼臣)
Ms. Aijun WANG (王愛軍) *(resigned on April 13, 2025)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Professor Ker Wei PEI
Ms. Jie WEN (文潔)
Mr. Xiaoguang GUO (郭曉光)
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*

SUPERVISORS *(Supervisory Committee dissolved on May 20, 2025)*

Mr. Tingfeng SONG (宋廷鋒)
(Chairman of the board of Supervisors)
(resigned on May 20, 2025)
Mr. Lun MA (馬倫) *(resigned on May 20, 2025)*
Mr. Jiashuai SONG (宋嘉帥) *(resigned on May 20, 2025)*

AUDIT COMMITTEE

Professor Ker Wei PEI *(Chairman)*
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*
Mr. Xiaoguang GUO (郭曉光)
Ms. Jie WEN (文潔)
(appointed as a committee member on April 17, 2025)

NOMINATION COMMITTEE

Mr. Yan ZHOU (周延) *(Chairman)*
(re-designated as the Chairman on April 17, 2025)
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*
Mr. Xiaoguang GUO (郭曉光)
Ms. Jie WEN (文潔)
(appointed as a committee member on April 17, 2025)

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Xiaoguang GUO (郭曉光) *(Chairman)*
Mr. Wen GUAN (關文)
Ms. Jie WEN (文潔)
Mr. Yan ZHOU (周延)
(ceased to be a committee member on April 17, 2025)
Professor Ker Wei PEI
(ceased to be a committee member on April 17, 2025)

STRATEGY COMMITTEE

Mr. Yan ZHOU (周延) *(Chairman)*
(re-designated as the Chairman on April 17, 2025)
Ms. Jie WEN (文潔)
(ceased to be a committee member on April 17, 2025)
Mr. Jichen ZHAO (趙繼臣)
(ceased to be a committee member on April 17, 2025)
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*
Professor Ker Wei PEI
(ceased to be a committee member on April 17, 2025)
Mr. Xin ZHOU (周欣)
(appointed as a committee member on April 17, 2025)
Mr. Shaojun JIA (賈紹君)
(appointed as a committee member on April 17, 2025)

Corporate Information

COMPLIANCE AND RISK CONTROL COMMITTEE

Mr. Yan ZHOU (周延) *(Chairman)*
Mr. Wen GUAN (關文)
(ceased to be a committee member on April 17, 2025)
Mr. Shaojun JIA (賈紹君)
(ceased to be a committee member on April 17, 2025)
Mr. Jie ZHOU (周杰)
Ms. Aijun WANG (王愛軍) *(resigned on April 13, 2025)*
Mr. Jichen ZHAO (趙繼臣)
(appointed as a committee member on April 17, 2025)

COMPANY SECRETARY

Ms. Ling LIU (劉靈) *(acted as sole company secretary on December 31, 2025)*
Ms. Wing Chi LAM (林穎芝) *(ACG, HKACG)*
(resigned as joint company secretary on June 13, 2025)
Ms. WONG Pui Kiu Ingrid (黃沛翹) *(ACG, HKACG)*
(appointed as joint company secretary on June 13, 2025, and resigned on December 31, 2025)

AUTHORIZED REPRESENTATIVES

Mr. Yan ZHOU (周延)
Ms. Ling LIU (劉靈) *(appointed on December 31, 2025)*
Ms. Wing Chi LAM (林穎芝)
(resigned on June 13, 2025)
Ms. WONG Pui Kiu Ingrid (黃沛翹)
(appointed on June 13, 2025, and (resigned on December 31, 2025)

AUDITOR

Ernst & Young

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

LEGAL ADVISOR

Jingtian & Gongcheng LLP

Suite 3203–3209, 32/F Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

REGISTERED OFFICE

Room 412, 4/F
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Beijing Economic-Technological Development Area
Beijing
PRC

HEADQUARTERS

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

Corporate Information

H SHARE REGISTRAR

Tricor Investor Services Limited

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PRINCIPAL BANKS

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Outlet of Shenyang Branch

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Heping District, Shenyang
Liaoning Province
PRC

SPD Bank
Beilun Sub-branch

399 Minshan Road
Beilun District, Ningbo
Zhejiang Province
PRC

STOCK CODE

06660

COMPANY WEBSITE

www.aimbio.com

Message from the Chairman of the Board

STAY TRUE TO THE SPIRIT OF INNOVATION BUILD A STRONG TECHNOLOGICAL MOAT

Amid the turbulent currents, AIM has ushered in a vibrant new fiscal year. AIM has steered a steady course through turbulent waters and forged a new path amid changing times.

AIM's proprietary serum-free next-generation rabies vaccine, a world-first innovation, is poised for launch. This is not merely the debut of a product, but also a technological milestone that will reshape the industry landscape, providing solid support for AIM's long-term, sustainable growth in performance. At the same time, our iterative mRNA vaccine, for which we have established high barriers and made forward-looking strategic deployments, will also rise like the morning sun, unstoppable in its momentum, representing yet another strong leap in AIM's hard-core technological strength.

Over the past year, AIM has steered a steady course through a complex and ever-changing market environment, using technological innovation as its driving force to continually push the boundaries of what is possible. Since the Group's inception, AIM has embraced a steadfast commitment to innovation and, standing as an uncompromising innovation force in the industry, has pioneered a new chapter in the industry's history. We have 20 blockbuster vaccine candidates under development, including those ranking among the world's TOP10 contenders, which has built a solid and impregnable barrier for the Company's development.

Seizing the Trend — Anchoring the Beacon of Innovation Value Amid the Tides of the Times

In today's vaccine industry, where a thousand sails race and a hundred vessels vie to lead, only genuine innovation, hard-core technology, and high quality can forge an unsinkable industry giant!

AIM will never be a drifting duckweed following the current; we vow to become a stabilizing pillar and a cornerstone of the industry. Amid the tides of the times, we take technological innovation as our beacon of innovation value, illuminating the path forward.

While the industry is mired in the clamor of short-term gains, AIM chooses to look up at the stars. When others chase the latest fads, we dedicate ourselves to conquering the high barriers of hard-core technology. When the market is restless and utilitarian, we persistently cultivate and fortify the competitive edge of our flagship products.

AIM's journey is destined for the sea of stars. It is to crack the ultimate code of life and health, and to forge a steel shield that protects all living beings. This path, fraught with countless perils and bound to be lonely, nevertheless leads straight to the highest glory. AIM will surely ride the wind upward, be reborn toward the new, and forge ahead with unwavering determination!

Message from the Chairman of the Board

Clarifying the Path A Decade of Dedication, Embracing a Century of Enduring Success

The research and development of blockbuster vaccine products is a race against time, a steadfast commitment to our original aspiration, and, above all, the ultimate test of patience. We firmly believe that quick fixes are fleeting, while true excellence is forged through relentless refinement. AIM is committed to being a “deep cultivator” in the fast-paced modern era, crafting every product with meticulous attention to detail.

We are making significant strategic investments in future tracks, enabling our leading mRNA vaccine technologies to forge ahead relentlessly, and making multivalent vaccines an impregnable barrier safeguarding the health of the entire population.

Embrace the AI revolution and seize the opportunities of the times. At the World Economic Forum in Davos last year, I shared the disruptive power of AI in vaccine development. In 2026, AIM will further integrate AI technology and leverage algorithms to empower antigen screening and sequence optimization, striving to substantially shorten the R&D cycle, transform vaccine development from an arduous trek into rapid developing, put new productive forces into practice with its strong capabilities, and lead industry transformation.

Message from the Chairman of the Board

Improving Tactics | Winning the Battle of 2026: Securing Victory in the Three Major Campaigns of AIM

While setting grand goals, we must stay down-to-earth. In 2026, AIM will have no room to retreat and will be fighting a do-or-die battle; it must win three decisive campaigns.

Battle One: Decisive Victory | The Blitz Campaign for the Launch of Serum-Free Rabies Vaccine

AIM's serum-free rabies vaccine has arrived at a critical historical juncture. This is the industry's "Normandy Landing" in technological innovation and is expected to trigger the ultimate decisive battle in the global rabies vaccine arena.

We will charge ahead with full force to complete the final stretch of our marketing journey. With the iron-clad determination embodied in the verse, "We will fight across the desert, and will not return until we beat the foe (黃沙百戰穿金甲，不破樓蘭終不還)," we will win this lightning battle for the world's first launch of a serum-free vaccine, and let the banner of AIM's technological innovation fly high in the global vaccine market.

Battle Two: Building Formidable Barriers | Breakthrough Campaign for Flagship Product Research and Development Pipelines

We remain committed to a long-term perspective and will never waver in our original R&D dedication due to short-term fluctuations. In 2026, we will continue to invest in and further strengthen our core presence in mRNA vaccines and combination and multivalent vaccines.

Key flagship products, including iterative 20-valent pneumonia conjugate vaccine and the 24-valent pneumonia conjugate vaccine, will be advanced with irresistible momentum. We will also accelerate the clinical translation of mRNA vaccines, establishing a differentiated and competitive portfolio of high-impact products in the industry, and reinforcing a robust technological moat.

Battle 3: Building an Ocean-going Fleet | Multiple Vaccines Embark on an Overseas Expedition

We firmly believe that what belongs to China belongs to the world. With hepatitis A, HBV, rabies and meningococcal vaccines serving as pathfinders, AIM's technological strengths and care for life will be brought to farther reaches of the Belt and Road Initiative.

With the serum-free next-generation rabies vaccine as our flagship product, we will build AIM's flagship product offerings for overseas expansion, making "AIM Vaccine" a reputable brand in the international market and building a vaccine brand that originates from China and benefits global health.

Message from the Chairman of the Board

A word of encouragement

A Tribute to the Guardians of Health in Our Time

What will give AIM the edge in the future? It is that our original aspirations, our capabilities, and our fighting spirit. With these three key strengths, we are sure to emerge victorious in every endeavor.

Key Strength 1: The "Scientist-Led Management" Philosophy – Bravely Venturing into Uncharted Field

AIM's multiple R&D systems are home to the most outstanding group of scientists in the Chinese vaccine industry. They willingly took on the thankless tasks and bravely ventured into uncharted technical field, laying a solid foundation for the R&D of AIM's flagship products with a decade-long dedication.

In 2026, we should provide our research teams with a bigger stage, greater support, and greater recognition, so that the flame of innovation at AIM can burn brightly and sustainably.

Key Strength 2: Ingenuity Culture of Engineers – Upholding the Lifeline

Quality is AIM's conscience and safety is AIM's guiding principle. Each vaccine carries the trust of thousands of families, and we must proceed with the utmost prudence and caution, as if treading on thin ice, so as to live up to the trust placed in us by life.

At AIM Vaccine, every process, from research and development and production to cold-chain transportation, is refined to the highest standard, and every operator on the production line may be an unsung champion in the industry. To embody professionalism, safety, and effectiveness – this is our most solemn commitment to life!

Key Strength 3: Pioneering Spirit – Courage to Fight for Victory

The marketplace is like a battlefield, and AIM must always maintain its entrepreneurial passion. From nothing to something, from small beginnings to a thriving enterprise, we have relied on our indomitable spirit, our determination to fight hard, and our drive to excel.

Vaccine development is a protracted undertaking, and we remain resolute and persevering. Marketing is a tough battle. No matter how many obstacles we face, we must rise to the challenge and emerge victorious – this is the backbone of AIM's invincible spirit.

Message from the Chairman of the Board

Conclusion

In the new fiscal year, we will actively advance AIM's application for A Share listing on the Beijing Stock Exchange and complete our "H+A" strategic layout.

We firmly believe that, armed with our founding vision, capabilities, and tenacity, AIM will undoubtedly stay at the forefront of the fierce market competition. As we achieve leapfrog growth, we will ultimately deliver value to our investors.

Chairman of the Board and CEO
Mr. Yan ZHOU

March 30, 2026

Management Discussion and Analysis

BUSINESS OVERVIEW AND OUTLOOK

Overview

As a leading enterprise in the vaccine industry in China, we cover the full value chain from research and development to manufacturing and to commercialization. We have five proven human vaccine technology platforms, including bacterial vaccine technology platform, viral vaccine technology platform, genetically engineered vaccine technology platform, combination vaccine technology platform and mRNA vaccine technology platform. We also have four wholly-owned licensed vaccine manufacturing enterprises, including AIM Rongyu, AIM Persistence, AIM Action and AIM Honesty and three vaccine research institutes, including AIM Explorer, AIM Innovator, and AIM Liverna. These seven research and development teams ensure the ability of delivering milestones of pipeline products. We are one of the first two human vaccine companies in the PRC that have been granted permission under the 14th Five-Year Plan of the PRC to build a bio-safety level 3 laboratory. Our product categories are comprised of vaccines under the immunization program and vaccines not covered by the immunization program, and the commercialized products have occupied a leading position in the Chinese market for a long time, which have been sold in all 31 provinces and cities, and autonomous regions in China. For 6 types of diseases, our 8 commercialized products include recombinant HBV vaccine (Hansenula Polymorpha), freezedried human rabies vaccine (Vero cell), inactivated HAV vaccine (HDC), and ACYW135 Meningococcal Polysaccharide Vaccine (MPSV4), etc.

Up to now, the Company has 20 vaccine candidates targeting 12 disease areas, with its pipeline covering the top 10 vaccine species of the world. The Company held 24 clinical approvals and conducted 24 clinical trials, including 7 Class 1 innovative vaccines. Among them, three of the Company's Class 1 innovative vaccines have been approved for clinical trials: the inactivated EV71-CA16 bivalent HFMD vaccine (HDC) which is currently in Phase I clinical trial; the mRNA herpes zoster vaccine and mRNA respiratory syncytial virus vaccine have achieved dual clearance in China and the United States, with clinical approvals obtained in both markets respectively.

In 2025, 3 core candidates of the Company have entered the final stage before marketing, including: the marketing registration application of the serum-free rabies vaccine has been submitted to the National Medical Products Administration (NMPA), and the on-site verification has been completed; the high-potency human diploid cell rabies vaccine is currently in phase III clinical stage, with the on-site clinical trial work successfully concluded; the phase III clinical trial of the 23-valent pneumococcal polysaccharide vaccine (PPSV23) has completed unblinding and statistical analysis, and the clinical study report has been obtained. The construction of the production workshops for the iterative serum-free rabies vaccine, the high-potency human diploid cell rabies vaccine and the iterative pneumococcal vaccine series products has been completed, among which, the serum-free rabies vaccine has passed the on-site verification and entered the final stage of marketing registration approval.

In 2025, relying on its strong sales network built over 20 years, as well as the excellent brand reputation and image in the market that has long been formed, the Company carried out sufficient pre-launch warm-up work for the upcoming core products. Through organizing training, market publicity and education, expert consensus and other activities, the Company supported the rapid market access and volume growth of the new products upon launch.

Management Discussion and Analysis

The Company is one of the few vaccine groups covering the whole industry chain in China that owns all 5 validated vaccine technology platforms with the mRNA technology platform included. The Company has long maintained a leading position in the market for its commercialized products, with sales spanning all 31 provinces, municipalities, and autonomous regions in China. The Company has maintained a 100% pass rate in lot release quality audits by the NIFDC. It is an extremely rare comprehensive platform with strengths in the four dimensions of pipeline, R&D, manufacturing and sales.

In 2025, the Company's quadrivalent meningococcal polysaccharide vaccine successfully entered the African market, the rabies vaccine entered the Central American market for the first time, and the hepatitis B vaccine also achieved its first export. In terms of registration advancement, the hepatitis B vaccine is actively carrying out the registration process in Southeast Asia, which is expected to provide a new option for local hepatitis B prevention. The registration work of the hepatitis A vaccine in South Asia is proceeding in an orderly manner, with the commitment to enhancing the local hepatitis A prevention and control capacity. Meanwhile, the registration of the MPSV4 vaccine in Central Asia is progressing steadily, and it is expected to be launched locally next year.

Concurrently, we progressively launched a comprehensive series of vaccine temperature monitoring products to ensure vaccine safety and efficacy. This monitoring system covers our Freeze-dried Rabies Vaccine for Human Use (Vero Cell), Recombinant Hepatitis B Vaccine (Hansenula Polymorpha), Meningococcal Polysaccharide Vaccine Groups ACYW135 (MPSV4), and Inactivated Hepatitis A Vaccine (Human Diploid Cell). These innovations address diverse customer requirements by offering multiple product specifications for different market segments, while providing enhanced temperature control and identification capabilities. This further elevates our vaccine quality management standards and strengthens the competitive position of our products in the marketplace.

Our sales and marketing function is centralized, specialized, and market-oriented, which enables us to accelerate strategy formulation and execution, achieve high cost-efficiency and gain cross-selling opportunities. We set up a collectivized and centralized marketing model through a two-pronged "in-house sales and marketing" development model to optimize sale efficiency. As of December 31, 2025, the Company achieved operating revenue of approximately RMB1,165.7 million, representing a decrease of 9.3% as compared to the same period in 2024.

The sales of each type of products and services are as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from sales of vaccine products		
Revenue from sales of Class I vaccine	**129,392**	140,189
Revenue from sales of Class II vaccine	**1,036,270**	1,121,257
Revenue from research and development services	**11**	23,585
Total	**1,165,673**	1,285,031

Management Discussion and Analysis

Our Products and Pipelines

We strive to access the best industry resources. Through more than one decade of organic growth and external resource integration, we have become a major player in the Chinese vaccine industry. We have currently commercialized eight vaccine products against six disease areas, of which the recombinant HBV vaccines and freeze-dried human rabies vaccines are our key commercialized market-leading vaccine products. We also have 20 vaccine candidates against 12 disease areas in our pipelines, and up to now, the Company has obtained 24 clinical approvals for 16 varieties of vaccines. In particular, iterative serum-free rabies vaccine has been submitted to the NMPA for marketing registration application and the on-site verification work has been completed; the novel-process high-potency human diploid cell rabies vaccine is currently undergoing the Phase III clinical trial and the on-site clinical trial work has been successfully completed; the 23-valent pneumonia polysaccharide vaccine (PPSV23) has completed unblinding and statistical analysis for its Phase III clinical trial, and the clinical study report has been obtained; the 13-valent pneumonia conjugate vaccine (PCV13) is conducting supplemental studies in accordance with the requirements of the CDE; the Group ACYW135 MCV (MCV4) has completed the full vaccination course for all subjects in its Phase II clinical trial; the global innovative EV71-CA16 bivalent HFMD vaccine (HDC) is currently undergoing the Phase I clinical trial. The Company has received clinical trial approvals from the CDE of the NMPA for the 20-valent pneumonia conjugate vaccine (PCV20), the quadrivalent influenza virus vaccine (MDCK Cells), the absorbed tetanus vaccine and Haemophilus influenzae type b (Hib) conjugate vaccine; both the mRNA RSV vaccine (respiratory syncytial virus vaccine) and the mRNA-based herpes zoster vaccine have been approved for clinical trial in China and the United States.

Our Vaccine Product

Recombinant HBV Vaccines (Hansenula Polymorpha)

Recombinant HBV vaccine series products have been and are expected to continue to be one major type of our commercialized products. Currently, we are the first and only company in China with steady production and approved lot release of HBV vaccines using Hansenula Polymorpha for antigen expression.

Hansenula Polymorpha is widely recognized as the best manufacturing technology route for HBV vaccines among all three currently available manufacturing technologies (Hansenula Polymorpha, Saccharomyces cerevisiae and Chinese hamster ovary (CHO) cells), featuring better genetic stability, higher purity and stronger antigen expression capabilities. In addition, we manufacture HBV vaccines with adjuvants under a patented process, which prolongs the action time of antigens in the human body, serves to strengthen the stimulation of immune response and provides longer protection. Also, no preservatives, antibiotics or bovine serum albumin are added, thereby greatly enhancing product safety. We have been granted patents for this process in the PRC which are valid until May 2032, distinguishing our recombinant HBV vaccine series products from others and creating a high technological entry barrier for later entrants.

Management Discussion and Analysis

China has a high infection rate of HBV. Based on the World Health Organization's goal of "eliminating viral hepatitis as a public health threat by 2030", the incidence rate shall decrease by 90% and the mortality rate shall decrease by 65% in China in order to achieve this goal. Combined with the actual situation in China, the Hepatology Branch and Infectious Disease Branch of Chinese Medical Association updated and formed the Guidelines for the Prevention and Treatment of Chronic Hepatitis B (2022 edition) (《慢性乙型肝炎防治指南(2022年版)》). Based on the principles of broader screening and more proactive antiviral treatment, the Guidelines serve to provide an important basis for the prevention, diagnosis and treatment of chronic hepatitis B. HBV vaccination is the most effective way to prevent HBV infection. Currently, the Company is actively cooperating with local CDCs to conduct projects on eliminating the threat of hepatitis. The Company plans to swift the promotion of the HBV vaccination from being exclusively for newborns to the entire population in the future. In April 2022, the Advisory Committee on Immunization Practices (ACIP) of the United States made an updated recommendation on general HBV vaccination for adults aged 19 to 59 and recommended vaccination for those aged 60 and above with risk factors. The future promotion of vaccination of HBV in adults in China is expected to become a new growth opportunity in the market.

We have developed two sizes of recombinant HBV vaccine products, 10μg/0.5ml and 20μg/0.5ml per dose. The 10μg dosage recombinant HBV vaccine is allowed to be administered in all age groups, including newborns, children and adults, and is the only yeast-derived hepatitis B vaccine currently in the Chinese market for use by the entire population. The 20μg dosage recombinant HBV vaccine has been approved to be administered in people in the age group of 16 years old and above. Its unique 0.5ml small package reduces the vaccination time and pain time and provides a better vaccination experience, and we are the only enterprise which provides 0.5ml small package of 20μg hepatitis B vaccine in the current domestic market, which fills the gap in the domestic market. Our recombinant HBV vaccine series products have maintained a 100% pass rate in lot release quality audits of NIFDC since their approvals.

Freeze-dried Human Rabies Vaccine (Vero Cell)

The freeze-dried human rabies vaccine (Vero cell), one of our major products, is an injectable vaccine administered under the intramuscular route to persons of all ages to prevent rabies after exposure or when in a high-risk environment of exposure to rabies. We manufacture this vaccine product in AIM Rongyu, which obtained the NDA approval in September 2007 and the GMP certificate in June 2008.

With the product occupying a leading position in the market for a long time, we are now the second largest supplier in the rabies vaccine market. High and stable product quality has been and will continue to be critically significant to compete in this market. Since its commercialization in 2007, our freeze-dried human rabies vaccine (Vero cell) has maintained a 100% pass rate in lot release quality audits by the NIFDC for 19 years. In the future, the Company will launch products including the iterative serum-free rabies vaccine and the iterative novel-process high-potency human diploid rabies vaccine, spearheading the in-depth technological iteration of rabies vaccines in the world, and deliver iterative rabies vaccine products with better quality and higher safety of vaccination in the market, so as to enhance the Company's competitiveness in the rabies vaccines market.

Management Discussion and Analysis

Inactivated HAV Vaccines (HDC)

Hepatitis A is caused by the hepatitis A virus (HAV). In terms of the isolated HAV antigen content, we have developed two differentiated inactivated HAV vaccine products: the 320Eu/0.5ml per dose indicated for the age group of 1 to 15 years old, and the 640Eu/1.0ml per dose indicated for people older than 15. The hepatitis A inactivated vaccine is produced by inactivating the hepatitis A virus, rendering it non-infectious while retaining immunogenicity. The Company's hepatitis A inactivated vaccine features high safety, strong immune persistence, and good stability in storage and transportation, and is recommended for use by the WHO. Currently, the live attenuated hepatitis A vaccine is mainly administered to children, and the hepatitis A inactivated vaccine is expected to enter the pediatric market and replace the live attenuated vaccine in the future.

We obtained the production approval documentation in 2015, becoming one of only two enterprises in China capable of producing inactivated hepatitis A vaccines, and the sole enterprise holding approval documentation for all four specifications covering both adult and child formulations in pre-filled syringe and vial presentations. On 9 August 2017, we obtained the batch release certificate for inactivated hepatitis A vaccine (human diploid cell) issued by the China Food and Drug Administration. Since its market launch, our inactivated hepatitis A vaccine has maintained a 100% passing rate in batch release inspections conducted by the National Institutes for Food and Drug Control for eight consecutive years.

In terms of product market penetration, the leading products have been widely adopted across China. No vaccine-related serious adverse reactions have been reported following vaccination, demonstrating favourable preventive efficacy and garnering widespread acclaim from users, which fully attests to the vaccine's excellent safety profile and immunogenicity. In 2025, the Company optimized the production process of its hepatitis A vaccine products, achieving annual sales exceeding RMB100 million for the first time.

Group A, C, Y and W135 MPSV (MPSV4)

We launched MPSV4 in March 2020. Our MPSV4 covers A, C, Y, and W135 serogroups, and can be administered to individuals over the age of two. We obtained the NDA approval for the MPSV4 in October 2018 and the GMP certificate in December 2018. We have adopted advanced production equipment and production processes to ensure that our MPSV4 has good safety and efficacy. At the same time, several key quality indicators of our MPSV4 surpass the relevant PRC national standards. We are the only company which does not add any antibiotics or preservatives to our MPSV4, which still maintains good stability and is valid for up to three years. The Company is further developing quadrivalent meningococcal conjugate vaccine (MCV4) product, for which all subjects in the Phase II clinical trial have completed the full course of vaccination. The Company expects to enhance its competitiveness in the market of meningococcal vaccine later through the marketing of the product.

Management Discussion and Analysis

Our Vaccine Candidates

The following table summarizes our vaccine candidate portfolio:

Technology Platform	Indication	Vaccine in R&D	In-house/ Co-development	Pre-clinical	CTA	Phase I	Phase II	Phase III	Marketing Authorization Application & Approval
Viral Vaccines	Rabies	Serum-free Inactivated Rabies Vaccine	In-house						Marketing Authorization Application Submitted
		New Process High-potency Human Diploid Cell Rabies Vaccine	In-house					Phase III Clinical Trial On-site Work Completed	
	Hand, Foot and Mouth Disease (HFMD)	EV71-CA16 Bivalent Hand, Foot and Mouth Disease Vaccine (Human Diploid Cell)	In-house			Phase I Clinical Trial Ongoing			
	Influenza	Quadrivalent MDCK Cell Influenza Virus Vaccine	In-house			Clinical Trial Approval Obtained			
Bacterial Vaccines	Pneumococcal Disease	20-valent Pneumococcal Conjugate Vaccine (PCV20)	In-house			Clinical Trial Approval Obtained			
		24-valent Pneumococcal Conjugate Vaccine (PCV24)	In-house			Pre-clinical Research Completed			
		13-valent Pneumococcal Conjugate Vaccine (PCV13)	In-house						Supplemental Studies in Progress per CDE Requirements
		23-valent Pneumococcal Polysaccharide Vaccine (PPSV23)	In-house					Phase III clinical data Unblinding Completed	
	Meningococcal Disease	Quadrivalent Meningococcal Vaccine (MCV4)	In-house				Phase II Clinical Trial Ongoing		
		Hexavalent Meningococcal Vaccine	In-house			Pre-clinical Research			
	Group B Streptococcal Disease	Hexavalent Group B Streptococcal Polysaccharide Conjugate Vaccine	In-house			Pre-clinical Research			
	Tetanus	Adsorbed Tetanus Vaccine	In-house			Phase I Clinical Trial Ongoing			
	Hib Infection	Haemophilus influenzae type b (Hib) Conjugate Vaccine	In-house			Clinical Trial Approval Obtained			
Combination Vaccines	DTP	Acellular Diphtheria-Tetanus-Pertussis-Haemophilus influenzae type b-Quadrivalent Meningococcal (DTcP-Hib-MCV4) Combination Vaccine	In-house			Pre-clinical Research			
		Adsorbed Acellular Diphtheria-Tetanus-Pertussis (Component) Combination Vaccine (DTcP)	In-house			Pre-clinical Research			
mRNA Vaccines	Rabies	mRNA Iterative Rabies Vaccine	In-house			Pre-application for clinical trial			
	Herpes Zoster	mRNA Herpes Zoster Vaccine	In-house			Clinical Trial Approval Obtained (China & US)			
	Respiratory Syncytial Virus (RSV) Infection	mRNA Respiratory Syncytial Virus (RSV) Vaccine	In-house			Clinical Trial Approval Obtained (China & US)			
	Influenza	mRNA Influenza Vaccine	In-house			Pre-clinical Research			
Genetic Engineering Vaccines	Meningococcal Disease	Recombinant Group B Meningococcal Vaccine	In-house			Pre-clinical Research			

Viral Vaccine Platform
Bacterial Vaccine Platform
mRNA Vaccine Platform
Genetic Engineering Vaccine Platform
Combination Vaccine Platform

Management Discussion and Analysis

RESEARCH AND DEVELOPMENT PROGRESS OF ITERATIVE PRODUCTS

Iterative Pneumonia Vaccine Products

Following the established corporate strategy of the Company, we proactively advance the development of the vaccine pipelines and accelerate the research and development of the iterative rabies series vaccines through on-going technological innovation, achieving new productive forces at an accelerated pace. As the second largest supplier of rabies vaccine globally, the Company has expedited the development of iterative rabies series vaccines, in particular: (1) the marketing registration application for iterative serum-free rabies vaccine has been officially submitted and the corresponding drug manufacturing license has been obtained, and on-site inspection has been completed. The product is now in the final stage of marketing authorisation review and approval; and (2) the novel-process high-potency human diploid cell rabies is undergoing Phase III clinical trials, and the on-site work of the clinical trial has been successfully completed.

Completely unlike the existing Vero cell rabies vaccine containing serum and human diploid rabies vaccine containing serum, the iterative serum-free rabies vaccine is an iterative product. Currently, commercially available rabies vaccines worldwide based on Vero cells, diploid cells and hamster kidney cells still require the addition of bovine serum during the cell culture phase, carrying risks of viral contamination caused by bovine serum and potential adverse reactions such as allergic reactions due to serum residues in the vaccine. The Company's freeze-dried human iterative serum-free rabies vaccine has undertaken technical research including comparative screening of serum-free media, serum-free adaptive cell culture, serum-free high-density cell culture parameter processes in bioreactors, and metabolism and feed control in bioreactor culture. It has achieved complete elimination of bovine serum during large-scale bioreactor cell culture and virus culture, successfully overcoming cell dependence on serum. The risks of exogenous contamination from bovine serum, batch-to-batch variability of vaccine products, and allergic reactions caused by heterologous proteins have all been eliminated, significantly improving product safety and effectively avoiding adverse reactions induced by residual bovine serum. To date, no serum-free rabies vaccine has been approved for commercialization globally.

The Company's novel high-titer human diploid cell rabies vaccine has broken through technical bottlenecks including 300L bioreactor virus culture and 600mm chromatographic purification processes, resolving the capacity constraints currently plaguing the market. Phase III clinical on-site work has been successfully completed. Compared with commercially available human diploid cell rabies vaccines worldwide, the Company's novel high-titer product has pioneered the breakthrough of the low virus titer bottleneck in traditional processes and solved the technical challenge of high-titer virus culture in large-scale reactors. It has also introduced optimized and innovative purification processes using an ultra-large ultrafiltration and chromatography system to enhance antigen purity, resulting in substantial improvements in both product quality and safety. Once approved for launch, this product, together with the serum-free rabies vaccine, will form the Company's iterative rabies vaccine portfolio and replace traditional rabies vaccines in the market.

Management Discussion and Analysis

We have completed construction of production facilities that meet international standards for both the serum-free next-generation rabies vaccine workshop and the novel high-titer diploid cell rabies vaccine workshop. Process validation meeting commercial-scale production and quality requirements has been successfully completed in these facilities. As the second largest supplier of rabies vaccines globally, the Company spearheads the in-depth technological iteration of rabies vaccines in the world, and will deliver rabies vaccine products with better quality and higher safety in the market after the above iterative rabies series vaccines are marketed, so that new productive forces will be achieved in the industry.

Iterative Pneumonia Vaccine Products

Following the established corporate strategy of the Company, we proactively advance the development of the vaccine pipelines and accelerate the research and development of iterative pneumonia vaccine series products through on-going technological innovation, achieving new productive forces at an accelerated pace. Leveraging the advantages of the polysaccharide conjugate vaccine technology platform, we have completed the iterative upgrading from polysaccharide vaccines to polysaccharide conjugate vaccines, and from 13-valent conjugate vaccines to 20-valent and even 24-valent conjugate vaccines, developing a series of pneumococcal vaccine products, including:

(1) The unblinding and statistical analysis of the Phase III clinical trial for the 23-valent pneumococcal polysaccharide vaccine have been completed, and the clinical study report has been obtained. (2) The 13-valent pneumococcal conjugate vaccine (PCV13) is undergoing supplemental studies in accordance with the requirements of the CDE. (3) Based on the 13-valent pneumococcal conjugate vaccine, the Company has developed and upgraded the 20-valent pneumococcal conjugate vaccine, for which clinical trial approval has been obtained. The 24-valent pneumococcal conjugate vaccine, which is the first-in-global research, has completed preclinical research.

According to the classification of the World Health Organization, pneumococcal disease is one of the diseases with very high priority use of vaccines for prevention. The iterative pneumococcal vaccine series approved in the United States covers all age groups, while the one approved in China only covers those under 6 years old. The market for those over 6 years old is still blank. China Insights Industry Consultancy Limited, an industry consultant, predicts that the market size of this vaccine in China is expected to exceed RMB50 billion by 2030, indicating tremendous market potential. In addition, the estimated penetration rate of the pneumococcal conjugate vaccines in the approved age group in China is 25.9%, while the penetration rate in the corresponding age group in the United States exceeds 80%, indicating that there is still significant room for growth in the market.

We will systematically advance the enhancement and expansion of the iterative pneumococcal series vaccine products in an orderly manner, with the aim of continuously meeting the increasingly diverse and growing market demand.

The Company's iterative pneumococcal series vaccine products GMP workshops have been completed in phases, meeting international standards. Phase III clinical samples of the iterative pneumococcal series vaccines were all produced in these workshops. After market launch, this iterative series of pneumococcal vaccines will be able to fully meet market demand for pneumococcal vaccines, achieve new productive forces in the industry, and lead international industrial innovation.

Management Discussion and Analysis

ITERATIVE mRNA VACCINE TECHNOLOGY PLATFORM AND PRODUCT

The Company is one of the earliest enterprises in China to develop mRNA vaccine products, and also among the first domestic vaccine companies to obtain independent patents for mRNA technology. It has a mature R&D system for mRNA vaccines and has now established the full industrial chain covering R&D, production and other processes of mRNA vaccines. The iterative mRNA technology platform was tested by the clinical trial data from tens of thousands of subjects, and the safety and efficacy of products developed on the platform have been fully verified.

The mRNA RSV vaccine and mRNA shingles/herpes zoster vaccine being developed by us have adopted the Group's own mRNA technology platform and are global blockbuster products. RSV vaccines of Pfizer and GSK were successively approved for marketing in May 2023, the sales of which amounted to US$1.81 billion in 2025. The sales of GSK's shingles/herpes zoster vaccines amounted to US$4.71 billion in 2025. Given that the Group has already developed several mRNA COVID-19 vaccines which have been proven in clinical trials, we are able to quickly advance the R&D and registration of the products on that basis.

The Company's mRNA RSV vaccine is subject to dual filings in both China and the United States, and has been approved to conduct clinical trials in both countries simultaneously. In preclinical animal studies, test results from an independent third-party laboratory showed that the specific IgG antibody titers, authentic virus neutralizing antibody titers, and specific T-cell immunity induced by the Company's mRNA respiratory syncytial virus vaccine were all significantly higher than those of the internationally marketed mRNA respiratory syncytial virus comparator vaccine.

The Company's mRNA herpes zoster vaccine is subject to dual filings in both China and the United States, and has been approved to conduct clinical trials in both countries simultaneously. In preclinical animal studies, test results from an independent third-party laboratory showed that the specific T-cell immunity, specific IgG antibody titers, and fluorescent antibody to membrane antigen (FAMA) titers induced by the Company's mRNA herpes zoster vaccine were all significantly higher than those of the internationally marketed recombinant subunit comparator vaccine.

In the future, the Company will further focus on the mRNA platform key technologies and continuously promote product innovation on that basis, concentrating on the unmet clinical needs in the core disease areas and further enhancing the Company's innovation capabilities, core competitiveness and comprehensive strengths.

Currently, the Company has established mature mRNA vaccine platform production process and stable testing methods to ensure the safety and effectiveness of products. Further, such platform technology has extensive applicability and has strong advantages of quick and timely response especially in the face of sudden infectious disease.

Management Discussion and Analysis

PROGRESS OF OTHER VACCINE CANDIDATES

Group A, C, Y and W135 Meningococcal Conjugate Vaccine (also known as quadrivalent meningococcal conjugate vaccine) (MCV4)

Currently, the main meningococcal vaccines sold in China are polysaccharide vaccines (MPSV). The incidence of meningococcal disease is highest among infants under 12 months of age. however, polysaccharide vaccines cannot effectively induce immune responses in children under 2 years. Conjugate vaccines, on the other hand, can address this immunization challenge, allowing even younger children to receive MCV4 and establish immune protection at an early stage, effectively reducing infection risk. As a conjugate vaccine, MCV4's superior immunological efficacy stems from its ability to simultaneously stimulate antibody production and immune memory, thereby providing more durable protection. Its immunological effectiveness exceeds that of polysaccharide vaccines. Compared to MCV2, which is also a conjugate vaccine, MCV4 can prevent two additional groups of meningococcal disease, positioning it to become the mainstream vaccine for meningococcal infection prevention. Our MCV4 vaccine is a meningococcal polysaccharide conjugate vaccine and ranks among the top ten blockbuster vaccine products globally. It can prevent epidemic cerebrospinal meningitis and other invasive diseases caused by meningococcal serogroups A, C, Y, and W135, and is indicated for populations aged three months to 15 years. Our quadrivalent meningococcal conjugate vaccine has completed full vaccination for all enrolled subjects in the Phase II clinical trial.

EV71-CA16 Bivalent HFMD Vaccine

HFMD falls into the scope of Class C infectious diseases in China. Each year, over one million people are infected with the disease and there are death cases. Enterovirus type 71 (EV71) and coxsackievirus A16 (CA16) are the major pathogens of HFMD. As currently no approved vaccine against CA16 viral strains has launched in the market, China sees a trend of CA16 outbreak on a full scale. We are developing a global EV71-CA16 Bivalent HFMD Vaccine. Our EV71-CA16 bivalent inactivated HFMD vaccine (human diploid cell) covers the two most prevalent strains, and can simultaneously prevent hand, foot and mouth disease and related syndromes caused by EV71 and CoxA16 infections. The theoretical pathogen coverage rate has been increased from approximately 40% for the EV71 monovalent vaccine to 80%-90%. This EV71-CA16 Bivalent HFMD Vaccine candidate is the first vaccine candidate in the world obtained clinical trial approval. It is designed to provide immunization against both EV71 and CA16 viral strains. It is currently undergoing Phase I clinical trials and represents an innovative vaccine product globally.

Management Discussion and Analysis

Vaccine development platform technologies and in-house R&D teams

We have five proven human vaccine platform technologies covering innovative technologies, such as mRNA vaccine, genetically engineered vaccine, and combination vaccine technologies, as well as traditional technologies, such as bacterial vaccine and viral vaccine technologies. Leveraging these platforms, we are well positioned to develop a steady and fit-for-purpose stream of vaccines that are efficient to manufacture. We have at least one approved product or one vaccine candidate at CTA or clinical stages under each platform. At the same time, the Company is currently designing the structure of antigens and mRNA sequence of vaccines leveraging AI, and is trying to leverage AI to assist in process research and development of vaccines. Looking forward, the Company expects to increase the depth of existing applications and expand its applications in clinical trial data analysis.

Our in-house R&D teams are responsible for all stages of vaccine candidate development, including preclinical studies, clinical trials, and registration and filings. Our R&D teams primarily consist of (i) three vaccine research institutes, namely AIM Explorer, AIM Leader and AIM Innovator; and (ii) the R&D team in each of our four vaccine manufacturing subsidiaries, namely AIM Rongyu R&D Center, AIM Persistence R&D Center, AIM Honesty R&D Center and AIM Action R&D Center. Each R&D team has its own research foci. AIM Rongyu focuses on the research and development and industrialization of mRNA vaccines; AIM Persistence focuses on the research and development and industrialization of bacterial vaccines; AIM Honesty focuses on the research and development and industrialization of genetically engineered vaccines; AIM Action focuses on the research and development and industrialization of viral vaccines.

Manufacturing

All of our vaccine products are produced in house by our four individual Licensed Manufacturing Facilities in our manufacturing subsidiaries. For the year ended December 31, 2025, we passed all GMP inspections conducted by the NMPA or its local counterparts on the four individual Licensed Manufacturing Facilities. The following table sets forth key information of our four individual Licensed Manufacturing Facilities as of December 31, 2025:

Name	Location	GFA *(sq.m.)*	Production capacity *(million doses)*	Responsible products	Production Line(s)
AIM Rongyu Licensed Manufacturing Facility	Ningbo, Zhejiang Province	25,318	25.0	Freeze-dried human rabies vaccine (Vero cell)	Two One
AIM Honesty Licensed Manufacturing Facility	Dalian, Liaoning Province	11,877	45.0	Recombinant HBV vaccine (Hansenula Polymorpha)	One
AIM Action Licensed Manufacturing Facility	Taizhou, Jiangsu Province	18,711	5.3	Inactivated HAV vaccine	One
AIM Persistence Licensed Manufacturing Facility	Ningbo, Zhejiang Province	72,313	16.0	Bivalent inactivated HFRS vaccine (Vero cell), mumps vaccine and Group A, C, Y and W135 MPSV (MPSV4)	Three

Management Discussion and Analysis

We have equipped all our Licensed Manufacturing Facilities with advanced equipment and machinery procured from leading international and domestic brands, such as bioreactors, centrifuges, ultra-filtration system and large-scale purification system and product filling and packaging lines. We regularly inspect and maintain our equipment and machinery to ensure that they remain in good condition for operation. In each Licensed Manufacturing Facility, we have been actively taking measures to ensure a stable and quality supply, including designating dedicated personnel to optimize production planning and coordination among different divisions, preventing contamination, improving automation in our production procedures, and strengthening the maintenance of our equipment and facilities to reduce the occurrence of failures.

Industry Overview

The Vaccine Administration Law of the People's Republic of China (《中華人民共和國疫苗管理法》), which came into effect on December 1, 2019, contains specific provisions on the development, production, circulation and vaccination of vaccines as well as supervision and administration, and further defines vaccines as vaccines under the immunization program and vaccines not covered by the immunization program. The promulgation of the Vaccine Administration Law of the People's Republic of China began a new stage of vaccine development in China.

By the end of 2024, the size of China's vaccine market (excluding COVID-19 vaccines) exceeded RMB 101.97 billion, with a compound annual growth rate of 19.1% from 2019 to 2024. This was principally driven by the launch of innovative vaccine products and improving demand for non-National Immunization Program (NIP) vaccines. However, the 2025 vaccine market profile continued to confront multiple challenges, encompassing macroeconomic downward pressure, intensified anti-corruption governance in healthcare, and declining birth rates.

From the perspective of market structure, China's vaccine market demonstrates evident differentiation: On one hand, some mature vaccine varieties, due to intensified market competition, have entered a development stage marked by sales volume growth and channel optimization. On the other hand, innovative vaccine products, relying on their clinical value and market scarcity, enjoy significant edges in pricing mechanisms and market share. A clear gap still exists between China and developed European/American vaccine markets regarding innovative product pricing, which presents strategic opportunities for China's vaccine enterprises to achieve value enhancement through product iteration and upgrading.

In China's rabies vaccine market, the number of issued doses increased from 58.8 million in 2019 to 78.5 million in 2021, representing a growth of 33.6%. The market size is expected to grow to RMB18.16 billion by 2030. One driver of growth is the launch and development of serum-free rabies vaccines. By adopting advanced full-process serum-free cell culture technology, these vaccines feature more stable components and significantly improved safety. This technology will lead the iterative upgrading of rabies vaccine products in China. According to CIC, this technology is expected to account for 20%–30% of China's rabies vaccine market by 2030. Meanwhile, the further development of human diploid cell vaccines will also drive market expansion. As the cultured cells are derived from human embryos, they exhibit high compatibility with the human body and relatively high safety. Although currently limited by factors such as price and production capacity, human diploid cell rabies vaccines hold a relatively small market share. With rising public awareness of high-quality vaccines and improved economic conditions, their market share will continue to increase. According to CIC, human diploid cell rabies vaccines are projected to account for approximately 50% of the sales volume in China's rabies vaccine market by 2030.

Management Discussion and Analysis

An estimated 254 million people worldwide are living with hepatitis B, with 6,000 new cases of viral hepatitis daily, according to the Global Hepatitis Report 2024 issued by the World Health Organization (WHO). July 28, 2025 marked the 15th "World Hepatitis Day". The theme for China's awareness campaign is "Social Governance for Hepatitis Elimination". The National Disease Control and Prevention Administration launched a themed public awareness campaign for 2025 "World Hepatitis Day" in order to enhance public awareness of viral hepatitis prevention and control, mobilize societal engagement to minimize new infections, improve case detection and treatment efficacy, lighten disease burden, thereby moving faster to make possible the "Elimination of Viral Hepatitis as a Public Health Threat" target. Updated evidence from the Fourth National Seroepidemiological Survey conducted in 2020 (published in the sub-journal of The Lancet in October 2024) reveals that the nationwide HBsAg prevalence reduced to 5.86%, translating to approximately 75 million chronic HBV-infected people in China. This constitutes the world's largest HBV reservoir, contributing to an estimated approximately 270,000 annual deaths from hepatitis B-related cirrhosis and liver cancer. Under the guidance of relevant national authorities, the Chinese Preventive Medicine Association issued the Expert Consensus on Screening for Hepatitis B Virus Infection in Adults (《成人乙型肝炎病毒感染篩查專家意見》) and the Consensus on Hepatitis B Vaccination in Adults (《成人乙型肝炎疫苗免疫接種專家意見》). They proposed that adults (especially those born before 2002) should receive HBV infection screening as early as possible, with at least one screening in their lifetime. Susceptible populations, adolescents, and unvaccinated adults should receive hepatitis B vaccination to accelerate the realization of the goal of eliminating hepatitis-related harm. To advance the achievement of this goal, provinces such as Fujian, Hainan, Shandong, and Guangdong have actively introduced policies to eliminate hepatitis-related harm. In September 2025, the National Disease Control and Prevention Administration, together with nine other government departments, jointly issue the National Viral Hepatitis Prevention and Control Plan (2025–2030) (《中國病毒性肝炎防治規劃(2025–2030)》 (the "**Action Plan**"). As a guiding document for hepatitis prevention and control over the next five years, it opens up a clear growth trajectory for the vaccine industry across three dimensions: strengthening immunization barriers, upgrading the integration of medical treatment and prevention, and empowering innovation and R&D. First, quantitative targets will drive an expansion in vaccine demand and shape an all-population vaccination landscape. The Action Plan sets out specific mandatory targets, including maintaining full-course vaccination coverage for hepatitis A and hepatitis B vaccines among children at above 95%, and ensuring that the timely birth dose vaccination rate for the hepatitis B vaccine among newborns reaches no less than 90%. At the same time, adult vaccination has, for the first time, been incorporated into nationwide policy deployment. Second, with the implementation of mechanisms integrating medical treatment and prevention, vaccination scenarios will continue to expand. Healthcare institutions will incorporate hepatitis vaccination into routine health check-ups and chronic disease management processes. Coupled with public education and promotion through internet-based healthcare platforms, the convenience and accessibility of adult vaccination are expected to improve significantly.

In the pneumococcal vaccine sector, innovative vaccines hold an absolutely dominant position in the market. Driven by the rapid growth of pneumococcal products, China's pneumococcal vaccine market reached RMB 10.75 billion in 2022. According to CIC, it is expected to maintain steady growth at a CAGR of 22.7%, reaching RMB 50 billion by 2030. With technological progress and continuous advancement in vaccine R&D, vaccine manufacturers are striving to overcome technical challenges. Higher-valent vaccines such as PCV20 and PCV24 represent the future development trend of the market. Higher-valent PCV vaccines can cover more pneumococcal serotypes, including rarer ones, thereby providing more comprehensive immune protection. They also demonstrate distinct advantages in immune efficacy and durability, effectively stimulating the immune system to produce long-lasting immune responses, extending the protection period, and significantly reducing the transmission and incidence of pneumococcal infections, offering a safer and more reliable vaccine option.

Management Discussion and Analysis

The clinical application potential of the mRNA vaccine has been verified due to its excellent performance in the COVID-19 pandemic. Compared to other COVID-19 vaccines, mRNA vaccine has advantages such as faster research and development, lower infectivity, higher effectiveness and lower production cost, and the technology of mRNA has become the focus of the major vaccine manufacturers in the world. mRNA can be rapidly expressed and promptly degraded after entering the human body, so it is not easy to disrupt homeostasis and burden on the body will be eased; the component of the mRNA vaccine is single and there is no need for cell culture or animal-derived matrices, and the vaccine has higher safety. Most importantly, the production of mRNA vaccines is easy to be standardized, and mRNA can be synthesized based on DNA sequences, which can be digitized and rapidly shared, thus allowing for the development of similar vaccines in a short period of time, as well as large-scale, short-term vaccine research and development and production in response to outbreaks of infectious diseases. Currently, major enterprises in the world are focusing on the technology of mRNA applicable to the research and development of prophylactic vaccines and therapeutic vaccines. The FDA is one of the most stringent regulatory authorities globally, with only a select few drugs receiving review designation qualification each year, recognized by the World Health Organization as meeting the highest safety standards. As more mRNA vaccines will be successfully developed and launched on the market in the future, the mRNA vaccine market will grow rapidly and the market prospect is broad. In March 2026, the Center for Drug Evaluation, NMPA issued the Technical Guiding Principles for Clinical Trials of Preventive mRNA Vaccines (Draft for Comments) (《預防用mRNA疫苗臨床試驗技術指導原則(徵求意見稿)》) for public consultation, marking an important step in the development of China's mRNA vaccine industry. The guiding principles clarify standards for research and development and clinical trials, thereby reducing trial-and-error risks and R&D costs for enterprises and accelerating product commercialization. At the same time, it enhances the certainty of industry development and promotes the survival of the fittest within the mRNA vaccine sector, driving the industry toward high-quality commercialization.

As of March 2026, there was no approved RSV vaccine for launch in China. However, RSV is one of the important causes of acute lower respiratory tract infection, bronchitis and pneumonia in children and the elderly, so the RSV vaccine is in great demand in the market. Globally, there are no approved antiviral drugs specifically targeting RSV available for clinical use. On May 31, 2024, Moderna's mRNA RSV vaccine received market approval in the United States, becoming the world's first approved non-COVID-19 mRNA vaccine, marking the beginning of a new wave of mRNA technology applications in the vaccine field. By 2030, China's RSV vaccine market is projected to exceed RMB15.4 billion.

Shingles/herpes zoster is a common disease and often occurs in the middle-aged and the elderly. This disease could result in inflammation and necrosis of the affected nerves, causing severe neuralgia that may last for months or even years. Therefore, the application of vaccines plays an important role in the prevention and control of shingles/herpes zoster. The application of mRNA technology to the development of shingles/herpes zoster vaccines can enhance protection for vaccinated populations. As it can induce strong innate and adaptive immunity, it ensures the effectiveness and safety while providing a long-lasting immunological protection effect, which addresses the pain point of low safety of existing shingles/herpes zoster vaccines. According to industry consultants' forecasts, from 2020 to 2022, vaccination rate of recombinant herpes zoster vaccines among people aged 60 and older nationwide were 0.01%, 0.04% and 0.10%, respectively, and in 2022, Beijing had the highest vaccination rate (0.54%). Currently, the vaccination rate for herpes zoster vaccines among the target population in China is only about 0.2%, indicating enormous growth potential. It is anticipated that with the continuous improvement in health awareness, China's market size will approach RMB20 billion by 2030.

Management Discussion and Analysis

On the other hand, in terms of sales, the total market size of the vaccine industry in China increased by RMB59.5 billion in total from 2019 to 2024 at a compound annual growth rate of approximately 19.1% and is expected to increase to approximately RMB382.5 billion at a compound annual growth rate of 12.8% by 2035, which significantly outpaces the global market. By vaccine category, the market size of vaccines under the immunization program declined slightly, while vaccines not covered by the immunization programs became the driving factor for the continued expansion of the market size in China. The vaccine industry in China is expected to continue to grow rapidly as pharmaceutical companies continue to conduct research and development, innovative vaccines covering more diseases and more serotypes/subtypes become increasingly popular, average life expectancy and ageing population ratio increase, and health awareness, vaccination awareness and average disposable income of the PRC residents increase. Against this background, the vaccine industry in China is expected to enter a new stage of development in terms of iterative upgrading of vaccine technology platforms, research and development of new products and adult market expansion and other areas.

PROSPECTS AND OUTLOOK

In recent years, China's vaccine industry has embraced historic development opportunities. In the 2026 National Government Work Report, biomedicine was explicitly designated as an "emerging pillar industry" for the first time, ranking alongside integrated circuits and aerospace as national strategic priorities. This upgrade in top-level design further highlights the important status of biomedicine as a national pillar industry, biomanufacturing as an engine for future development, and vaccines as the core of the Healthy China initiative and public security strategy, and has injected strong policy momentum into the long-term development of the vaccine industry. Against this backdrop, vaccines' dominant role in disease prevention has been further strengthened, and their position in the overall biomedicine sector is expected to rise significantly. Meanwhile, the implementation of industrial policies has effectively accelerated the industrialization of new biotechnologies, laying a solid foundation for the industry's long-term, healthy growth. Additionally, the substantial growth in vaccine exports has greatly boosted Chinese pharmaceutical companies' confidence in pursuing international expansion.

It is worth mentioning that our research and development pipelines align with national policies. Our five technology platforms cover all the vaccine technologies that are encouraged and supported by the government as mentioned above and have been verified, with the research and development of related vaccine products rapidly progressing.

Furthermore, in order to accelerate the promotion of internationalized business, the Company specifically set up an international business department to push forward the implementation of series of internationalized layout, and is ready in all aspects such as overseas marketing permission, product research and development and manufacturing. The Company's vaccine products are entering the global market.

Management Discussion and Analysis

In 2025, quadrivalent meningococcal polysaccharide vaccine successfully entered the African market, the rabies vaccine marked its first entry into the Central American market, and the hepatitis B vaccine also achieved first export. In terms of registration progress, the hepatitis B vaccine is actively undergoing registration procedures in Southeast Asia, which is expected to provide a new option for local hepatitis B prevention efforts. The registration work of the hepatitis A vaccine in South Asia is proceeding in an orderly manner, aiming to enhance local hepatitis A prevention and control capabilities. Meanwhile, the registration of the MPSV4 vaccine in Central Asia is advancing steadily, with expectations for local market launch next year.

The Company is also fully preparing for the international commercialization of soon-to-be-marketed iterative pneumococcal vaccines and the iterative serum-free rabies vaccine. The Company has currently signed exclusive agency agreements with multiple countries in West Asia, Southeast Asia, and other regions, establishing a bridge for its products to enter local markets. Meanwhile, AIM Vaccine has formally signed a memorandum of understanding (MOU) with Egypt for the iterative pneumococcal vaccines, further expanding its market layout in the Middle East and North Africa region (MENA) and laying a solid foundation for future sales growth. These achievements demonstrate AIM Vaccine's strong market expansion capabilities and also indicate that it will play a more important role in the global vaccine market.

In terms of products under development, the Company has set up product pipelines with close reference to the needs of the international market. In accordance with the latest World Health Organization's vaccine prequalification list (2024–2026), the Company is rapidly promoting the research and development of the iterative pneumococcal vaccines and the quadrivalent meningococcal conjugate vaccine, both being high priority qualified vaccines. In addition, the Company is proactively researching and developing the RSV vaccine and the shingles/herpes zoster vaccine, both of which are also the varieties in short supply in the international market. The Company is making efforts to promote the marketing registration and sale of these products within and outside China, and to achieve the World Health Organization's prequalification for the vaccines.

Among our marketed products, the Company's hepatitis A vaccine, hepatitis B vaccine, and rabies vaccine are WHO prequalified products, all of which are well-received in international markets. We have successively launched a series of vaccine temperature monitoring products to ensure vaccine safety and efficacy, covering Freeze-dried Rabies Vaccine for Human Use (Vero Cell), Recombinant Hepatitis B Vaccine (Hansenula Polymorpha), Meningococcal Polysaccharide Vaccine (Serogroups ACYW135) (MPSV4), and Inactivated Hepatitis A Vaccine (Human Diploid Cell). These products meet the needs of diverse customer segments, offering various specifications to different customers, and improve vaccine temperature control and identification, further upgrading vaccine quality management standards and enhancing product market competitiveness.

In terms of production capacity construction, the Company has completed the construction of GMP workshops for iterative pneumonia series vaccines and iterative rabies series vaccines in batches, and all of these workshops meet the international standards. Phase III clinical samples of serum-free next-generation rabies vaccine, high-potency human diploid cell rabies vaccine, 23-valent pneumonia polysaccharide vaccine and 13-valent pneumonia conjugate vaccine and process validation samples are produced in these workshops, helping the Company get fully ready for the quick entry into the overseas market of such products upon marketing.

Management Discussion and Analysis

In 2025, relying on its robust 20-year sales network and the well-established excellent brand reputation and image in the market, the Company carried out thorough pre-launch preparations for its core products pending commercialization. Through training sessions, market promotion and education, and expert consensus-building activities, the Company supported the rapid market access and volume ramp-up of new products upon launch. Taking the iterative serum-free rabies vaccine as an example, the Company actively invited experts and scholars to share the R&D progress and clinical data of the serum-free rabies vaccine, especially its outstanding advantages in immunogenicity and safety compared with commercially available rabies vaccines, laying the groundwork for the successful launch of this flagship product. In addition, the Company organized visits to its manufacturing facilities by experts and scholars, enabling them to gain a full understanding of the production process and advantages of the serum-free rabies vaccine, and communicated the product value of the iterative serum-free rabies vaccine to customers and end-users.

In conclusion, in 2026, AIM Vaccine will continue to accelerate the commercialization and market pre-launch preparations of blockbuster products such as the iterative rabies vaccine series. We will deepen cooperative ties with "One Belt and One Road" countries, enabling more high-quality vaccines to benefit unmet medical needs globally. With our proprietary mRNA technology platform as the engine, we will break through research and development barriers for internationally scarce vaccines such as respiratory syncytial virus and herpes zoster. Simultaneously, with intelligent production capacity and a comprehensive temperature-controlled system, we will strengthen our global competitiveness in quality and supply, dedicated to fulfilling our mission of manufacturing conscientious vaccines and promoting health for all humanity.

FINANCIAL REVIEW

Overview

The following discussion is based on, and should be read in conjunction with, the financial information and the notes included elsewhere in this annual report.

Revenue

	2025	2024
	RMB'000	*RMB'000*
Revenue from sales of vaccine products		
Revenue from sales of Class I vaccine	**129,392**	140,189
Revenue from sales of Class II vaccine	**1,036,270**	1,121,257
Revenue from research and development services	**11**	23,585
Total	**1,165,673**	1,285,031

Management Discussion and Analysis

Revenue from the Company's primary business for 2025 was RMB1,165.7 million, representing a decrease of RMB119.3 million or 9.3% compared to that from the primary business of RMB1,285.0 million for 2024. The reasons for the decrease are as follows: 1. On the one hand, it was affected by factors such as changes in the vaccine market environment and intensified market competition; on the other hand, it was influenced by factors including public awareness of diseases, willingness to vaccinate, and the pace and scale of project implementation. These factors led to a year-on-year decrease of 7.6% in the Company's revenue from the vaccine business; 2. During the same period last year, the Company's subsidiary Liverna generated the revenue from research and development services of RMB23.6 million, whereas during the Reporting Period, the revenue from this segment was very minimal, which also had a certain impact on the overall revenue performance.

Cost of Sales

The Company's cost of sales primarily consisted of manufacturing cost, raw materials cost, direct labor cost and transportation cost.

The Company's cost of sales amounted to RMB405.5 million in 2025, representing an increase of RMB74.0 million or 22.3% as compared to the cost of sales of RMB331.5 million in 2024, primarily due to the Company's strict management of inventory expiration dates. During the year, a provision for impairment was made for vaccines approaching their expiration dates. Excluding the significant impairment provision, the cost of sales decreased by 5.4%.

Gross Profit and Gross Margin

The Company's gross profit amounted to RMB760.2 million in 2025, representing a decrease of RMB193.3 million or 20.3%, as compared to the gross profit of RMB953.5 million in 2024, primarily due to: 1. the recognition of a substantial impairment provision for vaccines nearing their expiry date during the year; and 2. a decline in operating revenue for the year.

The Company's gross margin was 65.2% in 2025, representing a decrease of 9.0%, as compared to the gross margin of 74.2% in 2024, primarily due to the recognition of a substantial impairment provision for vaccines nearing their expiry date during the year. Excluding the impact of product impairment, the gross margin for the year was essentially flat with the previous year.

Other Income and Gains

The Company's other income and gains were primarily derived from income from government grants, and bank interest income.

The Company's other income and gains were RMB29.7 million in 2025, representing a decrease of RMB3.1 million or 9.5%, as compared to the other income and gains of RMB32.8 million in 2024, primarily due to a decrease in government grants and bank interest income during the year.

Management Discussion and Analysis

Our operating expenses mainly include selling and distribution expenses, administrative expenses, and R&D expenses. The following table sets forth a breakdown of our operating expenses:

	Year ended December 31,	
	2025	2024
	RMB'000	*RMB'000*
R&D expenses	**191,275**	363,126
Selling and distribution expenses	**527,523**	542,666
Administrative expenses	**256,287**	282,730
Total	**975,085**	1,188,522

R&D Expenses

	Year ended December 31,	
Nature	**2025**	2024
	RMB'000	*RMB'000*
Staff costs	**72,881**	86,457
Research materials costs	**37,193**	41,397
Professional service fees	**21,762**	159,174
Depreciation and amortization	**32,369**	34,974
Utility costs	**17,701**	27,565
Others	**9,369**	13,559
Total	**191,275**	363,126

The Company's R&D expenses amounted to RMB191.3 million in 2025, representing a decrease of RMB171.8 million or 47.3%, as compared to the R&D expenses of RMB363.1 million in 2024, primarily due to the fact that the Company incurred overseas clinical trial-related R&D expenses in 2024, whereas such expenses were not incurred in 2025 following the completion of overseas clinical trials. Additionally, R&D expenses for the quadrivalent influenza virus vaccine (MDCK Cells) and the quadrivalent meningococcal conjugate vaccine projects experienced a decline in 2025 in line with the progress of their respective research and development stages.

Selling and Distribution Expenses

The Company's selling and distribution expenses primarily consisted of marketing and promotion expenses, staff costs and market expansion expenses, etc. The marketing and promotion expenses primarily consisted of costs and expenses paid to our CSOs for various marketing and academic promotion activities, industry research and post-sales customer service. The staff costs primarily included salaries, benefits and other compensation for our sales staff.

Management Discussion and Analysis

The Company's selling and distribution expenses amounted to RMB527.5 million in 2025, representing a decrease of RMB15.2 million or 2.8%, as compared to the selling and distribution expenses of RMB542.7 million in 2024, primarily due to a reduction in staff costs and marketing and promotion expenses.

Administrative Expenses

The Company's administrative expenses primarily consisted of staff costs, depreciation and amortization, professional service fees, etc.

The Company's administrative expenses amounted to RMB256.3 million in 2025, representing a decrease of RMB26.4 million or 9.4%, as compared to the administrative expenses of RMB282.7 million in 2024, primarily due to the Company's implementation of cost reduction and efficiency enhancement initiatives during the year, which strengthened cost and expense control, resulting in a decline across various operating expenses including staff costs and travel expenses.

Impairment Losses on Financial Assets

The Company recorded a reversal of impairment losses on financial assets of RMB7.0 million in 2025, representing an increase of RMB0.8 million or 12% compared to the reversal of impairment losses on financial assets of RMB6.2 million recorded in 2024. This was primarily due to a decrease in the expected credit loss rate calculated under the expected credit loss model, resulting in a partial reversal of the provision for bad debts.

Impairment Losses on Property and Equipment

During the year ended December 31, 2025, the Company recognized impairment losses of RMB314.7 million, representing an increase of RMB282.0 million or 861%, as compared to the impairment losses of RMB32.7 million in 2024. The increase was mainly attributable to the 13-valent pneumococcal conjugate vaccine under development undergoing supplemental studies in accordance with the requirements of the national CDE, which delayed the product's commercialization timeline. As a result, the Group conducted impairment testing on the asset group of its related pipeline products. Based on the test results, an impairment provision of RMB314.7 million was made.

Impairment Losses on Other Intangible Assets

For the year ended December 31, 2025, the Company recognized impairment losses of RMB211.1 million, compared with no such impairment losses in the corresponding period of the previous year. The impairment of the carrying amount of intangible assets was mainly attributable to: (1) the suspension of the R&D projects for Liverna's mRNA human rabies vaccine and mRNA veterinary rabies vaccine, for which the Company recognized an impairment provision of RMB127.9 million on deferred development costs related to these two products arising from the acquisition of Liverna; and (2) the delay in commercialization of the 13-valent pneumococcal conjugate vaccine under development due to supplemental studies required by the national CDE. The Company performed an impairment test on the related deferred development costs, and based on the results, recognized an impairment provision of RMB83.2 million on such deferred development costs.

Management Discussion and Analysis

Finance Costs

The Company's finance costs primarily consisted of interest on bank loans and interest on lease liabilities.

The Company's finance costs amounted to RMB57.8 million in 2025, representing a decrease of RMB3.0 million or 4.9%, as compared to the finance costs of RMB60.8 million in 2024, primarily due to the decrease in the average balance of bank loans and the decline in bank lending rates resulted in a reduction in the corresponding interest expenses on loans.

Income Tax Credit

The Company has income tax credit of RMB22.8 million in 2025, representing an increase of RMB10.6 million or 86.4%, as compared to the amount of income tax credit of RMB12.2 million in 2023, primarily due to the increase in loss before tax for the year ended December 31, 2025, as compared to 2024.

Loss for the Year

The Company reported a loss of RMB743.7 million in 2025, representing an increase of RMB465.3 million compared to the loss of RMB278.5 million in 2024. This was primarily due to the provision for impairment of deferred development costs associated with certain R&D pipelines, as well as property and equipment, recorded during the current fiscal year.

Liquidity and Financial Resources

As at December 31, 2025, the Company's cash and cash equivalents and time deposits totaled RMB355.6 million, representing a decrease of RMB239.5 million or approximately 40.2%, as compared to the cash and cash equivalents and time deposits of RMB594.9 million as at December 31, 2024. The decrease in cash for the current period was primarily due to ongoing R&D investments. Deferred development costs and R&D expenses for the current year totaled RMB363.8 million. Additionally, RMB148.1 million was repaid on construction project loans. These expenditures were covered by a combination of the Company's existing funds and operating cash flows.

As at December 31, 2025, the Company's current assets were approximately RMB2,042.9 million, while current liabilities were approximately RMB3,092.9 million. Net current liabilities amounted to RMB1,050.0 million, representing an increase of RMB347.1 million compared to net current liabilities of RMB702.9 million as at December 31, 2024. This increase was primarily due to the fact that on the one hand, the Company's current assets decreased by RMB344.5 million, which was mainly due to the reduction in cash and cash equivalents as well as the decrease in the Company's inventory balance. As mentioned in the previous paragraph, the reduction in cash and cash equivalents was mainly due to the continuous investment in R&D and the repayment of construction project loans this year. On the other hand, due to the fact that construction project loans in the current period are nearing maturity and are gradually being transferred to short-term borrowings under current liabilities, the current liabilities for the current period remain largely flat compared with the same period last year. Under the combined effect, the net current liabilities have increased. The Company has carefully considered future cash flow projections, available banking facilities, progress of R&D projects, and the management's ability to control the pace of operational expansion and capital expenditures. By continuously implementing measures such as accelerating the collection of overdue trade receivables and improving sales performance, the Directors are confident that the Company will be able to fully meet its financial obligations as they fall due in the foreseeable future.

Management Discussion and Analysis

Inventories

As at December 31, 2025, the Company's inventory balance was RMB347.4 million, representing a decrease of RMB115.2 million or 24.9% compared to the inventory balance of RMB462.6 million as at December 31, 2024. This decrease was primarily due to the Company's intensified inventory management efforts and impairment provisions for near-expiry vaccines, resulting in gradually lower inventory levels at the end of the period.

Trade Receivables

The carrying amount of the Company's receivables amounted to RMB1,197.6 million as at December 31, 2025, representing an increase of RMB73.8 million or 6.6%, as compared to the carrying amount of receivables of RMB1,123.8 million as at December 31, 2024, primarily due to a slight slowdown in customer payment collection, influenced by the overall market environment.

Capital Expenditure

The Company's capital expenditure amounted to RMB238.9 million in 2025, primarily used for payments related to vaccine industrialization production facility construction projects and capitalized research and development expenses for vaccines under development. The Company's capital expenditure for 2025 increased by RMB0.6 million or 0.2% as compared to capital expenditure of RMB238.3 million in 2024.

Borrowings and Gearing Ratio

The Company's total financial indebtedness (including interest-bearing bank borrowings, lease liabilities) amounted to RMB1,756.4 million as at December 31, 2025, representing a decrease of RMB84.9 million or 4.6%, as compared to the total financial indebtedness of RMB1,841.3 million as at December 31, 2024, primarily due to the repayment of construction project loans during the year.

The Company's gearing ratio (calculated by dividing total financial indebtedness by total equity as of the end of the period) was 59.8% as at December 31, 2025, representing an increase of 8.8 percentage points, as compared to the gearing ratio of 51.0% as at December 31, 2024, mainly due to the decrease in shareholders' equity resulting from the loss for the year.

Management Discussion and Analysis

Charge on Assets

As of December 31, 2025, part of the Group's bank loans were secured by (1) mortgages over the Group's buildings, which had a net carrying value as of December 31, 2025 of approximately RMB233.1 million (December 31, 2024: approximately RMB249.7 million); (2) mortgages over the Group's leasehold land, which had a net carrying value as of December 31, 2025 of approximately RMB68.7 million (December 31, 2024: approximately RMB71.1 million); and (3) guarantees provided by the Company and subsidiaries of the Group.

Save for the above, as of December 31, 2025, the Group did not have any other charges over its assets.

Foreign Exchange Exposure

The vast majority of the Group's businesses and all bank loans have been traded in RMB so there is no significant foreign exchange fluctuation risk. The Board does not expect that fluctuations in the RMB exchange rate and exchange fluctuations of other foreign currencies will have a significant impact on the Group's business or performance. The Group currently has no relevant foreign exchange risk hedging policies and therefore it has not carried out any hedging transactions to manage the potential risks of foreign currency fluctuations.

Contingent Liabilities

As of December 31, 2025, the Group did not have any significant contingent liabilities that would have a material impact on its financial position or results of operations.

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

Save for the placing of new H Shares under general mandate as disclosed under the section headed "Placing of New H Shares under General Mandate and Use of Net Proceeds from the Placing" below, for the year ended December 31, 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As of December 31, 2025, the Company did not hold any treasury shares.

EMPLOYEE AND REMUNERATION POLICY

As of December 31, 2025, we had approximately 1,466 employees, as compared to approximately 1,535 employees as of December 31, 2024. Total employee benefits expenses including Directors' remuneration in 2025 amounted to RMB344.5 million, as compared to the expenses of RMB356.9 million in 2024. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

Management Discussion and Analysis

In addition to salaries and bonuses, other employee benefit expenses include pension, housing fund, medical insurance and other social insurance. We have adopted the employee stock incentive scheme prior to the IPO to offer valuable incentives to attract and retain quality personnel. We have been evaluating, and may adopt, new stock incentive schemes that comply with the requirements of the Listing Rules. The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors. We conduct new employee training, as well as regular professional and safety training programs for all employees. Training programs cover key areas of our operations, such as quality control requirements, production safety, quality assurance and vaccine industry laws and regulations.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

We did not have any significant investments, material acquisitions or material disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of the date of this report, the Group did not have future plans for material investments or capital assets.

PLACING OF NEW H SHARES UNDER GENERAL MANDATE AND USE OF NET PROCEEDS FROM THE PLACING

Reference is made to the announcement of the Company dated February 28, 2025. On February 28, 2025, the Company entered into the placing agreement with the placing agent, DBS Asia Capital Limited, pursuant to which the placing agent has conditionally agreed, as the Company's placing agent, to procure, on a best effort basis, a placee (who and whose ultimate beneficial owner(s) (where applicable) will be independent third parties) to purchase 15,500,000 placing shares at the placing price of HK$5.01 per placing share and the net issue price will be approximately HK$4.82 per placing share. The placing shares have been placed to one placee, namely Factorial Master Fund. Factorial Management Limited ("**FML**") is the investment manager of Factorial Master Fund and provides provides discretionary asset management for the said fund. FML is a licensed corporation to carry on business in Type 9 (asset management) regulated activities under the SFO. FML is majority owned and controlled by its founder and chief investment officer, Barun Agarwal. Completion of the placing took place on March 6, 2025. The aggregate nominal value of the placing shares to be allotted and issued will be RMB15,500,000. The closing price of HK$6.26 per H Share as quoted on the Stock Exchange on February 27, 2025, being the last trading day prior to the signing of the placing agreement. The Board believes that the placing will be conducive to strengthening the Group's liquidity and financial position, broadening its Shareholder base, optimizing the capital structure of the Company and supporting the healthy and sustainable development of the Company.

Management Discussion and Analysis

The gross proceeds and net proceeds (after deducting the placing commission and other relevant costs and expenses of the placing) from the placing were approximately HK$77.7 million and HK$75.0 million, respectively, and the net issue price was approximately HK$4.82 per placing share. The net proceeds from the placing have been utilized in a manner consistent with that disclosed in the Company's announcement dated February 28, 2025 in relation to the placing of new H Shares under the general mandate as set out below:

		Net proceeds *(HK$ million)*			
Intended use	**Approximate percentage of gross net proceeds**	**Actual amounts of net proceeds**	**Utilized amounts as of December 31, 2025**	**Unutilized amounts as of December 31, 2025**	**Expected timeline of unutilized amounts**
For accelerating the research and development of various pre-clinical and clinical programs in the Company's multiple pipelines, including and not limited to conducting multi-regional clinical trials and for building the infrastructure and facilitates	60.00%	45.0	45.0	0.0	N/A
For the development, marketing and commercialization of new products of the Company	20.00%	15.0	15.0	0.0	N/A
For working capital and other corporate purposes	20.00%	15.0	15.0	0.0	N/A
Total	**100%**	**75.0**	**75.0**	**0.0**	**N/A**

The net proceeds have been fully utilized as at December 31, 2025.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's 2025 annual results and the financial statements for the year ended December 31, 2025 prepared in accordance with the IFRSs.

Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Yan ZHOU (周延**)**, aged 60, holds dual Master of Business Administration degrees from Peking University and Tsinghua University. He currently serves as the chairman of the Board and chief executive officer of AIM Vaccine. Mr. Zhou is an honorary trustee and founding donor of Westlake University, President of the Alumni Association of the National Development Research Institute of Peking University, and President of the Global Alumni Association of Northeast Yucai School. He was also honored as one of the five distinguished alumni selected in commemoration of the 30th anniversary of the National Development Research Institute of Peking University.

He has served as a Director of AIM Vaccine since May 2015 and was re-designated as an executive Director on June 9, 2021. Mr. Zhou has served as the chairman of the board of AIM Explorer since December 2020, the executive director of AIM Innovator since May 2021, and the chairman of the board of AIM Liverna since May 2021.

Mr. Zhou has approximately 15 years of experience in the biopharmaceutical industry. Since May 2012, he has been the chairman of the board of Tibet Tianxia Holdings Group Co., Ltd. (西藏天下控股集團股份有限公司), a company engaged in venture capital investment and management with an aggregate investment of over RMB630 million between 2012 and 2021 in a number of pharmaceutical, consulting, management, investment, financial information and financing companies.

From May 2013 to August 2018, Mr. Zhou served as a director of Yuanyan Yaogang Biological Pharmaceutical (Shenyang) Co., Ltd. (原研藥港生物製藥(瀋陽)股份有限公司) (renamed from Liaoning Green Biological Pharmaceutical Group Co., Ltd. (遼寧格林生物藥業集團股份有限公司)). He served as the chairman of the board of such company from October 2011 to May 2013.

Mr. Zhou obtained his master of business administration from Tsinghua University (清華大學) in the PRC in December 2014, and his doctor's degree in business administration from the W. P. Carey School of Business of Arizona State University in the U.S. ("**W. P. Carey**") in May 2015, and his master of business administration from Peking University (北京大學) in the PRC in January 2022. He is the brother of Mr. Jie ZHOU, an executive Director, and Mr. Xin ZHOU, the executive president and an executive Director.

Mr. Xin ZHOU (周欣), aged 57, has served as a Director since May 2013 and was re-designated as a non-executive Director on June 9, 2021, has served as the executive vice chairman of the Board since February 29, 2024, and was re-designated as an executive Director and has served as the executive president on August 29, 2024.

Prior to joining our Company, Mr. Xin ZHOU was an executive director and manager at Tibet Silicon Valley Angel Venture Capital Co., Ltd. (西藏硅谷天使創業投資有限公司) from June 2010 to December 2020.

Mr. Xin ZHOU studied for an executive master of business administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC ("**CKGSB**") in 2012 and received an executive master of business administration from Tsinghua University (清華大學) in June 2022. He is the brother of Mr. Yan ZHOU, who is the executive Director, chairman of the Board and chief executive officer and the controlling shareholder of the Company, and Mr. Jie ZHOU, who is the executive president and an executive Director.

Directors and Senior Management

Mr. Shaojun JIA (賈紹君), aged 63, has served as a Director since August 2017 and was re-designated as an executive Director on June 9, 2021 and was appointed as the president on April 17, 2025. Mr. Jia has also served as an executive president of our Company since February 18, 2021 and until April 17, 2025, and served as the chief operating officer of our Company since March 29, 2023 and until April 17, 2025. Mr. Jia is a director of AIM Explorer since December 2020, the chairman of AIM Persistence since March 2021, and the chairman of the board of AIM Rongyu since June 2021.

Mr. Jia has been a senior partner, member of the decision-making committee, executive president and general manager of Tibet Tongxin Capital Investment Management Co., Ltd. (西藏同信資本投資管理有限公司) from April 2017 to February 2021, a company primarily engaged in investment and asset management. From January 2007 to March 2017, he served as the chairman and general manager of Tibet Tongxin Securities Co., Ltd. (西藏同信證券股份有限公司), a company primarily engaged in securities trading and financial consulting. From August 1998 to September 2007, he held various positions at Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司) (SSE: 601211; SEHK: 2611), such as executive vice president, assistant to chief executive officer and director of the marketing and sales of department. From September 1992 to August 1999, Mr. Jia was a branch general manager of Guotai Securities Co., Ltd. (國泰證券有限公司).

Mr. Jia received his bachelor's degree in business enterprise management from Henan Radio & Television University (河南廣播電視大學) (currently known as the Open University of Henan (河南開放大學)) in the PRC in July 1986 and obtained his executive master of business administration degree from W. P. Carey in May 2006.

Mr. Wen GUAN (關文), aged 59, is an executive Director and an executive president of our Company and is responsible for assisting the chief executive officer to preside over the internal management of the Company. He has served as a Director of our Company since February 2021 and was re-designated as an executive Director on June 9, 2021, and has served as the vice chairman of the Board since February 29, 2024 and until April 17, 2025. Prior to that, Mr. Guan served as a Director of our Company since December 2016 and served as the chairman of the supervisory committee of the Company from June 2020 to February 2021. He has been the chairman of the board of AIM Action since March 2021.

From November 2015 to August 2016, Mr. Guan was a director of TD Capital (Hong Kong) Management Company Limited, a company primarily engaged in equity investment, where Mr. Guan was primarily responsible for investment management. From October 2014 to November 2015, Mr. Guan served as the director of TD Capital Management Company Limited, a company primarily engaged in project investment, where Mr. Guan was primarily responsible for investment management.

Mr. Guan received his executive master of business administration degree from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2014 and his master's degree in business administration from CKGSB in September 2008.

Directors and Senior Management

Mr. Jie ZHOU (周杰), aged 62, has served as a Director since May 2015 and was re-designated as a non-executive Director on June 9, 2021. He was once again re-designated as an executive Director on August 29, 2024. Mr. Jie ZHOU served as the manager of our Company from December 2015 to December 2016 and the chairman of the Board from December 2016 to September 2020.

Mr. Jie ZHOU has served as a director of Tibet Tianxia Holdings Group Co., Ltd. (西藏天下控股集團股份有限公司) since May 2012. From May 2013 to May 2017, he has held various management positions at Yuanyan Yaogang Biological Pharmaceutical (Shenyang) Co., Ltd. (原研藥港生物製藥(瀋陽)股份有限公司), including chairman, director and manager.

Mr. Jie ZHOU received his master's degree in business administration from CKGSB in September 2013. He is the brother of Mr. Yan ZHOU, who is the executive Director, Chairman of the Board and CEO and the controlling shareholder of the Company, and Mr. Xin ZHOU, who is the executive vice chairman of the Board and, the executive president and an executive Director.

Non-executive Director

Mr. Jichen ZHAO (趙繼臣), aged 62, has served as a Director of our Company since June 2020 and was re-designated as a non-executive Director on June 9, 2021.

Mr. Zhao has served as the chairman of Shanghai China UniCredit Investment Development Co., Ltd. (上海中聯信投資發展股份有限公司) since February 2023. He has been the chairman of China UniCredit International Group Company Limited (中聯信國際集團有限公司) since February 2017, a company primarily engaged in international trade, where he is primarily responsible for the overall leadership of the company's operations, development and daily business affairs. From January 2013 to January 2017, Mr. Zhao served as an executive director and vice president at the head office of Ping An Bank (平安銀行), where he was primarily responsible for risk management. From March 2002 to January 2013, Mr. Zhao held various senior management positions at China Minsheng Bank (中國民生銀行), including general manager of the risk management department, executive vice president, and risk management director. He also worked as a manager at the Industrial and Commercial Bank of China (中國工商銀行) from February 1984 to January 2002 and as a manager of the second-level branch of the People's Bank of China (中國人民銀行) from September 1982 to January 1984.

Independent Non-executive Directors

Professor Ker Wei PEI, aged 69, was appointed as our independent non-executive Director on September 19, 2020.

Professor Pei has been a tenured professor of accountancy at W. P. Carey from July 1998 to May 2022. He was the assistant lecturer of W. P. Carey from January 1986 to June 1992, associate professor from July 1992 to July 1998, high-tech master of business administration from July 1998 to June 2003, associate dean from July 2003 to June 2013, and dean of the China Program from July 2013 to June 2017. Professor Pei was the chairman of the American Accounting Association's Globalization Initiatives Committee from 1997, and the president of the Chinese Accounting Professors' Association of North America (北美華人會計教授協會) from 1993 to 1994.

Directors and Senior Management

Professor Pei has served as an independent non-executive director of Zhejiang Expressway Co., Ltd. (SEHK: 0576) ("**Zhejiang Expressway**") since June 2012, an independent non-executive director of Want Want China Holdings Limited (SEHK: 0151) since June 2007, and an independent non-executive director of Zhong An Group Limited (眾安集團有限公司) (formerly known as Zhong An Real Estate Limited) (SEHK: 0672) since June 2008. Professor Pei served as an independent non-executive director of MMG Limited (SEHK: 1208) from July 2015 to December 2019 and Baoshan Iron & Steel Co., Ltd. (SSE: 600019) from May 2006 to May 2012, as an external director of China Merchants Group Limited (招商局集團有限公司) from June 2015 to December 2022, and as an external director of China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團), the holding company of Baoshan Iron & Steel Co., Ltd., from February 2012 to September 2019. In particular, Professor Pei has served as the chairman of the audit committee of Zhejiang Expressway since April 2018, where he reviewed financial statements for the quarterly, interim and annual results, discussed the internal audit, the effectiveness of internal control system and total risk management, and made recommendation on the re-appointment of external auditors.

Professor Pei received his bachelor's degree in accounting in June 1979, his master's degree in accountancy from Southern Illinois University in the U.S. in May 1981, and his PhD degree from the University of North Texas in the U.S. in May 1986. He is a member of American Accounting Association.

Ms. Jie WEN (文潔), aged 62, was appointed as our independent non-executive Director on May 28, 2021.

Ms. Wen has been the chairwoman of Beijing Allwegene Technology Co., Ltd. (北京奧維森基因科技有限公司) since March 2014. From March 2011 to March 2014, she worked as the strategy and planning officer of the Sinopharm CNBG (China National Pharmaceutical Group, China National Biotec Group) (中國國藥集團中國生物技術股份有限公司). From August 2001 to February 2011, she served as the vice president of Shenzhen BGI Technology Co., Ltd. (深圳華大基因科技有限公司) (SZSE: 300676), a company primarily engaged in genomics research and development. From March 1985 to July 2001, she worked as the officer of diagnostic supplies at Lanzhou Institute of Biological Products Co., Ltd. (蘭州生物製品研究所有限責任公司). In 2004, she was engaged as an adjunct professor by HeXi University (河西學院).

Ms. Wen received her college degree in chemistry from HeXi University in the PRC in 1981 and her doctorate degree in health administration from Warnborough College in Ireland on December 31, 2021. Ms. Wen was recognized by the Ministry of Health of the PRC as a senior engineer in medical biologics engineering in 1997.

In November 2015, Ms. Wen was granted the National Science and Technology Progress Award (國家科學技術進步獎) by the State Council of China for her series of studies on Etiology and prevention of SARS.

Directors and Senior Management

Mr. Xiaoguang GUO (郭曉光), aged 54, was appointed as our independent non-executive Director on February 18, 2021.

From September 2017 to February 2021, Mr. Guo was the general manager of Huaxi Jinzhi Investment Co., Ltd. (華西金智投資有限責任公司), a company primarily engaged in investment. From March 2011 to October 2017, he served as an assistant to the president and a general manager of the investment banking head office of Huaxi Securities Co., Ltd. (華西證券股份有限公司). From February 1998 to February 2011, he served as a senior manager, deputy general manager and general manager successively of the business department of the investment banking division of Guosen Securities Company Limited (國信證券股份有限公司).

Mr. Guo received his bachelor's degree in economics from Beijing Business College (北京商學院) (currently known as the Beijing Technology and Business University (北京工商大學)) in the PRC in June 1993 and his master's degree in business administration from CKGSB in October 2009. He obtained the qualification certificate of independent directors from the Shanghai Stock Exchange in April 2021.

SENIOR MANAGEMENT

Mr. Yan ZHOU (周延) is our executive Director, chairman of the Board and chief executive officer. For the biography of Mr. Zhou, see "– Directors – Executive Directors" in this section.

Mr. Xin ZHOU (周欣) is our executive Director, executive vice chairman of the Board and executive president. For the biography of Mr. Zhou, see "– Directors – Executive Directors" in this section.

Mr. Shaojun JIA (賈紹君) is our executive Director and president. For the biography of Mr. Jia, see "– Directors – Executive Directors" in this section.

Mr. Wen GUAN (關文) is our executive Director and executive president. For the biography of Mr. Guan, see "– Directors – Executive Directors" in this section.

Ms. Lixin NIU (牛立新), aged 53, has been serving as our chief financial officer since she joined our Company in October 2015. She is in charge of our Company's financial management.

Ms. Niu has many years of experience in financial management. Prior to joining our Company, she served as the vice president (finance) of Liaoning Nuokang Bio-Pharmaceutical Co., Ltd. (諾康生物製藥有限責任公司) from December 2006 to December 2011.

She received her bachelor's degree in accounting from Shenyang University of Technology in June 1993 and her executive master of business administration degree from W.P. Carey in May 2020. She was recognized by the Liaoning Provincial Department of Human Resources and Social Security as a senior accountant in December 2006 and recognized by the Liaoning Institute of Certified Public Accountants as a PRC certified public accountant in June 2009.

Directors and Senior Management

Ms. Ling LIU (劉靈), aged 43, has served in various management positions since she joined our Company in November 2011 and has served as the secretary to the Board since November 2015, chief investment officer since March 2022, and vice president since April 2023. She is in charge of the general office of the Board and investment management of the Company. Her main responsibilities include such matters as information disclosure, investor relations, equity management and corporate governance of the Company.

Ms. Liu served as the chairman of the board of directors of AIM Rongyu from December 2019 to June 2021. She was a director of AIM Persistence from February 2014 to January 2019.

Ms. Liu received her executive master of business administration degree from W.P. Carey in May 2018.

Mr. Fan ZHANG (張凡), aged 40, has served as the Chief Research Officer of the Company since March 2021, responsible for research and development of products and technology, clinical trials and registration.

Mr. Zhang joined the Company in May 2019 and has served as vice president of the Company since April 2023. He has served as chairman of AIM Persistence since December 2025.

From May 2019 to December 2025, he served in various positions at AIM Explorer, with the last position being general manager. From September 2013 to April 2018, he served in various positions at Wuhan Bravovax Co., Ltd. (武漢博沃生物科技有限公司), a company primarily engaged in the research and development of vaccines, with the last position being senior director of the fermentation engineering laboratory. From May 2010 to February 2013, he served in various positions at Yuxi Walvax Biotechnology Co., Ltd. (玉溪沃森生物技術有限公司), a company primarily engaged in the research and development, production and sales of vaccines, with the last position being head of the pertussis department of the diphtheria, tetanus and pertussis vaccine workshop.

Mr. Zhang obtained his Master's Degree in biomedical engineering from Huazhong University of Science and Technology (華中科技大學) in December 2017.

Ms. Wenjuan ZHOU (周文娟), aged 48, joined our Company in October 2018 and has served as the chief public affairs officer of our Company since March 2022. She is in charge of the management of external affairs of our Company and is responsible for establishing good public relations and creating a good market environment for the development of the whole industrial chain of the Group.

From February 2011 to October 2018, Ms. Zhou served in various positions at Shenzhen Sanofi Pasteur Biological Products Co., Ltd. (深圳賽諾菲巴斯德生物製品有限公司), including national regulatory exemption project development director, national key account management director, senior government affairs manager, and regional government affairs manager. From December 2008 to February 2011, she worked at Pfizer Pharmaceuticals Ltd. (輝瑞製藥有限公司) (formerly known as Wyeth Pharmaceutical Co., Ltd. (惠氏製藥有限公司)), a research and development-based multinational pharmaceutical company.

Ms. Zhou received a postgraduate diploma in managerial psychology from the Institute for China Business, HKU SPACE (香港大學SPACE 中國商業學院) in May 2021.

Directors and Senior Management

Ms. Li MENG (孟麗), aged 62, has served as the chief quality officer of our Company since April 2022. She is in charge of the overall quality management of the Company.

Ms. Meng served as the vice president of quality management department of our Company since she joined our Company in April 2020. From August 2013 to April 2020, she served as the director of the quality management department of China Biotechnology Technology Co., Ltd. (中國生物技術股份有限公司), a subsidiary of Sinopharm Group and a state-owned company primarily engaged in the research and development, production and sale of biological medicine. From July 1985 to August 2013, Ms. Meng served in various positions at Chengdu Institute of Biological Products Co., Ltd. (成都生物製品研究所(有限責任公司)), a subsidiary of Sinopharm Group and a company primarily engaged in the research and production of biological products, with her last position being the manager of the quality assurance department.

Ms. Meng received her bachelor's degree in health inspection from West China University of Medical Sciences (華西醫科大學) (currently known as West China Center of Medical Sciences of Sichuan University (四川大學華西醫學中心)) in the PRC in July 1985. From 1992 to 1994, she attended the post-university biologics course at the Post-University Biologics Continuing Education Committee of the Ministry of Health (衛生部大學後生物製品進修教學委員會) in the PRC, and received the completion certificate (equivalent to graduate level) in December 1994.

Report of the Directors

The Board is pleased to present this annual report for the year 2025 and the audited consolidated financial statements of the Group for the Reporting Period. These financial statements were prepared in accordance with IFRSs and have been audited by Ernst & Young.

GLOBAL OFFERING

The Company is a joint stock company incorporated in the PRC with limited liability. Its H shares were listed and commenced trading on the Main Board of the Stock Exchange on October 6, 2022. The Prospectus of the Company dated September 23, 2022 has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aimbio.com).

PRINCIPAL ACTIVITIES

The Group is primarily engaged in the research and development, manufacturing and commercialization of vaccine products for human use in the PRC.

The activities and particulars of the Company's subsidiaries are shown under note 1 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report.

BUSINESS REVIEW

A fair review of the Group's business during the Reporting Period and the probable future business development of the Group are provided in the "Message from the Chairman of the Board" and "Management Discussion and Analysis" on pages 5 to 9 and pages 10 to 34 of this annual report, respectively. Description of the principal risks and uncertainties faced by the Group can be found throughout this annual report including the financial risks as set out in Note 39 to the consolidated financial statements.

Also, the financial risk management objectives and policies of the Group can be found in note 39 to the consolidated financial statements. An analysis of the Group's performance during the Reporting Period using financial key performance indicators is provided in the section headed "Financial Review" on pages 26 to 34 of this annual report. In addition, discussions on the relationships with its staff, customers and suppliers are also contained in the ESG Report. The above-mentioned relevant contents form an integral part of this Report of the Directors.

Report of the Directors

ENVIRONMENTAL PROTECTION

The Group recognizes the importance of proper adoption of environmental policies which is essential to the sustainability of corporate growth. The Group has formulated detailed internal rules on environmental protection in accordance with applicable laws and regulations, particularly in relation to the discharge of waste gas, wastewater, solid waste and noise control. To the best of the Group's knowledge, the Group has complied in all material respects with applicable PRC environmental laws and regulations during the Reporting Period. For details, please refer to the ESG Report prepared in compliance with Appendix C2 to the Listing Rules. The abovementioned relevant contents form an integral part of this Report of the Directors. During the Reporting Period, the Group established a full-process emission control system. By relying on intelligent online monitoring, classified treatment, technological upgrading and equipment iteration, and engaging qualified third parties for disposal, the Group achieved the target of 100% compliance rate for the discharge of wastewater, waste gas, noise and waste. Meanwhile, the Group recognizes that there is still room for improvement and potential risks in setting emission reduction targets and waste recycling. In the future, the Group will continue to deepen the concept of energy conservation and waste reduction, set special emission reduction targets, actively explore pathways for resource recycling, and further promote green and sustainable development on the basis of ensuring compliance.

DIVIDEND

Having due regard to the long-term interests of the Shareholders and the Company, the Board does not recommend the payment of a final dividend for the 12 months ended December 31, 2025. During the Reporting Period, there were no arrangements under which any Shareholder waived or agreed to waive any dividends. Please refer to the section headed "Dividend Policy" under the "Corporate Governance Report" of this report for further details of the Company's dividend policy.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the Group's operating results, assets and liabilities for the past five financial years is set out on page 194 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 13 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2025, the Group's revenue attributable to the top five largest customers was less than 30% of the Group's total revenue.

For the year ended December 31, 2025, the Group's purchases attributable to the top five largest suppliers were less than 30% of the Group's total purchases.

Report of the Directors

TAX RELIEF AND EXEMPTION

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

SHARE CAPITAL

On October 6, 2022, the Company allotted and issued 9,714,000 H Shares at the price of HK$16.16 per H Share in connection with the Listing. On October 28, 2022, the over-allotment option described in the Prospectus was partially exercised in respect of an aggregate of 1,348,600 H Shares at the price of HK$16.16 per H Share. The Company received approximately HK$91.61 million in net proceeds from the Listing.

15,500,000 H Shares were issued on March 6, 2025 under the general mandate pursuant to the placing agreement dated February 28, 2025. For details of the placing and use of proceeds from the placing, please refer to the section headed "Management Discussion and Analysis" in this annual report. Share capital of the Company as at December 31, 2025 was as follows:

	Number of shares	Approximate percentage of total issued share capital
Domestic Shares	718,888,888	58.61%
H Shares	507,673,711	41.39%
Total	1,226,562,599	100%

Details of movements in the share capital of the Company during the year ended December 31, 2025 are set out in note 29 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company during the Reporting Period are set out in the consolidated statement of changes in equity and note 31 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVE

As at December 31, 2025, the Company had no distributable reserve (As at December 31, 2024: nil).

Report of the Directors

DIRECTORS AND SUPERVISORS

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

Executive Directors

Mr. Yan ZHOU (周延) *(Chairman of the Board and Chief Executive Officer)*
Mr. Xin ZHOU (周欣) *(Executive Vice Chairman of the Board and Executive President)*
Mr. Shaojun JIA (賈紹君) *(President) (appointed as President on April 17, 2025)*
Mr. Wen GUAN (關文) *(Executive President)*
Mr. Jie ZHOU (周杰)

Non-Executive Directors

Mr. Jichen ZHAO (趙繼臣)
Ms. Aijun WANG (王愛軍) *(resigned on April 13, 2025)*

Independent Non-Executive Directors

Professor Ker Wei PEI
Ms. Jie WEN (文潔)
Mr. Xiaoguang GUO (郭曉光)
Mr. Hui OUYANG (歐陽輝) *(resigned on April 13, 2025)*

Supervisors *(Supervisory Committee dissolved on May 20, 2025)*

Mr. Tingfeng SONG (宋廷鋒) *(Chairman of the board of Supervisors) (resigned on May 20, 2025)*
Mr. Lun MA (馬倫) *(resigned on May 20, 2025)*
Mr. Jiashuai SONG (宋嘉帥) *(resigned on May 20, 2025)*

The biographical information of the Directors and Supervisors are set out in the section headed "Directors and Senior Management" on pages 35 to 41 of this annual report.

DISCLOSURE OF INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY PURSUANT TO RULES 13.51(2) AND 13.51B(1) OF THE LISTING RULES

There is no change of information of Directors, Supervisors and chief executive of the Company during the Reporting Period which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B of the Listing Rules. The Supervisory Committee was dissolved with effect from May 20, 2025. For details, please refer to the section headed "Dissolution of the Supervisory Committee" below.

Report of the Directors

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Controlling Shareholder's Interests in Contracts of Significance" below, the Group has not entered into any transaction, arrangement or contract of significance in which the Directors or Supervisors or any entity connected with the Directors or Supervisors have direct or indirect material interests during the Reporting Period.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

On January 1, 2020, the Company as lessee and Mr. Yan ZHOU, who is the Controlling Shareholder and an executive Director, as lessor entered into certain property lease agreements (the "**Property Lease Agreements**"), pursuant to which the Company agreed to lease from Mr. Yan ZHOU certain premises with a total gross area of approximately 1,979 sq.m. in Shanghai, PRC primarily for use as offices for a term from January 1, 2020 to December 31, 2025 at an annual rental of RMB9,540,000 for the first year and with a RMB0.5 per square meter increase from the second year and third year, respectively.

Save as disclosed above, the Controlling Shareholder does not have and did not have a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

NON-COMPETITION AGREEMENT

Mr. Yan ZHOU, our Controlling Shareholder, confirms that as of December 31, 2025, he did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

Save as disclosed above, no non-competition agreements or arrangement has been provided by any of the substantial Shareholders at any time during the Reporting Period or as at December 31, 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates (as defined under the Listing Rules) had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group.

Report of the Directors

EMOLUMENTS OF THE DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST-PAID INDIVIDUALS

The Remuneration Committee makes recommendations to the Board on the remuneration and other benefits payable by the Group to the Directors and senior management. Based on the main scope, responsibilities, importance of management posts of the Directors and senior management and the salary level of related posts in other similar enterprises, the Remuneration Committee will make recommendations to the Board on the remuneration policy and structure of all the Company's Directors and senior management and establishment of formal and transparent procedures to formulate remuneration policies, with an aim to attract and retain its Directors and senior management and control costs. The Remuneration Committee also examines the performance of duties by the Directors and senior management of the Company, conducts annual performance appraisals on them, formulates annual award schemes and submits them to the Board for decision and implementation, so as to encourage Directors and senior management to perform their duties diligently. Furthermore, the Remuneration Committee oversees the implementation of the Company's remuneration system to continuously enhance the Company's remuneration and appraisal management.

Details of emoluments of Directors, Supervisors and the top five highest-paid individuals are set out in note 8 and note 9 to the consolidated financial statements, respectively. During the Reporting Period, except for the Directors and the Supervisors who did not receive remuneration from the Company, none of the Directors has waived or agreed to waive any emoluments. During the Reporting Period, no emoluments were paid to any Director or Supervisor as an inducement to join or upon joining the Group or as compensation for loss of office.

RETIREMENT AND EMPLOYEES' BENEFIT SCHEME

Details on retirement and employees' benefit schemes of the Company are set out in note 2.4 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

At no time during the Reporting Period and as at the date of this report, there was or is, any permitted indemnity provision being in force for the benefit at any of the Directors or Supervisors of the Company (whether made by the Company or otherwise) or the directors or supervisors of an associated corporation of the Company (if made by the Company).

The Company has purchased appropriate liability insurance for its Directors which provide proper protection for the Directors.

Report of the Directors

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As of December 31, 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is keen to taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under Section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name	Class of Shares	Nature of Interest	Number of Shares held/ interested[1]	Approximate percentage in the respective class of share capital[2]	Percentage in total number of Shares[2]
Mr. Yan ZHOU (周延)[3]	Domestic Shares	Interest in a controlled corporation	200,000,000	27.82%	16.31%
		Beneficial owner	200,000,000	27.82%	16.31%
Mr. Jie ZHOU (周杰)	Domestic Shares	Beneficial owner	40,000,000	5.56%	3.26%
Mr. Xin ZHOU (周欣)	Domestic Shares	Beneficial owner	40,000,000	5.56%	3.26%
Mr. Shaojun JIA (賈紹君)[4]	Domestic Shares	Interest in a controlled corporation	25,000,000	3.48%	2.04%
Mr. Yan ZHOU (周延)[3]	H Shares	Beneficial owner	1,326,800	0.26%	0.11%
Mr. Shaojun JIA (賈紹君)[4]	H Shares	Interest in a controlled corporation	10,310,000	2.03%	0.84%

Notes:

(1) All interests stated are long positions.

(2) Based on a total of 1,226,562,599 Shares in issue as at December 31, 2025, which consists of 718,888,888 Domestic Shares and 507,673,711 H Shares.

(3) As of December 31, 2025, Mr. Yan ZHOU directly owns 200,000,000 Domestic Shares and 1,326,800 H Shares. In addition to his direct shareholding in the Company, Mr. Yan ZHOU holds 99.99% of the registered capital of Tibet Sincere Heart Enterprise Management Co., Ltd. (西藏赤誠之心企業管理有限公司) ("**Tibet Sincere Heart**"), which directly owns 200,000,000 Domestic Shares. As such, Mr. Yan ZHOU is deemed to be interested in the Shares held by Tibet Sincere Heart under the SFO.

(4) Mr. Shaojun JIA is the sole shareholder of Tibet Zhiying Investment Co., Ltd. (西藏智盈投資有限公司) ("**Tibet Zhiying**"), which directly owns 5,000,000 Domestic Shares. Mr. Shaojun JIA also holds 98% of the registered capital of Tibet Tongxin Capital Investment Management Co., Ltd. (西藏同信資本投資管理有限公司), which is the general partner of Gongqingcheng Everest Investment Management Partnership (Limited Partnership) (共青城珠峰投資管理合夥企業(有限合夥)) ("**Everest Investment**") and Gongqingcheng Everest No. 2 Investment Management Partnership (Limited Partnership) (共青城珠峰二號投資管理合夥企業(有限合夥)) ("**Everest No. 2 Investment**"). Everest Investment directly owns 20,000,000 Domestic Shares and 5,150,000 H Shares. Everest No. 2 Investment directly owns 5,160,000 H Shares. As such, Mr. Shaojun JIA is deemed to be interested in the Shares held by Tibet Zhiying, Everest Investment and Everest No. 2 Investment under the SFO.

Report of the Directors

Save as disclosed above, as of December 31, 2025, to the knowledge of the Board, 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 any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As of December 31, 2025, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities had an interest or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company (the interests in Shares and/or short positions, if any, disclosed herein are in addition to those disclosed in respect of the Directors and chief executive of the Company):

Interests in the Shares of the Company

Name	Class of Shares	Nature of Interest	Number of Shares[1]	Approximate percentage in the respective class of Shares[2]	Percentage in total number of Shares[2]
Tibet Sincere Heart Enterprise Management Co., Ltd. (西藏赤誠之心企業管理有限公司) ("**Tibet Sincere Heart**")[3]	Domestic Shares	Beneficial owner	200,000,000	27.82%	16.31%
Aihua YANG (楊愛華)[4]	Domestic Shares	Interest in a controlled corporation	44,300,000	6.16%	3.61%
Shanghai Xunjing Enterprise Management Center (Limited corporation Partnership) (上海循景企業管理中心(有限合夥)) ("**Shanghai Xunjing**")[4]	Domestic Shares	Interest in a controlled	44,300,000	6.16%	3.61%
Tibet Yingfeng Industrial Co., Ltd. (西藏盈豐實業有限公司) ("**Tibet Yingfeng**")[4]	Domestic Shares	Beneficial owner	44,300,000	6.16%	3.61%
Aihua YANG (楊愛華)[4]	H Shares	Interest in a controlled corporation	53,236,200	10.49%	4.34%
Shanghai Xunjing[4]	H Shares	Interest in a controlled corporation	53,236,200	10.49%	4.34%

Report of the Directors

Name	Class of Shares	Nature of Interest	Number of Shares[1]	Approximate percentage in the respective class of Shares[2]	Percentage in total number of Shares[2]
Tibet Yingfeng[4]	H Shares	Beneficial owner	53,236,200	10.49%	4.34%
Ningbo Beilun District State-owned Capital Operation Co., Ltd. (寧波市北侖區國有資本運營有限公司)[5]	H Shares	Interest in a controlled corporation	54,051,428	10.65%	4.41%
Ningbo Economic and Technological Development Zone Holdings Co., Ltd. (寧波經濟技術開發區控股有限公司)[5]	H Shares	Interest in a controlled corporation	54,051,428	10.65%	4.41%
Ningbo Free Trade Zone Holdings Co., Ltd. (寧波保稅區控股有限公司) ("**Ningbo Free Trade Zone**")[5]	H Shares	Beneficial owner	54,051,428	10.65%	4.41%
Wei CHANG (常偉)[6]	H Shares	Interest in a controlled corporation	40,000,000	7.88%	3.26%
Kuo ZHANG (張闊)[6]	H Shares	Interest in a controlled corporation	40,000,000	7.88%	3.26%
Zhuhai Tongdao Tomorrow Investment Partnership (Limited Partnership) (珠海同道明天投資合夥企業(有限合夥)) ("**Zhuhai Tongdao Tomorrow**")[6]	H Shares	Interest in a controlled corporation	40,000,000	7.88%	3.26%
Ganzhou Xixi Venture Capital Co., Ltd. (贛州茜茜創業投資有限公司) ("**Ganzhou Xixi**")[6]	H Shares	Beneficial owner	40,000,000	7.88%	3.26%

Report of the Directors

Notes:

(1) All interests stated are long positions.

(2) Based on a total of 1,226,562,599 Shares in issue as at December 31, 2025, which consists of 718,888,888 Domestic Shares and 507,673,711 H Shares.

(3) As set out under the heading "Interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company" above, the Shares held by Tibet Sincere Heart are deemed to be included in the interest of Mr. Yan ZHOU under the SFO.

(4) Aihua YANG is the general partner of, and holds 76.75% of the interest in, Shanghai Xunjing. Shanghai Xunjing owns 42.68% of the interest in Tibet Yingfeng, which directly owns 44,300,000 Domestic Shares and 53,638,200 H Shares. As such, Aihua YANG and Shanghai Xunjing are deemed to be interested in the Shares held by Tibet Yingfeng under the SFO.

(5) Ningbo Beilun District State-owned Capital Operation Co., Ltd. wholly owns Ningbo Economic and Technological Development Zone Holdings Co., Ltd., which owns 70.00% of the interest in Ningbo Free Trade Zone. Ningbo Free Trade Zone directly owns 54,051,428 H Shares. As such, Ningbo Beilun District State-owned Capital Operation Co., Ltd. and Ningbo Economic and Technological Development Zone Holdings Co., Ltd. are deemed to be interested in the Shares held by Ningbo Free Trade Zone under the SFO.

(6) Wei CHANG and Kuo ZHANG own 49% and 51% of the interest in Zhuhai Tongdao Tomorrow respectively, with Kuo ZHANG also acting as its general partner. Zhuhai Tongdao Tomorrow owns 61.25% of the interest in Ganzhou Xixi. Ganzhou Xixi directly owns 40,000,000 H Shares. As such, Wei CHANG, Kuo ZHANG and Zhuhai Tongdao Tomorrow are deemed to be interested in the Shares held by Ganzhou Xixi under the SFO.

Substantial shareholders of other members of the Group

Name	Member of the Group	Nature of Interest	Approximate percentage held by the substantial shareholder in the member of the Group
Zhuhai Hengqin Ruifan Technology Partnership (Limited Partnership) (珠海横琴瑞凡科技合夥企業(有限合夥))	AIM Liverna	Beneficial owner	32.2%
Zhuhai Hengqin Qijing Technology Partnership (Limited Partnership) (珠海横琴麒晶科技合夥企業(有限合夥))	AIM Liverna	Beneficial owner	11.0%
Zhuhai Ruijin Technology Partnership (Limited Partnership) (珠海瑞進科技合夥企業(有限合夥))	AIM Liverna	Beneficial owner	6.6%

Report of the Directors

Save as disclosed above, as of December 31, 2025, to the knowledge of the Directors, no other person had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

PRE-IPO ESOP

The Pre-IPO ESOP was adopted by the Company on November 30, 2020 and was amended on February 16, 2022. All of the options available under the Pre-IPO ESOP were fully granted on November 30, 2020. From January 1, 2025 and up to December 31, 2025, there were no outstanding options under the Pre-IPO ESOP. As at the date of this report, no options were available for issue under the Pre-IPO ESOP and accordingly, the Pre-IPO ESOP has already terminated. The terms of the Pre-IPO ESOP are summarized below:

(a) ***Purpose***. The purpose of the Pre-IPO ESOP is to establish a long-term incentive mechanism of the Company in order to attract and retain talents and to directly link the personal interests of the grantees under the Pre-IPO ESOP with those of the Shareholders, thereby promoting sustained, long-term and healthy growth of the Company.

(b) ***Eligible Participants***. Participants that joined the Pre-IPO ESOP included the Directors, Supervisors, senior management, core technical personnel and core business personnel of the Company, as well as other employees as determined and approved by the Board at time of granting the options of the Pre-IPO ESOP.

(c) ***Maximum Number of Shares***. The maximum number of underlying Shares which may be issued pursuant to the Pre-IPO ESOP is 12,106,666 Shares, representing approximately 1% of the total share capital of the Company as at the date of this report. The maximum number of Shares involved with the options to be granted to a grantee under the Pre-IPO ESOP shall not exceed 1% of the total outstanding share capital of our Company. As of December 31, 2024, all outstanding options had been granted and no further options may be granted under the Pre-IPO ESOP. The Shares to be issued upon the exercise of the Share Options may be H Shares or Domestic Shares.

(d) ***Exercise Price***. The exercise price per Share subject to an option is RMB6.98. In the event of any share dividend, share split, recapitalization or any other change affecting the Shares or the price per Share, the Board shall make such proportionate adjustments of the exercise price in accordance with the terms of the Pre-IPO ESOP.

Report of the Directors

(e) ***Term of the Pre-IPO ESOP***. The Pre-IPO ESOP took effect on November 30, 2020, and has already terminated. Subject to the termination provisions under the Pre-IPO ESOP, upon its expiry, any option that is outstanding shall remain in force according to the terms of the Pre-IPO ESOP.

(f) ***Grant and Exercise of Options***. The options were granted based on the evaluation of performance of the grantees. Exercise of the options is subject to certain terms and conditions under the Pre-IPO ESOP, such as the attainment of performance milestones. If the performance of our Company and the relevant grantee as well as other conditions are not fulfilled in the stipulated period, or if the grantee resigns from our Group, options may be cancelled by our Company.

The principal terms of the Pre-IPO ESOP and details of the grant of Share Options are set out in the Prospectus. From January 1, 2025 and up to December 31, 2025, there were no outstanding options under the Pre-IPO ESOP. As at the date of this report, no options were available for issue under the Pre-IPO ESOP and the Pre-IPO ESOP has already terminated.

CONNECTED TRANSACTIONS

During the Reporting Period, there was no connected transaction or continuing connected transaction of the Group which has to be disclosed in accordance with the Listing Rules.

MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed in the paragraph headed "Connected Transactions" in this annual report, the related party transactions as set out in note 36 to the consolidated financial statements are not regarded as connected transactions or were exempt from reporting, announcement and Shareholders' approval requirements under the Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights in the Articles or under the laws of the PRC being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

EQUITY-LINKED AGREEMENT

Save as disclosed in the paragraph headed "PRE-IPO ESOP" above, the Company had not entered into any equity-linked agreement during the Reporting Period, nor did any equity-linked agreement subsist as at December 31, 2025.

Report of the Directors

BANK BORROWINGS

Particulars of bank borrowings of the Company and the Group as of December 31, 2025 are set out in note 26 to the consolidated financial statements.

DONATIONS

During the Reporting Period, the Group donated RMB1,000,000 to Chinese Foundation for Hepatitis Prevention and Control and, donated hepatitis B vaccines worth a total of RMB3,131,287.59 to CDCs.

MANAGEMENT CONTRACTS

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

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Save as disclosed in the section headed "Corporate Governance Report", the Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code during the Reporting Period. Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 58 to 84 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, for the year ended December 31, 2025 and up to the date of this annual report, the Company has maintained the public float as required under Rule 19A.28B(1)(a) of the Listing Rules.

According to the information that is publicly available to the Company and within the knowledge of the Board, for the year ended December 31, 2025 and up to the date of this annual report, the Company's total issued share capital comprised 1,226,562,599 shares, consisting of 507,673,711 H Shares.

The Company has maintained a public float of at least 25% of the total number of issued shares in the class to which the listed shares belong (excluding treasury shares), which is the prescribed minimum percentage of public float required under the Listing Rules, at all times during the year ended December 31, 2025 and up to the date of this annual report.

Report of the Directors

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

As of December 31, 2025, we had outstanding bank loans of RMB183 million (the "**First Facility**") and RMB150 million (the "**Second Facility**", together with the First Facility, the "**Loan Facilities**"), respectively, for the construction of AIM Persistence's new production facilities. As disclosed in the Prospectus and the 2024 annual report (the "**Disclosure on the First Facility**"), we failed to satisfy certain covenants under the First Facility, including (a) a covenant that requires the Company to be listed by the end of 2021 and (b) a financial covenant. As of December 31, 2025, we failed to satisfy (a) a covenant under the First Facility that requires certain products of the Company to be launched at the agreed time and (b) certain financial covenants under the Second Facility. In accordance with the terms of the Loan Facilities, the bank loans now shall be repayable immediately upon the request of the lending bank, and the above borrowings have been classified as current liabilities accordingly. Notwithstanding our failure to comply with the above covenants, after the Disclosure on the First Facility had been made, the lending bank continued to provide loans to us in 2024 under the First Facility, and provided us with the Second Facility. Furthermore, as of December 31, 2025, the lending bank has not made any demand for immediate repayment of the bank loans under the Loan Facilities. The Board will regularly monitor compliance with the above covenants and considers that the Company is in the position to be able to repay the above bank loans under the Loan Facilities as and when required by the lending bank.

CLOSURE OF THE REGISTER OF MEMBERS OF H SHARES

The date of the forthcoming annual general meeting of the Company and the closure of the register of members of H Shares will be announced in due course.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

There was no incident of non-compliance with relevant laws and regulations that had a significant impact on the Group during the Reporting Period.

DISSOLUTION OF THE SUPERVISORY COMMITTEE

As approved by the Shareholders at the 2024 annual general meeting in respect of the amendments of the Articles of Association, the Supervisory Committee has been dissolved accordingly with effect from May 20, 2025. Each of the Supervisors resigns as Supervisor with effect from May 20, 2025. Each of the Supervisors has confirmed that he or she has no disagreement with the Supervisory Committee and there is no matter relating to his or her resignation as a Supervisor that needs to be brought to the attention of the Shareholders or the Stock Exchange. For details, please refer to the announcement made by the Company on May 20, 2025.

Report of the Directors

MATERIAL MATTERS DURING THE REPORTING PERIOD

(1) Resignation of Directors and Change in composition of the Board Committees

On April 13, 2025, Ms. Aijun WANG tendered her resignation as a non-executive Director and a member of the Compliance and Risk Control Committee due to change in work arrangements. On the same day, Mr. Hui OUYANG ("**Mr. Ouyang**") tendered his resignation as an independent non-executive Director, a member of the Audit Committee and the Strategy Committee, and the chairman of the Nomination Committee due to change in work arrangements. On April 17, 2025, the Board approved the change in the composition of the Board Committees to recomply with the requirements of Rules 3.21 and 3.27A of the Listing Rules. For details, please refer to the announcements of the Company dated April 13, 2025 and April 17, 2025, respectively.

(2) Amendments to the Articles of Association

On April 25, 2025, the Company announced the amendment of the Articles of Association in view of the amendments to The Company Law of the People's Republic of China (《中華人民共和國公司法》) coming into force on July 1, 2024. The main aspects of the proposed amendments of the Articles of Association are: (i) amend the number of Directors of the Board; (ii) remove the establishment of the supervisory committee of the Company; and (iii) consequential amendments to the Articles of Association as a result of the legal and regulatory changes. On May 20, 2025, the Shareholders approved the amendments. For details, please refer to the announcements of the Company dated April 25, 2025 and May 20, 2025, respectively, and the circular of the Company dated April 28, 2025. The full text of the Articles of Association of the Company is available on the websites of the Stock Exchange and the Company.

MATERIAL MATTERS AFTER THE REPORTING PERIOD

On March 30, 2026, the Board resolved to approve the issuance of not more than 40,000,000 additional domestic shares under a specific mandate. In addition, the Company proposed to apply for the listing of A shares on the Beijing Stock Exchange. Pursuant to the relevant regulations of the Beijing Stock Exchange on the listing of A shares, the Company's domestic shares are required to apply for listing on the National Equities Exchange and Quotations (the "**NEEQ**") of the PRC. For details, please refer to the announcement of the Company dated March 30, 2026.

Save as disclosed above, there are no material subsequent events from December 31, 2025 to the date of this report.

Report of the Directors

AUDITOR

The consolidated financial statements for the year ended December 31, 2025 were prepared in accordance with IFRSs and have been audited by Ernst & Young. Since the date of preparation for the IPO, the Company has been engaging Ernst & Young for their services. There is no change in auditors in any of the preceding three years. Ernst & Young will retire and, being eligible, offer themselves for re-appointments as the auditors of the Company at the forthcoming AGM.

By order of the Board
AIM Vaccine Co., Ltd.
Chairman of the Board and CEO
Mr. Yan ZHOU

Shanghai, the PRC
March 30, 2026

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance of the Company during the Reporting Period.

The amendments to the Corporate Governance Code came into effect on July 1, 2025 and the requirements under the new Corporate Governance Code will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after July 1, 2025. The Company will continue to review and enhance the corporate governance practices to ensure compliance with the new Corporate Governance Code and align with the latest developments.

CORPORATE GOVERNANCE CULTURE AND VALUE

Through cultural top-level design, the Company has established a more comprehensive corporate culture system that specifically includes four aspects such as mission, vision, values, and open innovation culture.

(1) Mission: to develop and manufacture vaccines with a conscience for the health of the world

AIM Vaccine achieves its responsibility and mission as a whole industry chain, innovative and leading vaccine research and development, and manufacturering enterprise through sincere attention to people's health, through the manufacturing of safe and high-quality vaccine products, through the research and development and exploration of innovative vaccine, through breakthrough contributions to the disease prevention areas and through sincere service to customers. AIM Vaccine has always been committed to improving and enhancing the healthy living standards of the Chinese people inoculated with vaccine products comparable with the highest quality standards in the world at an affordable cost.

(2) Vision: to become a leader of global vaccine industry

Over many years, the global market of the vaccine industry has been monopolized by Sanofi Pasteur, Pfizer, Merck Sharp & Dohme (MSD) and GlaxoSmithKline (GSK). The vision of AIM Vaccine is to continuously accelerate the R&D and commercialization process of pipelines under development and become a world-class vaccine company.

(3) Core Values: Innovation, Honor, Responsibility, Dream, Action, Perseverance

Interpreting from the dimension of customers, promoting innovation is to advocate all employees to continuously explore and provide new solutions. The specific requirements are: focusing on moving forward and challenging the norm; providing leading innovations and solutions; and undertaking risks wisely and continuously exploring the best options. Earning honor is to advocate all employees to implement high ethical standards at all times. The specific requirements are, adhering to humility, caring, integrity, respect and empathy; following high ethical standards, understanding ourselves and our impact on others; and putting team honors ahead of the individual and recognizing the contributions of others.

Corporate Governance Report

Interpreting from the dimension of team, assuming responsibilities is to advocate all employees to fulfill their regular duties with excellence. The specific requirements are, leading by example and encouraging others; never forgetting our original aspiration and benefiting customers and society; and doing the right things by never compromising on quality and safety. Achieving the dream is to build a diverse and inclusive high-performance team. The specific requirements are, cooperating sincerely and creating a high-performance team together; accomplishing and exceeding goals with passion and potential, and welcoming diverse styles, creativity and perspectives with an inclusive attitude.

Interpreting from the dimension of individuals, taking action is to be guided by stimulating potential and taking quick actions. The specific requirements are, providing and accepting constructive feedback; identifying the key points, quickly making decisions and executing; uniting knowledge and action, calmly confronting and learning from adversity. Adhering to perseverance is to keep the mission in mind and be strong-willed and consistent. The specific requirements are, that employees shall be pragmatic and adhere to the code of conduct when facing obstacles or difficulties, and constantly seek better working approaches to strengthen their advantages and make up for the deficiencies.

(4) The core of corporate culture: sense of mission and ideality, open cultural inclusiveness, team consensus of joint creation, joint sharing and joint undertakings

Sense of mission and ideality: AIM's employees are full of social responsibility. The Company regards "developing and manufacturing vaccines with a conscience for the health of the world" as its mission and responsibility.

Open cultural inclusiveness: aiming at building an inclusive corporate culture, the Company retains the original core team of the acquired corporates after each acquisition and M&A. Everyone makes joint efforts on innovation to enhance the overall core competitiveness of the Company through the Group's integrated resources, cultural reform and compliance empowerment.

Team consensus of joint creation, joint sharing and joint undertakings: all scientists in the R&D team, as well as the core senior management of the Company, enjoy equity incentives or option incentives. Everyone has the same goal and the same interests, and acts on concert, forming a highly cohesive team to fight side by side. If fail, we will fight to death to retrieve that situation; if win, we will celebrate together, which is the creed of each employee of AIM Vaccine.

The Company's industry background and development history determine the basic characteristics of the corporate culture of AIM Vaccine.

Corporate Governance Report

(5) The corporate culture of the Company is based on the core concept of "developing and manufacturing vaccines with a conscience for the health of the world", which reflects the responsibility and commitment of AIM Vaccine in the industry.

The Company realizes its corporate vision of "developing and manufacturing vaccines with a conscience for the health of the world" by providing safe, effective and high-quality vaccine products to the majority of vaccinees in China. In the development of the Company, AIM Vaccine balances the pursuit of corporate profits and the public welfare. On one hand, the Company provides safe and effective vaccine products for vaccinees to prevent the pain of disease and enhance the contribution to the society and social recognition, which reflect the public welfare of the corporate culture; on the other hand, the Company naturally occupies the industry's core market and maximizes the profit of the corporate operation while meets and responds to the needs of the society to the full extent.

(6) Adhering to the business model and corporate culture featuring inclusivity and pioneering, the Company continues to expand and optimize its existing business.

The Company advocates a core culture of inclusivity and pioneering in business operations and product development, and will continue to promote this culture to individuals and organizations in the vaccine industry both internally and externally. AIM Vaccines will continuously strengthen the interaction between its operational subsidiaries and research centers to expedite pipeline development, particularly in CMC development and production process improvement. The Company is also committed to providing opportunities for employees to directly transform their on-the-job experience into potential product ideas, such as cross-team secondments and collaborations. Additionally, the Company is eager to cooperate with the best scientists in the vaccine industry and intends to maintain flexible partnerships with scientists in the R&D activities of AIM Vaccines, accepting projects from universities, academic institutions or government. Furthermore, the Company is willing to collaborate with young scientists and plans to establish postgraduate, doctoral and post-doctoral projects with universities and academic institutions, providing specialized training and funding for young talent in vaccine-related research fields, especially in innovative vaccine development. In addition to the above, the Company continues to actively explore external strategic opportunities, seeking vaccine candidates and technologies that can establish synergies with its existing product portfolio by collaborating, licensing or acquiring high-potential vaccine assets and technologies. The Company will also consider investing in or acquiring companies with innovative technology or sales and marketing resources that complement its business capabilities.

(7) The Company's corporate culture places great emphasis on safety production and compliant production and operation management with regulatory standards.

Firstly, prioritize production safety and product quality. All staff adhere to high standards of professional ethics, and the quality management system complies with pharmaceutical regulatory standards, ensuring that every batch of vaccine products released into the market by AIM Vaccines is of high quality, effective and safe. Placing quality first is closely related to the requirement for safety production and is also the core idea of AIM Vaccines, requiring every employee to have a high sense of responsibility towards their work.

Corporate Governance Report

Secondly, people-oriented, with people being the core assets of the Company's development. The Company's corporate culture strives to enable each employee to fully utilize their strengths. Furthermore, following the rapid expansion and development of the Group, high-potential employees and core talents can be transferred or reassigned among different affiliated companies according to individual preferences and job needs, fully respecting the personal drive of employees. In the internal control of AIM Vaccines, the Company always advocates democratic management, achieving co-prosperity among employees from different business forms such as foreign-owned enterprises, private enterprises and state-owned enterprises.

Thirdly, unity and cooperation for harmonious win-win outcomes. The four vaccine manufacturing enterprises controlled by AIM Vaccines have had a long period of development. AIM Vaccines, at the group level, coordinates resources and promotes strategic integration. To achieve this goal, it is necessary to gather strength and cultivate employees' sense of team honor, while also focusing on promoting the transformation of the Company's cultural concepts and values.

Lastly, continuous innovation. Constantly increase investment in research and development, whether for independent research and development or external collaboration, always put technological innovation as a top priority, and keep in mind the vision of becoming a leader in innovative technology in the vaccine industry. Enhance the innovation consciousness of all staff and firmly implement the strategy of strengthening the enterprise with talents and technology. Recruit and cultivate outstanding and young innovative talents, and build a full industry chain group in the innovative vaccine industry.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code on the Stock Exchange as the basis of the Company's corporate governance practices.

In the opinion of the Directors, during the Reporting Period, the Company has complied with all applicable code provisions as set out in the Corporate Governance Code, with the exception of code provision C.2.1, which requires the roles of chairman and chief executive to be held by different individuals, as disclosed in this Corporate Governance Report.

The Company has also put in place certain recommended best practices as set out in the Corporate Governance Code.

Corporate Governance Report

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has devised its own code of conduct regarding Directors' and Supervisors' dealings in the Company's securities on terms no less exacting than the Model Code.

The Company has made specific inquiries to all Directors and Supervisors and they all confirmed that they complied with the standards specified in the Company's own code during the Reporting Period.

The Company has also established written guidelines no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. During the Reporting Period, no incident of non-compliance of the written guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors make decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

Board Composition

The composition of the Board as at the date of this report is as follows:

Executive Directors

Mr. Yan ZHOU *(Chairman of the Board and Chief Executive Officer)*
Mr. Xin ZHOU *(Executive Vice Chairman of the Board and Executive President)*
Mr. Shaojun JIA *(President)*
Mr. Wen GUAN *(Executive President)*
Mr. Jie ZHOU

Non-Executive Directors

Mr. Jichen ZHAO
Ms. Aijun WANG *(appointed on June 9, 2021 and resigned on April 13, 2025)*

Corporate Governance Report

Independent Non-Executive Directors

Professor Ker Wei PEI
Ms. Jie WEN
Mr. Xiaoguang GUO
Mr. Hui OUYANG *(appointed on June 9, 2021 and resigned on April 13, 2025)*

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" on pages 35 to 41 of this annual report. Save as disclosed therein, there is no other relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members.

Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

During the Reporting Period, the Board has held 6 meetings. The attendance record of each Director at the Board meetings is set out in the table below:

Name of Director	Number of Meetings Attended/Held
Executive Directors	
Mr. Yan ZHOU	6/6
Mr. Xin ZHOU	6/6
Mr. Shaojun JIA	6/6
Mr. Wen GUAN	6/6
Mr. Jie ZHOU	6/6
Non-executive Directors	
Mr. Jichen ZHAO	6/6
Ms. Aijun WANG[1]	2/2
Independent Non-executive Directors	
Professor Ker Wei PEI	6/6
Ms. Jie WEN	6/6
Mr. Xiaoguang GUO	6/6
Mr. Hui OUYANG[1]	2/2

Corporate Governance Report

Note:

(1) Ms. Aijun WANG and Mr. Hui OUYANG have resigned as a non-executive Director and an independent non-executive Director, respectively, with effect from April 13, 2025.

Apart from regular Board meetings, the Chairman also held one meeting with the independent non-executive Directors without the presence of other Directors during the year.

Both Independent Non-Executive Directors and Non-Executive Directors attend the general meetings of the Company to gain and develop a balanced understanding of the view of shareholders.

Responsibilities, Accountabilities and Contributions of the Board and Management

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

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

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

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

The Directors shall disclose to the Company details of other offices held by them.

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

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

Corporate Governance Report

Chairman and Chief Executive Officer

Code provision C.2.1 of Part 2 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Yan ZHOU currently serves as the chairman of the Board as well as the chief executive officer of the Company. The Board believes that, in view of Mr. Zhou's experience, personal profile and his roles in the Company, Mr. Zhou has an extensive understanding of our business as the chief executive officer and is therefore the Director best suited to identify strategic opportunities and the focus of the Board. The combined role of chairman of the Board and chief executive officer of the Company by the same individual can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer at an appropriate time by taking into account the circumstances of the Group as a whole.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, and allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board efficiency, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

Corporate Governance Report

During the Reporting Period, the Company has conducted independent evaluation of the Board for the Reporting Period, and the evaluation results are satisfactory.

During the Reporting Period, the Board conducted the annual review on the implementation and effectiveness of the Board Independence Evaluation Mechanism.

Appointment and Re-election of Directors

Under the Articles, Directors (including non-executive Directors) shall be elected at the general meeting with a term of three years. Each of the current directors (including non-executive Directors) has been appointed for a term of three years commencing from the date of re-election approved at the extraordinary general meeting held on November 28, 2023. A Director may serve consecutive terms if re-elected upon the expiry of his/her term. A Director shall continue to perform his duties in accordance with the laws, administrative regulations and Articles until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum. The Articles also provide that each Director appointed to fill a casual vacancy or as addition to the Board shall hold office until the first general meeting after his/her appointment. The retiring Directors shall be eligible for re- election.

Each of the executive Directors, non-executive Directors, independent non-executive Directors has entered into a service contract with the Company with a specific term. The initial term of such service contracts was from the date of appointment to the expiry of the first session of the Board and such term has been further renewed from the date of approving the re-election at the extraordinary general meeting held on November 28, 2023 to the expiry of the current session of the Board.

The Company did not sign any relevant unexpired service contract that cannot be terminated within a year without payment of any compensation, other than statutory compensation.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure an appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills.

Corporate Governance Report

All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Company organized training sessions conducted by qualified professionals for all Directors. The training sessions covered a wide range of relevant topics including corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual, legal and regulatory updates and seminar handouts have been provided to the Directors for their reference and study.

The training records of the Directors up to date of this annual report are summarized as follows:

Name of Director	Type of Training[Note]
Executive Directors	
Mr. Yan ZHOU	A/B
Mr. Xin ZHOU	A/B
Mr. Wen GUAN	A/B
Mr. Shaojun JIA	A/B
Mr. Jie ZHOU	A/B
Non-executive Directors	
Mr. Jichen ZHAO	A/B
Ms. Aijun WANG(1)	B
Independent Non-executive Directors	
Professor Ker Wei PEI	A/B
Ms. Jie WEN	A/B
Mr. Xiaoguang GUO	A/B
Mr. Hui OUYANG(1)	B

Note:

Types of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

(1) Ms. Aijun WANG and Mr. Hui OUYANG have resigned as a non-executive Director and an independent non-executive Director, respectively, with effect from April 13, 2025.

Corporate Governance Report

BOARD COMMITTEES

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

Audit Committee

As at the Latest Practicable Date, the Audit Committee consists of three members, namely Professor Ker Wei PEI (independent non-executive Director), Mr. Xiaoguang GUO (independent non-executive Director) and Ms. Jie WEN (independent non-executive Director). Professor Ker Wei PEI is the chairman of the Audit Committee and possesses the appropriate professional qualifications.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The main duties of the Audit Committee are to review the financial status of the Company, review the financial data of the Company, make judgment on the truthfulness, completeness and accuracy of the financial data, and check the implementation and effectiveness of the internal control systems. It is also mainly responsible for the communication between the Company and the external audit firms and the supervision and verification of such communication, supervising internal audit, evaluating and improving the internal control systems of the Company and making proposals thereto and assessing the risks of, among others, the significant investment projects under operation, and developing and reviewing the policies and practices on corporate governance of the Company. The Audit Committee shall report to the Board on its work.

During the Reporting Period, the Audit Committee held two meetings to review the annual results of the Group for the year ended December 31, 2024, the interim results for the year ended June 30, 2025 and to assist the Board in reviewing the effectiveness and operational evaluation of the risk management and internal control systems, as well as the corporate governance policies and practices of the Company. For further details on the Company's review of risk management and internal control systems, please see the section headed "Risk Management and Internal Controls" of this Corporate Governance Report.

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

Name of Members of the Audit Committee	Number of Meetings Attended/Held
Professor Ker Wei PEI	2/2
Mr. Xiaoguang GUO	2/2
Ms. Jie WEN[1]	1/1
Mr. Hui OUYANG[2]	1/1

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Note:

(1) Ms. Jie WEN was appointed on April 17, 2025.

(2) Mr. HUI OUYANG has resigned as an independent non-executive Director with effect from April 13, 2025 and ceased to be a member on the same day.

During the Reporting Period, the Audit Committee held two meetings with the external auditors without the presence of the executive Directors.

Remuneration and Appraisal Committee

As at the Latest Practicable Date, the Remuneration and Appraisal Committee consists of three members, namely Mr. Xiaoguang GUO (independent non-executive Director), Mr. Wen GUAN (executive Director), and Ms. Jie WEN (independent non-executive Director). Mr. Xiaoguang GUO is the chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The primary functions of the Remuneration and Appraisal Committee include researching and formulating the assessment standards of and evaluating the performance of the Directors and senior management, as well as putting forward opinions or suggestions. It is also responsible for researching, formulating and reviewing the remuneration plans or schemes of the Directors and senior management. It is also responsible for reviewing and/or approving matters related to share schemes under Chapter 17 of the Listing Rules.

The remuneration of the senior management (excluding executive Directors), whose biographical details are included in the section headed "Directors and Senior Management" of this annual report, during the Reporting Period includes salaries, allowances and benefits in kind, performance-related bonuses, pension scheme contributions and equity-settled share-based compensation expenses, and falls within the following bands:

Remuneration (RMB'000)	Number of Individuals
1,700–1,900	2
1,500–1,700	3

The Company's remuneration policy is to ensure that the remuneration offered to the Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration and compensation packages of the Directors and senior management are also determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and the performance of the Group. The remuneration for the Directors comprises fees, salaries, allowances, benefits in kind, performance-related bonuses, equity-settled share-based compensation expense and pension scheme contributions. Individual Directors and senior management have not been involved in deciding their own remuneration.

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During the Reporting Period, the Remuneration and Appraisal Committee held one meeting to evaluate the performance of executive Directors as well as review and make recommendations to the Board on the remuneration policies and remuneration plans for executive Directors and senior management. The Remuneration and Appraisal Committee also reviewed the terms of executive Directors' service contracts during the Reporting Period.

The attendance record of each member of the Remuneration and Appraisal Committee meetings is set out in the table below:

Name of Members of the Remuneration and Appraisal Committee	Number of Meetings Attended/Held
Mr. Xiaoguang GUO	1/1
Ms. Wen GUAN	1/1
Mr. Jie WEN	1/1
Mr. Yan ZHOU[1]	1/1
Professor Ker Wei PEI[1]	1/1

Notes:

(1) Mr. Yan ZHOU and Professor Ker Wei PEI ceased to be committee members on April 17, 2025.

Nomination Committee

As at the Latest Practicable Date, the Nomination Committee consists of three members, namely Mr. Yan ZHOU (executive Director), Mr. Xiaoguang GUO (independent non-executive Director) and Ms. Jie WEN (independent non-executive Director). Mr. Yan ZHOU is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the Corporate Governance Code and the PRC laws. The principal duties of the Nomination Committee include considering selection of Directors (including independent non-executive Directors) and senior management of the Company, the selection criteria and procedures thereof, as well as putting forward opinions and recommendations to the Board.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would regularly review and agree on measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption, and assess the time commitment of each Director for performance of their responsibilities and contribution to the Board.

Corporate Governance Report

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Board Diversity Policy and Director Nomination Policy (as contained in the Terms of Reference of the Nomination Committee) that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held one meeting to review and discuss the current structure, size and membership of the Board and re-designation of Directors, as well as the independence of independent non-executive Directors, and to review the Board Diversity Policy and Director Nomination Policy. In addition, the Nomination Committee reviewed the time commitment of each Director for performance of their responsibilities and contribution to the Board. The Nomination Committee considered that each Director gave sufficient time and attention to the affairs of the Group and discharged his or her responsibilities effectively during the Reporting Period.

The attendance record of each member of the Nomination Committee meetings is set out in the table below:

Name of Members of the Nomination Committee	Number of Meetings Attended/Held
Mr. Yan ZHOU	1/1
Mr. Xiaoguang GUO	1/1
Ms. Jie WEN[1]	0/0
Mr. Hui OUYANG[2]	0/0

Notes:

(1) Ms. Jie WEN was appointed as a committee member on April 17, 2025.

(2) Mr. Hui OUYANG has resigned as an independent non-executive Director with effect from April 13, 2025 and ceased to be a committee member on the same day.

Strategy Committee

As at the Latest Practicable Date, the Strategy Committee consists of three members, namely Mr. Yan ZHOU (executive Director), Mr. Xin ZHOU (executive Director) and Mr. Shaojun JIA (executive Director). Mr. Yan ZHOU is the chairman of the Strategy Committee.

The primary duties of the Strategy Committee are to conduct research on and provide advice in relation to the long-term development strategies and major investment decisions of the Company.

During the Reporting Period, the Strategy Committee held one meeting to review and discuss the topics on the Company's innovation and internationalization development strategy.

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The attendance record of each member of the Strategy Committee meetings is set out in the table below:

Name of Members of the Strategy Committee	Number of Meetings Attended/Held
Mr. Yan ZHOU	1/1
Mr. Xin ZHOU[1]	1/1
Mr. Shaojun JIA	1/1
Professor Ker Wei PEI[2]	1/1
Mr. Hui OUYANG[3]	1/1
Ms. Jie WEN[2]	1/1
Mr. Jichen ZHAO[2]	1/1

Note:

(1) Mr. Xin ZHOU was appointed as a committee member on April 17, 2025.

(2) Professor Ker Wei PEI, Ms. Jie WEN and Mr. Jichen ZHAO ceased to be committee members on April 17, 2025.

(3) Mr. Hui OUYANG has resigned as an independent non-executive Director with effect from April 13, 2025 and ceased to be a committee member on the same day.

Compliance and Risk Control Committee

As at the Latest Practicable Date, the Compliance and Risk Control Committee consists of three members, namely Mr. Yan ZHOU (executive Director), Mr. Jie ZHOU (executive Director) and Mr. Jichen ZHAO (non-executive Director). Mr. Yan ZHOU is the chairman of the Compliance and Risk Control Committee.

The primary duties of the Compliance and Risk Control Committee are to conduct research on and assess the operational compliance and risk control of the Company, and to provide advice in relation to improvement of corporate governance and risk control of the Company.

During the Reporting Period, the Compliance and Risk Control Committee held two meetings to review the Company's relevant systems and corporate governance matters.

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The attendance record of each member of the Compliance and Risk Control Committee meetings is set out in the table below:

Name of Members of the Compliance and Risk Control Committee	Number of Meetings Attended/Held
Mr. Yan ZHOU	2/2
Mr. Jie ZHOU	2/2
Mr. Jichen ZHAO	2/2
Mr. Wen GUAN[1]	1/1
Mr. Shaojun JIA[1]	1/1
Ms. Aijun WANG[2]	0/0

Notes:

(1) Mr. Wen GUAN and Mr. Shaojun JIA ceased to be committee members on April 17, 2025.

(2) Ms. Aijun WANG has resigned as an independent non-executive Director with effect from April 13, 2025 and ceased to be a committee member on the same day.

Board Diversity Policy

The Company has adopted a Board Diversity Policy in order to enhance the effectiveness of the Board and to maintain a high standard of corporate governance.

Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a wide range of factors, including but not limited to gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and 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.

The Board has a balanced mixed of knowledge and skills, including overall management and strategic development, finance, accounting and risk management in addition to industry experience in healthcare and pharmaceuticals. The Directors obtained degrees in various majors including business administration, finance, accounting, economics and chemistry. The Company has three Independent non-executive Directors with different industry background, representing more than one-third of the members of the Board.

For the purpose of implementation of the Board Diversity Policy, the Board has set the measurable objective that at least one member of the Board shall be female and would review such objective from time to time to ensure its appropriateness and ascertain the progress made towards achieving that objective.

As of the date of this report, the Board consists of eight male Directors and one female Director.

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The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the above objective set in accordance with the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy annually to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The Company has taken, and will continue to take, steps to promote gender diversity at all levels of the Company, including but not limited to the Board and the senior management levels.

The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female	Male
Board	11.1% (1)	88.9% (8)
Senior Management	44.4% (4)	55.6% (5)
Other employees	49.1% (715)	50.9% (741)
Overall workforce	49.0% (719)	51.0% (747)

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report of this year.

The Board had targeted to achieve and had achieved at least 11.1% (1) of female Directors of the Company. The Company had also targeted to achieve 44.4% (4) of female senior management and approximately 49.1% (715) of female employees and considers that the above current gender diversity is satisfactory.

The Company will continue to work to enhance gender diversity of the Board. The Board will use its best endeavors to appoint female Directors to the Board and the Nomination Committee will use its best endeavors to identify and recommend suitable female candidates to the Board for its consideration of appointment of Directors. The Company will also continue to ensure that there is gender diversity when recruiting staff from mid to senior level, such that it will have a pipeline of female management and potential successors to our Board in due time to ensure gender diversity of the Board. The Group will continue to emphasize training of female talents and provide long-term development opportunities for the female staff.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

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The Company has adopted a Director Nomination Policy, as contained in the terms of reference of the Nomination Committee, which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process for appointment of a new Director set out in the Director Nomination Policy is as follows:

(i) the human resources department and the Nomination Committee shall actively communicate with the relevant departments of the Company to assess the Company's demand for new Directors and senior management, and produce materials in writing;

(ii) the Nomination Committee may extensively seek candidates for Directors and senior management within the Company, its holding (shareholding) enterprises as well as the job market;

(iii) the Nomination Committee shall collect and learn the information of the occupation, education background, job title, detailed working experience and all the part-time jobs of the initially proposed candidates, and produce materials in writing;

(iv) to seek the nominee's written consent to the nomination, otherwise, he/she shall not be considered as a candidate for Directors and senior management;

(v) to convene Nomination Committee meetings to review the qualifications of the initially proposed candidates according to the job requirements of Directors and senior management;

(vi) to submit proposals and the relevant materials to the Board in respect of candidates of Directors and senior management within a reasonable period of time prior to the election of new Directors and senior management; and

(vii) to carry out other follow-up work according to the decision and feedback of the Board.

The Nomination Committee shall submit its decisions, proposals and/or recommendations to the Board for consideration and decision. Among which, the nomination of Director candidates must be submitted to the general meeting of Shareholders for review and approval after being reviewed by the Board and before implementation.

The criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate as set out in the Board Diversity Policy, including but not limited to the following, are gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Corporate Governance Report

Corporate Governance Functions

The Board, together with the Audit Committee, is responsible for performing the functions set out in code provision A.2.1 of the Corporate Governance Code.

During the Reporting Period, both the Board and the Audit Committee have reviewed the Company's policies and practices on corporate governance, the training and continuous professional development of the Directors and senior management, the Company's policies and practices in compliance with legal and regulatory requirements, compliance with the Company's own code of conduct, and the Company's compliance with the Corporate Governance Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

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 Audit Committee and Compliance and Risk Control Committee assist the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems, as well as resolving material internal control defects on an on-going basis.

The Company has developed and adopted various risk management procedures and guidelines, and the Company's Legal Compliance Department works with relevant departments to clearly define the objectives, responsibilities and authority of each division/department and position.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

(i) Coverage principle: The Company embeds compliance requirements in all areas and sections of operation and management, running through the entire process of decision making, implementation and supervision, and implements them on all departments and all employees to achieve multi-party linkage and up-and- down coherence;

(ii) Clear authority and responsibility principle: The Company has clearly defined the responsibilities of the business and functional department, compliance management department, strictly implemented employee compliance responsibilities, and pursued responsibilities for non- compliance; and

Corporate Governance Report

(iii) Pragmatic and efficient principle: The Company has established a compliance management system that is in line with the reality of the enterprise, highlighted the management of key areas, key links and important personnel, and fully utilized information technology to practically improve management efficiency.

Each division/department and each of the Company's subsidiaries conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and data security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The Legal Compliance Department conducts regular compliance assessments on the Company's employees and business partners, and will take corresponding measures against employees or business partners who do not meet the Company's compliance requirements. For the handling of daily compliance incidents, we will uphold the principle of proactive investigation and open supervision, and the Legal Compliance Department will set up a uniform compliance and risk control reporting mailbox of the Company to open the reporting channels for all employees on an equal basis.

The management, in coordination with all divisions/departments, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee, the Compliance and Risk Control Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board, the Audit Committee and Compliance and Risk Control Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The internal audit department is responsible for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee and Compliance and Risk Control Committee.

The Board, as supported by the Audit Committee and Compliance and Risk Control Committee as well as the management report and the internal audit findings, conducted review of the risk management and internal control systems, including the financial, operational and compliance controls, during the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Whistleblowing Policy

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns through a dedicated channel with the Legal Compliance Department and the Compliance and Risk Control Committee about possible improprieties in any matters related to the Company.

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Anti-Corruption Policy

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees may also report anonymously or by name in accordance with the procedures set forth in the Anti-Corruption Policy.

Disclosure of Inside Information Policy

The Company attaches great importance to the management of information disclosure, and has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. During the Reporting Period, the Company made true, accurate, complete and timely disclosure of relevant information in accordance with the relevant regulations of the CSRC, the Stock Exchange and other regulatory authorities, effectively implementing the relevant information disclosure policy.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

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

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

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AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services during the Reporting Period is set out below:

Service Category	Fees Paid/Payable (RMB'000)
Audit Services	3,000
Non-audit Services	
– Interim review	900
Total	**3,900**

COMPANY SECRETARY

The Company has appointed Ms. Ling LIU ("**Ms. Liu**"), a full-time employee of the Company, Ms. LAM Wing Chi ("**Ms. Lam**") (resigned with effect from June 13, 2025), and Ms. WONG Pui Kiu Ingrid ("**Ms. Wong**") (appointed on June 13, 2025 and resigned with effect from December 31, 2025), both senior managers of company secretarial services of Tricor Services Limited, as the Company's joint company secretaries during the Reporting Period.

Ms. Liu obtained confirmation from the Stock Exchange in December 2025 that, she is qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rules on the Stock Exchange such that a further waiver will not be necessary. Following the resignation of Ms. Wong on December 31, 2025, Ms. Liu has continued to remain in office and act as the sole company secretary of the Company, with effect from December 31, 2025.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. Liu, who is also the secretary to the Board, was designated as the primary contact person at the Company which would work and communicate with Ms. Lam and Ms. Wong on the Company's corporate governance and secretarial and administrative matters during the Reporting Period.

During the Reporting Period, Ms. Liu, Ms. Lam and Ms. Wong have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

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SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to Article 52 of the Articles, Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting. Such request shall be made to the Board in writing and the request to add resolutions to the meeting agenda shall also be made. The Board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within ten days upon receipt of the request.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after resolution of the Board is passed. Any change made to the original request in the notice shall be approved by the relevant Shareholders.

If the Board does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the request, the Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall have the right to propose to the Audit Committee to convene the extraordinary general meeting. Such request shall be made to the Audit Committee in writing.

If the Audit Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days upon receipt of the request. Any change made to the original proposal in the notice shall be approved by the relevant Shareholders.

If the Audit Committee fails to issue a notice of the Shareholders' general meeting within a specified period, it shall be deemed that the Audit Committee shall not convene and preside over the Shareholders' general meeting, the Shareholder(s) individually or collectively holding 10% or more of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting by himself/herself/themselves.

Putting Forward Proposals at General Meetings

Pursuant to Article 57 of the Articles, the Shareholder(s) individually or jointly holding more than 1% of the Company's shares may make provisional proposals in writing to the convener of a Shareholders' general meeting ten days prior to the meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting and announce the contents of such provisional proposals within two days after receipt thereof.

Putting Forward Enquiries to the Board

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

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Contact Details

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

Address:	Room 412, 4/F, Building 6, No. 105 Jinghai 3rd Road, Beijing Economic-Technological Development Area, Beijing, the PRC (For the attention of the Board of Directors/Company Secretary)
Postal code:	100000
Phone:	(86) 010 8595 0689
Fax:	(86) 010 8595 0063–825
Email:	aim.securities@aimbio.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

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

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

Shareholders Communication Policy

The Company has in place a Shareholders Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively.

During the Reporting Period, the Board has conducted the annual review on the implementation and effectiveness of the Shareholders Communication Policy. Given that the two-way communications' channels and the Shareholders Communication Policy were adopted and the Directors actively participated (100%) in one general meeting of the Company held in 2025 to fully understand the Shareholders' opinions, the Board considers that the results of the review were satisfactory.

Corporate Governance Report

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. the Articles) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.aimbio.com). Other corporate information about the Company's corporate governance will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen and deputy chairman of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

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During the Reporting Period, the Company has held an annual general meeting. All Directors attended the general meetings of the Company to fully understand the Shareholders' opinions. The attendance record is set out in the table below:

Name of Director	Attendance/Number of Annual General Meeting	Attendance/Number of Extraordinary General Meeting
Executive Directors		
Mr. Yan ZHOU	1/1	0/0
Mr. Xin ZHOU	1/1	0/0
Mr. Shaojun JIA	1/1	0/0
Mr. Wen GUAN	1/1	0/0
Mr. Jie ZHOU	1/1	0/0
Non-executive Directors		
Mr. Jichen ZHAO	1/1	0/0
Ms. Aijun WANG[1]	0/0	0/0
Independent Non-executive Directors		
Professor Ker Wei PEI	1/1	0/0
Ms. Jie WEN	1/1	0/0
Mr. Xiaoguang GUO	1/1	0/0
Mr. Hui OUYANG[1]	0/0	0/0

Note:

(1) Ms. Aijun WANG and Mr. Hui OUYANG have resigned as a non-executive Director and an independent non-executive Director, respectively, with effect from April 13, 2025.

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's H Share registrar, Tricor Investor Services Limited, via its online holding enquiry service at www.tricoris.com, or send email to is-enquiries@vistra.com or call its hotline at (852) 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: aim.securities@aimbio.com or by post to Room 412, 4/F, Building 6, No. 105 Jinghai 3rd Road, Beijing Economic-Technological Development Area, Beijing, the PRC (postal code: 100000), or by calling the Company at (86) 010 8595 0689.

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Amendments to Constitutional Documents

At the annual general meeting of the Company held on May 20, 2025, shareholders approved several amendments to the Articles of Association to adjust provisions regarding, among other things, the dissolution of the Supervisory Committee. Details of the amendments are set forth in the Company's circular dated April 28, 2025. An up-to-date version of the Company's Articles is also available on the Company's website and the Stock Exchange's website.

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend declared for a financial year will be subject to the Shareholders' approval.

The Dividend Policy provides that, in recommending or declaring dividends, the Company shall retain adequate cash reserves for its capital requirements, future growth and equity value. The Board has the power to declare and distribute dividends to the Shareholders in accordance with the Articles and all applicable laws. In considering the declaration of dividends, the Board shall take into account the following factors of the Group:

- financial results;
- cash flow position;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of the Shareholders;
- any restrictions on the payment of dividends; and
- any other factors that the Board may consider relevant.

The Board reviews the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

Independent Auditor's Report

To the shareholders of AIM Vaccine Co., Ltd.
(Registered in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of AIM Vaccine Co., Ltd. (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 92 to 193, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter

Impairment assessment of goodwill and deferred development costs not available for use

The Group had goodwill and deferred development costs not available for use with net carrying values of RMB271,453,000 and RMB675,574,000, respectively, as at 31 December 2025.

In accordance with IFRS Accounting Standards, the Group is required to perform impairment testing for goodwill and deferred development costs not available for use at least on an annual basis. The Group engaged an independent external valuer to assist them in performing the impairment assessment of goodwill and deferred development costs not available for use. The impairment testing is based on the recoverable amount of each cash-generating unit ("**CGU**") to which the goodwill is allocated, and the recoverable amount of the deferred development costs not available for use. The recoverable amount for goodwill is its value in use using cash flow projections based on a financial budget. The recoverable amount for deferred development costs not available for use is based on the fair value less cost to sell. This matter was significant to our audit because the process of impairment test was complex and involved significant management judgements and estimates.

The Group's disclosures about impairment assessment of goodwill and deferred development costs not available for use are included in note 2.4 *Material accounting policies*, note 3 *Significant accounting judgements and estimates*, note 15 *Goodwill* and note 16 *Other intangible assets* to the consolidated financial statements.

Our audit procedures, among others, included assessing the evaluation of management's identification of cash-generating unit within the Group, and reviewing management's future forecasted cash flows and key assumptions by comparing to the historical financial performance, budget and financial projections. We evaluated the competence, capabilities and objectivity of the independent valuer engaged by management and involved our internal specialists to assist us in assessing the assumptions and methodologies used by the Group. We also focused on the adequacy of the Group's disclosures in the consolidated financial statements.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Capitalisation of development expenditure	
The Group is principally engaged in the research and development, manufacture and commercialisation of vaccine products for human use. During the year ended 31 December 2025, the expenditure incurred on projects to develop new vaccine products with an amount of RMB172,546,000 was capitalised in intangible assets in the consolidated financial statements. This matter was significant to our audit because significant management estimation and judgements were required in determining whether the development expenditure met the capitalisation criteria. The Group's disclosures about capitalisation of development expenditure are included in note 2.4 *Material accounting policies*, note 3 *Significant accounting judgements and estimates*, and note 16 *Other intangible assets* to the consolidated financial statements.	Our audit procedures, among others, included assessing whether the capitalisation policy adopted was in line with IFRS Accounting Standards, obtaining an understanding of management's internal approval procedures regarding the capitalisation of development expenditure by conducting interviews with key management members in charge of research, development and commercialisation of various projects and obtaining certifications related to different stages of development activities and commercial and technical feasibility reports prepared by management. We obtained an understanding of, evaluated the key controls in the process of capitalisation of development costs. We also focused on the adequacy of the Group's disclosures in the consolidated financial statements.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of long-term assets As at 31 December 2025, management identified indicators of impairment for a cash-generating unit ("**CGU**") and, based on the impairment testing, the carrying amounts of property, plant and equipment and other intangible assets included in this CGU were written down by RMB314,694,000 and RMB83,225,000, respectively. As of 31 December 2025, the net carrying amount of the long-term assets allocated to this CGU comprises property, plant and equipment of RMB206,902,000 and other intangible assets of RMB271,427,000. The Group engaged an independent external valuer to assist them in performing the impairment assessment. The impairment testing is based on the recoverable amount of the CGU, which is determined using a value-in-use calculation based on cash flow projections derived from financial budgets approved by senior management. This matter was significant to our audit because the process of impairment test was complex and involved significant management judgements and estimates. The Group's disclosures about impairment assessment of goodwill and deferred development costs not available for use are included in note 2.4 *Material accounting policies*, note 3 *Significant accounting judgements and estimates*, note 13 *Property, plant and equipment* to the consolidated financial statements.	Our audit procedures, among others, included assessing the evaluation of management's identification of cash-generating unit within the Group, and reviewing management's future forecasted cash flows and key assumptions by comparing to the historical financial performance, budget and financial projections. We evaluated the competence, capabilities and objectivity of the independent valuer engaged by management and involved our internal specialists to assist us in assessing the assumptions and methodologies used by the Group. We also focused on the adequacy of the Group's disclosures in the consolidated financial statements.

Independent Auditor's Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Independent Auditor's Report

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Ernst & Young
Certified Public Accountants
Hong Kong
30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	Year ended 31 December 2025 RMB'000	2024 RMB'000
REVENUE	5	**1,165,673**	1,285,031
Cost of sales		**(405,469)**	(331,523)
Gross profit		**760,204**	953,508
Other income and gains	5	**29,737**	32,847
Selling and distribution expenses		**(527,523)**	(542,666)
Administrative expenses		**(256,287)**	(282,730)
Research and development costs		**(191,275)**	(363,126)
Impairment losses on financial assets, net		**7,010**	6,258
Impairment losses on property, plant and equipment	13	**(314,694)**	(32,746)
Impairment losses on other intangible assets	16	**(211,076)**	–
Other expenses		**(4,810)**	(1,267)
Finance costs	6	**(57,843)**	(60,796)
LOSS BEFORE TAX	7	**(766,557)**	(290,718)
Income tax credit	10	**22,827**	12,249
LOSS FOR THE YEAR		**(743,730)**	(278,469)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(743,730)**	(278,469)
Loss attributable to:			
Owners of the parent		**(675,460)**	(277,234)
Non-controlling interests		**(68,270)**	(1,235)
		(743,730)	(278,469)
Total comprehensive loss attributable to:			
Owners of the parent		**(675,460)**	(277,234)
Non-controlling interests		**(68,270)**	(1,235)
		(743,730)	(278,469)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:	12		
Basic			
– For loss for the year (RMB)		**(0.55)**	(0.23)
Diluted			
– For loss for the year (RMB)		**(0.55)**	(0.23)

Consolidated Statement of Financial Position

31 December 2025

	Notes	Year ended 31 December 2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**2,925,189**	3,274,315
Right-of-use assets	14	**182,376**	205,104
Goodwill	15	**271,453**	271,453
Other intangible assets	16	**917,255**	989,358
Prepayments for equipment	17	**73,719**	73,745
Deferred tax assets	27	**128,605**	109,970
Other non-current assets	18	**2,953**	2,979
Total non-current assets		**4,501,550**	4,926,924
CURRENT ASSETS			
Inventories	19	**347,413**	462,611
Trade and bills receivables	20	**1,197,595**	1,123,753
Prepayments, other receivables and other assets	21	**113,356**	126,128
Due from related parties	36	**–**	32,438
Restricted cash	22	**28,939**	47,594
Time deposits	22	**13,042**	100,608
Cash and cash equivalents	22	**342,578**	494,265
Total current assets		**2,042,923**	2,387,397
CURRENT LIABILITIES			
Trade and bills payables	23	**79,975**	50,894
Other payables and accruals	24	**1,554,693**	1,569,696
Contract liabilities	25	**17,582**	35,289
Interest-bearing bank borrowings	26	**1,388,699**	1,393,792
Lease liabilities	14	**10,759**	13,957
Tax payable		**3,636**	3,468
Deferred government grants	28	**5,980**	6,024
Provisions		**31,620**	17,148
Total current liabilities		**3,092,944**	3,090,268
NET CURRENT LIABILITIES		**(1,050,021)**	(702,871)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,451,529**	4,224,053

Consolidated Statement of Financial Position

31 December 2025

	Notes	Year ended 31 December 2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	26	**354,800**	424,993
Lease liabilities	14	**2,097**	8,535
Deferred tax liabilities	27	**8,807**	25,002
Deferred government grants	28	**149,316**	154,415
Total non-current liabilities		**515,020**	612,945
NET ASSETS		**2,936,509**	3,611,108
EQUITY			
Equity attributable to owners of the parent			
Share capital	29	**1,226,563**	1,211,063
Reserves	31	**1,532,628**	2,154,457
		2,759,191	3,365,520
Non-controlling interests		**177,318**	245,588
TOTAL EQUITY		**2,936,509**	3,611,108

Yan ZHOU
Director

Wen GUAN
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital *RMB'000*	Capital reserve* *RMB'000*	Merger reserve* *RMB'000*	Statutory reserve* *RMB'000*	Share-based compensation reserves* *RMB'000*	Accumulated losses* *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2024	1,211,063	2,901,199	(30,763)	107,461	1,194,940	(1,741,146)	3,642,754	246,823	3,889,577
Loss for the year	–	–	–	–	–	(277,234)	(277,234)	(1,235)	(278,469)
Total comprehensive loss for the year	–	–	–	–	–	(277,234)	(277,234)	(1,235)	(278,469)
Transfer from accumulated losses	–	–	–	8,562	–	(8,562)	–	–	–
At 31 December 2024	1,211,063	2,901,199	(30,763)	116,023	1,194,940	(2,026,942)	3,365,520	245,588	3,611,108

	Attributable to owners of the parent								
	Share capital *RMB'000*	Capital reserve* *RMB'000*	Merger reserve* *RMB'000*	Statutory reserve* *RMB'000*	Share-based compensation reserve* *RMB'000*	Accumulated losses* *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2025	**1,211,063**	**2,901,199**	**(30,763)**	**116,023**	**1,194,940**	**(2,026,942)**	**3,365,520**	**245,588**	**3,611,108**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(675,460)**	**(675,460)**	**(68,270)**	**(743,730)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(675,460)**	**(675,460)**	**(68,270)**	**(743,730)**
Issue of shares	**15,500**	**54,562**	**–**	**–**	**–**	**–**	**70,062**	**–**	**70,062**
Share issue expenses	**–**	**(931)**	**–**	**–**	**–**	**–**	**(931)**	**–**	**(931)**
Transfer from accumulated losses	**–**	**–**	**–**	**7,464**	**–**	**(7,464)**	**–**	**–**	**–**
At 31 December 2025	**1,226,563**	**2,954,830**	**(30,763)**	**123,487**	**1,194,940**	**(2,709,866)**	**2,759,191**	**177,318**	**2,936,509**

* These reserve accounts comprise the consolidated other reserves of RMB1,532,628,000 (2024: RMB2,154,457,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	Year ended 31 December 2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(766,557)**	(290,718)
Adjustments for:			
Finance costs	6	**57,843**	60,796
Interest income	5	**(3,433)**	(7,491)
Gain on disposal of structured deposits		**(14)**	(78)
Amortisation of deferred government grants	28	**(6,060)**	(5,879)
Amortisation of other intangible assets	16	**34,384**	34,343
Write-down of inventories to net realisable value		**108,700**	26,802
Loss on disposal of items of property, plant and equipment		**463**	144
Reversal of impairment of trade and bills receivables	20	**(7,010)**	(6,258)
Exchange (gain)/loss, net		**(2,386)**	937
Depreciation of property, plant and equipment	13	**90,688**	103,319
Depreciation of right-of-use assets	14	**33,257**	34,367
Impairment of property, plant and equipment	13	**314,694**	32,746
Impairment of other intangible assets	16	**211,076**	–
		65,645	(16,970)
Decrease in inventories		**6,498**	20,447
Increase in trade and bills receivables		**(66,832)**	(112,426)
Decrease in prepayments, other receivables and other assets		**12,772**	16,175
Increase in amounts due from related parties		**–**	(725)
Increase in restricted cash		**(20,189)**	(5,481)
Increase/(decrease) in trade and bills payables		**29,081**	(9,464)
Decrease in contract liabilities		**(17,707)**	(21,645)
Decrease/(increase) in other non-current assets		**26**	(341)
Increase in other payables and accruals		**70,015**	247,601
Cash generated from operating activities		**79,309**	117,171
Income tax paid		**(11,835)**	(17,981)
Net cash flows generated from operating activities		**67,474**	99,190

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	Year ended 31 December 2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**3,999**	7,491
Purchase of structured deposit		**(10,000)**	(60,000)
Proceeds from disposal of structured deposit		**10,014**	60,078
Purchase of items of property, plant and equipment		**(114,406)**	(121,745)
Purchase of right-of-use assets		**(100)**	(766)
Purchase of other intangible assets		**(124,362)**	(115,764)
Receipt of government grants for property, plant and equipment	28	**917**	225
Withdrawal of restricted cash		**38,844**	125
Placement of time deposits		**(13,000)**	(100,000)
Withdrawal of time deposits		**100,000**	151,880
Recovery of advance payments for land purchase		**–**	16,122
Proceeds from disposal of property, plant and equipment		**360**	9
Net cash flows used in investing activities		**(107,734)**	(162,345)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**70,062**	–
Share issue expenses		**(931)**	–
New bank loans		**1,203,500**	1,088,799
Repayment of bank loans		**(1,306,201)**	(1,032,604)
Interest paid		**(58,011)**	(60,846)
Principal portion of lease payment		**(20,065)**	(21,570)
Net cash flows used in financing activities		**(111,646)**	(26,221)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(151,906)**	(89,376)
Cash and cash equivalents at beginning of year		**494,265**	583,143
Effect of foreign exchange rate changes, net		**219**	498
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	**342,578**	494,265
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position		**342,578**	494,265
Cash and cash equivalents as stated in the statement of cash flows		**342,578**	494,265

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION

AIM Vaccine Co., Ltd. (the "**Company**") was registered as a limited liability company in the People's Republic of China (the "**PRC**") on 9 November 2011. Upon approval by the shareholders' general meeting held on 18 September 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Beijing AIM Biological Vaccine Technology Group Co., Ltd.*" (北京艾美生物疫苗技術集團有限公司) to "AIM Vaccine Co., Ltd.*" (艾美疫苗股份有限公司) on 23 September 2020. The registered office of the Company is located at Room 412, 4/F, Building 6, No. 105 Jinghai 3rd Road, Beijing Economic-Technological Development Area, Beijing.

During the year, the Group was involved in the research and development, manufacture and commercialisation of vaccine products for human use in the PRC.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 6 October 2022.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Date of registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
AIM Rongyu (Ningbo) Biopharmaceutical Co., Ltd.* (艾美榮譽(寧波)生物製藥有限公司) ("**AIM Rongyu**")	PRC/Chinese Mainland	30 April 2001	RMB700,000,000/ RMB700,000,000	20%	80%	Vaccine development, manufacture and sale of vaccine
AIM Honesty Biopharmaceutical Co., Ltd.* (艾美誠信生物製藥有限公司) ("**AIM Honesty**")	PRC/Chinese Mainland	20 September 1993	RMB250,000,000/ RMB250,000,000	100%	–	Vaccine development, manufacture and sale of vaccine
AIM Persistence Biopharmaceutical Co., Ltd.* (艾美堅持生物製藥有限公司) ("**AIM Persistence**")	PRC/Chinese Mainland	24 December 2002	RMB1,027,306,120/ RMB1,027,306,120	97.1174%	2.8826%	Vaccine development, manufacture and sale of vaccine
AIM Action BioPharm Co., Ltd.* (艾美行動生物製藥有限公司) ("**AIM Action**")	PRC/Chinese Mainland	13 October 2011	RMB440,000,000/ RMB440,000,000	100%	–	Vaccine development, manufacture and sale of vaccine
AIM Explorer Biomedical R&D Co., Ltd.* (艾美探索者生命科學研發有限公司)	PRC/Chinese Mainland	10 September 2018	RMB482,500,000/ RMB500,000,000	100%	–	Vaccine development

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Date of registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Liverna Therapeutics Inc.* ("珠海麗凡達生物技術有限公司") ("**Liverna**")	PRC/Chinese Mainland	21 June 2019	RMB7,500,000/ RMB7,500,000	50.1546%	–	Vaccine and drug development
AIM Innovator Biomedical Research (Shanghai) Co., Ltd.* ("艾美創新者生物醫藥研究(上海)有限公司")	PRC/Chinese Mainland	17 May 2021	RMB47,500,000/ RMB50,000,000	95%	5%	Vaccine development
AIM Vaccine Research Institute (Jiangsu) Co., Ltd.* ("艾美疫苗研究院(江蘇)有限公司")	PRC/Chinese Mainland	9 December 2013	RMB100,000/ RMB50,000,000	100%	–	Vaccine development
AIM Innovative Biotechnology (Shanghai) Co., Ltd.* ("艾美創新生物技術(上海)有限公司")	PRC/Chinese Mainland	8 May 2019	RMB9,000,000/ RMB50,000,000	100%	–	Vaccine development
Shanghai Beibi Road Cultural Development Co., Ltd.* ("上海北壁之路文化發展有限公司")	PRC/Chinese Mainland	28 March 2017	RMB10,000,000/ RMB10,000,000	100%	–	Investment holding
AIM Responsibility Biopharmaceutical (Liaoning) Co., Ltd.* ("艾美責任生物製藥(遼寧)有限公司")	PRC/Chinese Mainland	28 January 2023	Nil/RMB50,000,000	100%	–	Vaccine development
AIM Vaccine Research Institute (Liaoning) Co., Ltd.* ("艾美疫苗研究院(遼寧)有限公司")	PRC/Chinese Mainland	18 April 2023	Nil/RMB50,000,000	94%	6%	Vaccine development
AIM Leader (Beijing) Biomedical Research Co., Ltd.* ("艾美引領者(北京)生物醫藥研究有限公司")	PRC/Chinese Mainland	8 November 2023	Nil/RMB50,000,000	100%	–	Vaccine development
AIM Dream Biotechnology (Beijing) Co., Ltd.* ("艾美夢想生物技術(北京)有限公司")	PRC/Chinese Mainland	1 November 2023	Nil/RMB50,000,000	100%	–	Vaccine development
Hong Kong AIM VACCINE LIMITED ("艾美疫苗有限公司")	Hong Kong	19 February 2025	HKD1,524,999/ HKD1,524,999	100%	–	Vaccine development

* The English names of these subsidiaries registered in the PRC represent the translated names of these companies as no English names have been registered.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for structured deposits which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group reported net current liabilities of RMB1,050,021,000 as at 31 December 2025. In view of the net current liabilities position, the Group's management prepared a cash flow forecast covering a period of twelve months from the end of the reporting period after taking into consideration the following:

- The Group's ability and historical records in negotiating with the banks for new bank borrowings and high renewal rate of existing bank borrowings. Subsequent to 31 December 2025, the Group has renewed bank borrowings of RMB134,620,000, and obtained new bank borrowings of RMB176,232,000. In addition, as at the date of the approval of these financial statements, the Group has unused bank facilities of RMB643,764,000.

- The Group's continued efforts in expediting the collection of outstanding trade receivables, improving sales and controlling the pace of the Group's operation expansion and capital expenditures.

The cash flow forecast indicates that the Group will have sufficient financial resources to settle the borrowings and payables that will be due in the next twelve months. Therefore, the directors are of the opinion that there are no material uncertainties that may cast significant doubt over the going concern assumption and concluded it is appropriate to prepare the financial statements on a going concern basis.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

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

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

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

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES

Business combinations and goodwill

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

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

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

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

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

An acquisition of a business which is a business combination under common control is accounted for in a manner similar to a uniting of interests whereby the assets and liabilities acquired are accounted for at carryover predecessor values to the other party to the business combination within all periods presented as if the operations of the Group and the business acquired had always been combined. The difference between the consideration paid by the Group and the net assets or liabilities of the business acquired is adjusted against equity.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

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

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

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

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

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

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

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

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

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

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

Buildings	3.17% to 31.67%
Leasehold improvements	20.00% to 50.00%
Plant and machinery	9.50% to 31.67%
Motor vehicles	9.50% to 23.75%
Equipment and others	9.50% to 31.67%

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

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

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

Patents and proprietary know-how

Patents and proprietary know-how are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 16 to 18 years.

Brands

Brands are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 18 years.

The brands and patents and proprietary know-how of the Group were associated with different vaccine products arising from business combinations and acquisitions from third parties. The useful lives of brands and patents and proprietary know-how were estimated based on the remaining period of economic benefits to be derived from the respective vaccine products to be produced relying on the brands and patents and proprietary know-how. The Group estimated the period of economic benefits to be derived from the respective vaccine products based on the expected time period required for a vaccine product from its development to commercialization and other factors, including the patent protection period, the historical life of similar vaccine products, the characteristics of such technologies, their update frequency and market requirement and competition. Based on such assessment, the Group considered that the maximum economic useful life of brands and patents and proprietary know-how was 30 years. As the different vaccine products have different commercialization commencement dates, acquisition dates by the Group and the expected lifespan of economic benefits, the remaining useful live of the Group's brands and patents and proprietary know-how varies at a range of 18 years and 16 to 18 years, respectively.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 to 10 years. The expected useful life of software is assessed by the Group after considering the contractual term, the current functionality equipped by the software, using plan and operation needs of the software. The software served as basement IT system is amortised over a longer period as 10 years. Other software served as fast updating applications and single application software is amortised over a shorter period as 2 to 5 years.

Research and development costs

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

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

Deferred development costs is stated at cost less any impairment losses and is amortised using the straight-line basis over its estimated useful lives of 10 years. The useful life is estimated based on the expected life cycle of the underlying product since the commercialisation. Both the period and method of amortisation are reviewed annually.

Deferred development cost not available for use are tested for impairment annually individually, irrespective of whether there is any indication that they may be impaired. Such intangible assets are not amortised.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

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

Leasehold land	20 to 50 years
Buildings	3 to 8 years
Motor vehicles	5 years

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

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

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value asset recognition exemption to leases of equipment that is considered to be of low value.

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

This category includes structured deposits.

Derecognition of financial assets

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

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

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets

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

General approach

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

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

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

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

The Group's financial liabilities include interest-bearing bank borrowings, lease liabilities, trade and bills payables, due to related parties, and other payables.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables, and borrowings)

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax mainly comprises current tax and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of vaccine

Revenue from the sale of vaccine is recognised at the point in time when control of the goods is transferred, being when the goods are delivered to the customers, and the customers have accepted the goods in accordance with the sales contracts.

Sales return provision is made by the Group upon the delivery of goods to the customers when the control of the goods are transferred to the customers. The provision is recognised by the Group based on best estimates by management with reference to past experience and other relevant factors.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Research and development services

Revenue from research and development services was recognised only when it satisfied a performance obligation by rendering the service or transferring the control of the result of research and development and there is no unfulfilled obligation that could affect the buyer's acceptance of the result. Before that, the counterparty had no right to receive and consume the benefits of the research and development services.

Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates employee share plans. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. Further details are given in note 30 to the financial statements.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits

Social pension plans

The Group has social pension plans for its employees arranged by local government labour and security authorities. The Group makes contributions on a monthly basis to the social pension plans. The contributions are charged to profit or loss as they become payable in accordance with the rules of the social pension plans. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (CONTINUED)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currency of certain overseas subsidiary is currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

Notes to Financial Statements

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development expenses

All research expenses are charged to the profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development expenses in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses of RMB2,236,892,000 (2024: RMB1,923,078,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB531,311,000. Further details on deferred taxes are disclosed in note 27 to the financial statements.

Notes to Financial Statements

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB271,453,000 (2024: RMB271,453,000). Further details are given in note 15.

Impairment of deferred development costs

The Group is required to test deferred development costs not available for use on an annual basis. Intangible assets are tested whenever events or changes in circumstances indicate that the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is determined based on the higher of fair value less cost to sell and value in use.

The carrying amount of deferred development costs not available for use at 31 December 2025 was RMB675,574,000 (2024: RMB714,101,000). Further details are given in note 16.

Determination of the recoverable amount is an area involving management judgement in order to assess whether the carrying value of the intangible assets not available for use can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of (i) timing of commercialisation, productivity and market size; (ii) revenue compound growth rate; (iii) costs and operating expenses; and (iv) the selection of discount rates to reflect the risks involved.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing analysis of customers that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the distribution sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to Financial Statements

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the financial statements.

Impairment of non-financial assets (other than goodwill and deferred development cost not available for use)

The Group assesses whether there are any indicators of impairment for all non-financial assets other than goodwill and deferred development cost not available for use (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 13.

Write-down of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the ageing and conditions of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed annually for write-down, if appropriate.

Notes to Financial Statements

31 December 2025

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is the sale of vaccine and research and development services. Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies set out in note 2.4. Accordingly, the Group has only a single operating segment and no further analysis of the single operating segment is presented.

Geographical information

As the Group generates all of its non-current assets are located in PRC during the year, no further geographical information is presented. The revenue information of continuing operations below is based on the locations of the customers.

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Chinese Mainland	**1,165,298**	1,278,217
Other countries/regions	**375**	6,814
Total revenue	**1,165,673**	1,285,031

Information about major customers

No revenue accounting for 10 percent or more of the Group's total revenue was derived from sale to a single customer during the year (2024: Nil).

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31 December 2025

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**1,165,673**	1,285,031

Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Types of goods or services		
Sale of vaccine	**1,165,662**	1,261,446
Research and development services	**11**	23,585
Total	**1,165,673**	1,285,031
Geographical markets		
Chinese Mainland	**1,165,298**	1,278,217
Other countries/regions	**375**	6,814
Total	**1,165,673**	1,285,031
Timing of revenue recognition		
Goods or services transferred at a point in time	**1,165,673**	1,285,031

Notes to Financial Statements

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Sale of vaccine	**26,284**	22,994

(ii) Performance obligations

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

Sale of vaccine

The performance obligation is satisfied upon the acceptance of the products by the customers and the payment is generally due within 180 days from delivery.

Research and development services

Based on the terms of the contract, the performance obligation is satisfied at the point in time after the services are rendered and accepted and payment is billed based on the milestone achieved.

Notes to Financial Statements

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

Research and development services (continued)

An analysis of other income and gains is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Other income and gains		
Government grants related to		
– Assets (i)	**6,060**	5,879
– Income	**16,802**	18,220
Bank interest income	**3,433**	7,491
Foreign exchange gains, net	**2,671**	–
Others	**771**	1,257
Total	**29,737**	32,847

(i) The Group has received certain government grants related to assets for investment in leasehold land, property, plant and equipment. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets. Details of these grants related to assets are set out in note 28.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Interest on bank loans	**75,557**	82,323
Interest on lease liabilities	**707**	1,188
Less: Interest capitalised	**18,421**	22,715
Total	**57,843**	60,796

Notes to Financial Statements

31 December 2025

7. LOSS BEFORE TAX

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

		Year ended 31 December	
	Notes	**2025**	2024
		RMB'000	*RMB'000*
Cost of inventories sold*		**405,469**	331,523
Depreciation of property, plant and equipment	13	**90,688**	103,319
Depreciation of right-of-use assets	14	**33,257**	34,367
Amortisation of other intangible assets	16	**34,384**	34,343
Lease payments not included in the measurement of lease liabilities	14	**4,144**	5,164
Auditors' remuneration		**3,900**	3,900
Employee benefit expenses (including directors' and chief executive's remuneration (note 8))			
Wages and salaries		**271,174**	282,843
Pension scheme contributions**		**73,307**	74,076
		344,481	356,919
Foreign exchange differences, net		**(2,671)**	937
Reversal of provision for impairment of trade and bills receivables (note 20)		**(7,010)**	(6,258)
Write-down of inventories to net realisable value		**108,700**	26,802
Impairment of property, plant and equipment (note 13)		**314,694**	32,746
Impairment of other intangible assets (note 16)		**211,076**	–
Loss on disposal of property, plant and equipment		**463**	144
Interest income		**(3,433)**	(7,491)

* Cost of inventories sold includes expenses relating to staff cost, depreciation and amortisation expenses, and write-down of inventories to net realisable value which are also included in the respective total amounts disclosed above for these types of expenses.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Notes to Financial Statements

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8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Fees	**984**	1,200
Other emoluments:		
Salaries, allowances and benefits in kind	**8,813**	7,836
Performance related bonuses	**36**	735
Pension scheme contributions	**389**	461
	9,238	9,032
Total	**10,222**	10,232

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Mr. Ker Wei PEI	**300**	300
Ms. Jie WEN	**300**	300
Mr. Hui OUYANG (i)	**84**	300
Mr. Xiaoguang GUO	**300**	300
Total	**984**	1,200

Note:

(i) Mr. Hui OUYANG has tendered his resignation as an independent non-executive director due to change in work arrangements, with effect from 13 April 2025.

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

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31 December 2025

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Directors and supervisors

2025

	Fees *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Performance related bonuses *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Mr. Yan ZHOU*	–	2,074	–	124	2,198
Mr. Wen GUAN	–	1,949	–	146	2,095
Mr. Shaojun JIA	–	2,118	–	–	2,118
Mr. Jie ZHOU (i)	–	744	–	–	744
Mr. Xin ZHOU (i)	–	1,730	–	112	1,842
	–	8,615	–	382	8,997
Non-executive directors:					
Ms. Aijun WANG (ii)	–	–	–	–	–
Mr. Jichen ZHAO	–	–	–	–	–
	–	–	–	–	–
Supervisors: (iii)					
Mr. Lun MA	–	–	–	–	–
Mr. Jiashuai SONG	–	82	36	7	125
Mr. Tingfeng SONG	–	116	–	–	116
	–	198	36	7	241
Total	–	8,813	36	389	9,238

Notes to Financial Statements

31 December 2025

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Directors and supervisors (continued)

2024

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Yan ZHOU*	–	1,893	140	161	2,194
Mr. Wen GUAN	–	1,940	150	145	2,235
Mr. Shaojun JIA	–	2,106	167	–	2,273
Mr. Jie ZHOU (i)	–	684	124	–	808
Mr. Xin ZHOU (i)	–	705	124	67	896
	–	7,328	705	373	8,406
Non-executive directors:					
Mr. Jie ZHOU (i)	–	–	–	–	–
Mr. Xin ZHOU (i)	–	–	–	–	–
Ms. Aijun WANG (ii)	–	–	–	–	–
Mr. Jichen ZHAO	–	–	–	–	–
	–	–	–	–	–
Supervisors: (iii)					
Mr. Lun MA	–	–	–	–	–
Mr. Jiashuai SONG	–	208	30	88	326
Mr. Tingfeng SONG	–	300	–	–	300
	–	508	30	88	626
Total	–	7,836	735	461	9,032

Notes to Financial Statements

31 December 2025

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (CONTINUED)

(b) Directors and supervisors (continued)

Notes:

* Mr. Yan ZHOU, who acts as the chairman of the board, is also the chief executive officer of the Company.

(i) The board of directors of has announced that Mr. Jie ZHOU and Mr. Xin ZHOU have been re-designated from non-executive directors to executive directors and appointed as executive presidents of the Company, effective from 29 August 2024, until the expiration of the current term of the board.

(ii) The board of directors of has announced that Ms. Aijun WANG has tendered her resignation as a non-executive director due to change in work arrangements, with effect from 13 April 2025.

(iii) On 20 May 2025, the board announced that, according to the PRC Company Law, a joint stock limited company may, in accordance with its articles of association, instead of having set up a supervisory committee, establish an audit committee which comprises directors of the board of directors and exercises the functions of the supervisory committee. Hence, following the approval by the Shareholders in respect of the amendments of the Articles of Association, the Supervisory Committee has been dissolved accordingly with effect from 20 May 2025. Each of the supervisors resigned as supervisor with effect from 20 May 2025.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

Notes to Financial Statements

31 December 2025

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2024: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two (2024: two) highest paid employees who are not directors, supervisors or the chief executive of the Company are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	**2,751**	2,954
Performance-related bonuses	**819**	893
Pension scheme contributions	**251**	281
Total	**3,821**	4,128

The number of the highest paid employees (who are not directors, supervisors or chief executive of the Company) whose remuneration fell within the following bands is as follows:

	Year ended 31 December	
	2025	2024
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**2**	–
HK$2,500,001 to HK$3,000,000	**–**	1

During the year ended 31 December 2025, no emoluments have been paid to the five highest individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

Notes to Financial Statements

31 December 2025

10. INCOME TAX CREDIT

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

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and the Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25% unless they are subject to preferential tax as set out below.

- AIM Action BioPharm Co., Ltd. was renewed as a "High and New Technology Enterprise" on 19 December 2025, and therefore, AIM Action BioPharm Co., Ltd. was entitled to a preferential CIT rate of 15% (2024: 15%) for the year ended 31 December 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

- AIM Honesty Biopharmaceutical Co., Ltd. was renewed as a "High and New Technology Enterprise" on 24 December 2024, and therefore, AIM Honesty Biopharmaceutical Co., Ltd. was entitled to a preferential CIT rate of 15% (2024: 15%) for the year ended 31 December 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

- AIM Rongyu (Ningbo) Biopharmaceutical Co., Ltd. was renewed as a "High and New Technology Enterprise" on 6 December 2024, and therefore, AIM Rongyu (Ningbo) Biopharmaceutical Co., Ltd. was entitled to a preferential CIT rate of 15% (2024: 15%) for the year ended 31 December 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

- AIM Persistence Biopharmaceutical Co., Ltd. was renewed as a "High and New Technology Enterprise" on 6 December 2024, and therefore, AIM Persistence Biopharmaceutical Co., Ltd. was entitled to a preferential CIT rate of 15% (2024: 15%) for the year ended 31 December 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

- AIM Explorer Biomedical R&D Co., Ltd. became a "High and New Technology Enterprise" on 12 December 2023, and therefore, AIM Explorer Biomedical R&D Co., Ltd. was entitled to a preferential CIT rate of 15% (2024: 15%) for the year ended 31 December 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

- Liverna Therapeutics Inc. was renewed as a "High and New Technology Enterprise" on 19 December 2025, and therefore, Liverna Therapeutics Inc. was entitled to a preferential CIT rate of 15% (2024: 15%) for the year ended 31 December 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

Notes to Financial Statements

31 December 2025

10. INCOME TAX CREDIT (CONTINUED)

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current income tax	**12,003**	18,555
Deferred (note 27)	**(34,830)**	(30,804)
Income tax credit for the year	**(22,827)**	(12,249)

A reconciliation of the tax credit applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Loss before tax	**(766,557)**	(290,718)
Tax at the statutory tax rate	**(191,639)**	(72,680)
Lower tax rate enacted by local authority	**72,099**	19,126
Adjustments in respect of current tax of previous periods	**3,071**	(4,589)
Additional deductible allowance for research and development expenses	**(28,405)**	(65,868)
Expenses not deductible for tax (i)	**3,499**	5,301
Utilisation of losses in previous years	**(542)**	–
Temporary difference and tax losses not recognised	**119,090**	106,461
Income tax credit at the Group's effective rate	**(22,827)**	(12,249)

(i) Expenses not deductible for tax mainly represent expenses that exceed the tax-deductible limitation such as impairment of goodwill, entertainment, commission and expense without invoices. These expenses are not to be deductible for tax.

11. DIVIDENDS

The board did not recommend the payment of any dividend during the year ended 31 December 2025 (2024: Nil).

Notes to Financial Statements

31 December 2025

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,223,844,791 (2024: 1,211,062,599) outstanding during the year.

The calculation of the diluted loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted loss per share is based on:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(675,460)**	(277,234)

	Year ended 31 December	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculation	**1,223,844,791**	1,211,062,599

The diluted loss per share is equal to the basic loss per share as there was no potential ordinary shares outstanding during the year ended 31 December 2025.

Notes to Financial Statements

31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Plant and machinery *RMB'000*	Equipment and others *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2025							
At 1 January 2025							
Cost	1,061,073	616,367	91,177	15,001	111,453	2,398,025	4,293,096
Accumulated depreciation	(344,542)	(349,040)	(64,186)	(12,349)	(69,710)	–	(839,827)
Impairment	(26,405)	(82,742)	(2,008)	–	(25,512)	(42,287)	(178,954)
Net carrying amount	690,126	184,585	24,983	2,652	16,231	2,355,738	3,274,315
At 1 January 2025, net of accumulated depreciation and impairment	690,126	184,585	24,983	2,652	16,231	2,355,738	3,274,315
Additions	1,043	4,139	806	–	212	88,868	95,068
Depreciation provided during the year	(43,584)	(39,350)	(11,583)	(912)	(8,486)	–	(103,915)
Transfers	21,258	10,617	526	–	300	(32,701)	–
Cost adjustments	(35,068)	–	–	–	–	10,306	(24,762)
Disposals	(138)	(610)	(43)	(32)	–	–	(823)
Impairment provided during the year	–	(11,549)	–	–	–	(303,145)	(314,694)
At 31 December 2025, net of accumulated depreciation and impairment	633,637	147,832	14,689	1,708	8,257	2,119,066	2,925,189
At 31 December 2025							
Cost	1,048,153	627,347	91,857	14,370	111,965	2,464,498	4,358,190
Accumulated depreciation	(388,111)	(385,223)	(75,161)	(12,662)	(78,196)	–	(939,353)
Impairment	(26,405)	(94,292)	(2,007)	–	(25,512)	(345,432)	(493,648)
Net carrying amount	633,637	147,832	14,689	1,708	8,257	2,119,066	2,925,189

Notes to Financial Statements

31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings *RMB'000*	Plant and machinery *RMB'000*	Equipment and others *RMB'000*	Motor vehicles *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2024							
At 1 January 2024							
Cost	1,050,864	604,675	86,659	14,818	108,979	2,301,479	4,167,474
Accumulated depreciation	(302,135)	(302,169)	(49,525)	(11,590)	(61,931)	–	(727,350)
Impairment	(26,405)	(50,029)	(1,931)	–	(25,512)	(42,330)	(146,207)
Net carrying amount	722,324	252,477	35,203	3,228	21,536	2,259,149	3,293,917
At 1 January 2024, net of accumulated depreciation and impairment	722,324	252,477	35,203	3,228	21,536	2,259,149	3,293,917
Additions	525	8,319	4,738	250	2,474	111,867	128,173
Depreciation provided during the year	(42,407)	(47,743)	(15,652)	(1,036)	(7,779)	–	(114,617)
Transfers	9,684	4,322	830	225	–	(15,320)	(259)
Disposals	–	(78)	(60)	(15)	–	–	(153)
Impairment provided during the year	–	(32,712)	(76)	–	–	42	(32,746)
At 31 December 2024, net of accumulated depreciation and impairment	690,126	184,585	24,983	2,652	16,231	2,355,738	3,274,315
At 31 December 2024							
Cost	1,061,073	616,367	91,177	15,001	111,453	2,398,025	4,293,096
Accumulated depreciation	(344,542)	(349,040)	(64,186)	(12,349)	(69,710)	–	(839,827)
Impairment	(26,405)	(82,742)	(2,008)	–	(25,512)	(42,287)	(178,954)
Net carrying amount	690,126	184,585	24,983	2,652	16,231	2,355,738	3,274,315

Notes to Financial Statements

31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 December 2025, due to a delay in the expected commercialization timeline for Pipeline Product A, resulting from additional testing required for regulatory approval, the risk of impairment for the long-term assets related to Pipeline Product A increased. The Group performed an impairment test on a cash-generating unit which engaged in development, manufacture and sale of Pipeline Product A and Pipeline Product B as senior management treated Pipeline Product A and Pipeline Product B as a single cash-generating unit given their shared use of substantial property, plant and equipment. With the assistance of the independent valuer engaged by the Group, the recoverable amount of the cash-generating unit was RMB490,300,000 as at 31 December 2025, determined using a value-in-use calculation, based on cash flow projections derived from financial budgets approved by senior management. The discount rate applied in the cash flow projections was 12.25%. Based on the impairment test result, the carrying amount of the cash-generating unit was impaired by RMB397,919,000 for the year (2024: Nil). Consequently, the carrying amounts of property, plant and equipment and other intangible assets included in the cash-generating unit were written down by RMB314,694,000 (2024: Nil) and RMB83,225,000 (2024: Nil), respectively.

As the cash-generating unit has been reduced to its recoverable amount of RMB472,160,000 as at 31 December 2025, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment loss.

At 31 December 2025, certain of the Group's buildings with a net carrying amount of approximately RMB233,099,000 (2024: RMB249,748,000) were pledged to secure certain interest-bearing bank borrowings of the Group (note 26).

At 31 December 2025, certain of the Group's buildings with a net carrying amount of approximately RMB260,240,000 (2024: RMB290,790,000) did not have building ownership certificates.

Notes to Financial Statements

31 December 2025

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as a lessee

The Group has lease contracts for various items of buildings, leasehold land, motor vehicles and other equipment used in its operations. Leases of buildings generally have lease terms between 3 years and 8 years, while leasehold land and motor vehicles generally have lease terms of 5 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings	Motor vehicles	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	30,393	349	196,870	227,612
Additions	11,093	–	766	11,859
Depreciation charge	(19,593)	(118)	(14,656)	(34,367)
As at 31 December 2024 and 1 January 2025	**21,893**	**231**	**182,980**	**205,104**
Additions	**10,429**	**100**	**–**	**10,529**
Depreciation charge	**(18,479)**	**(111)**	**(14,667)**	**(33,257)**
As at 31 December 2025	**13,843**	**220**	**168,313**	**182,376**

At 31 December 2025, certain plots of the leasehold land with a net carrying amount of approximately RMB68,708,000 (2024: RMB71,056,000) were pledged to secure certain interest-bearing bank borrowings of the Group (note 26).

Notes to Financial Statements

31 December 2025

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

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

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Carrying amount at the beginning of the year	**22,492**	32,969
New leases	**10,429**	11,093
Accretion of interest recognised during the year	**707**	1,188
Payments	**(20,772)**	(22,758)
Carrying amount at the end of the year	**12,856**	22,492
Analysed into:		
Current portion	**10,759**	13,957
Non-current portion	**2,097**	8,535

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

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

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Interest on lease liabilities	**707**	1,188
Depreciation charge of right-of-use assets	**33,257**	34,367
Expense relating to short term leases	**4,074**	5,164
Expense relating to leases of low-value assets	**70**	–
Total amount recognised in profit or loss	**38,108**	40,719

(d) The total cash outflow for leases is disclosed in note 33 to the financial statements.

(e) Included in the lease liabilities, an amount of RMB5,214,000 as at 31 December 2025 (2024: RMB5,212,000), was due to related parties. Details were disclosed in note 36(b) to the financial statements.

Notes to Financial Statements

31 December 2025

15. GOODWILL

	AIM Rongyu	AIM Honesty	AIM Action	Liverna	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024:					
Cost	82,647	298,238	111,932	248,325	741,142
Accumulated impairment	–	(150,474)	(107,771)	(211,444)	(469,689)
Net carrying amount	82,647	147,764	4,161	36,881	271,453
Cost at 31 December 2024, net of accumulated impairment	82,647	147,764	4,161	36,881	271,453
At 31 December 2024:					
Cost	82,647	298,238	111,932	248,325	741,142
Accumulated impairment	–	(150,474)	(107,771)	(211,444)	(469,689)
Net carrying amount	82,647	147,764	4,161	36,881	271,453
Cost at 31 December 2025, net of accumulated impairment	**82,647**	**147,764**	**4,161**	**36,881**	**271,453**
At 31 December 2025:					
Cost	**82,647**	**298,238**	**111,932**	**248,325**	**741,142**
Accumulated impairment	**–**	**(150,474)**	**(107,771)**	**(211,444)**	**(469,689)**
Net carrying amount	**82,647**	**147,764**	**4,161**	**36,881**	**271,453**

Notes to Financial Statements

31 December 2025

15. GOODWILL (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- AIM Rongyu cash-generating unit;
- AIM Honesty cash-generating unit;
- AIM Action cash-generating unit; and
- Liverna cash-generating unit.

AIM Rongyu cash-generating unit

The AIM Rongyu cash-generating unit principally focuses on the development and sales of rabies vaccine. The recoverable amount of the AIM Rongyu cash-generating unit has been determined, with the assistance of the independent valuer engaged by the Group, based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets covering an eight-year period approved by management. Management considers that using an eight-year forecast period for the financial budget in the impairment testing of goodwill is appropriate because it generally takes longer for a vaccine company to reach perpetual growth mode, compared to companies in other industries, especially when its products are still under clinical trials and the markets of such products are at an early stage of development with substantial growth potential. Hence, taking into account the stage of existing and pipeline vaccines, the financial budget covering an eight-year period was used as management believes that a forecasted period longer than five years is feasible and reflects a more accurate entity value. The discount rate applied to the cash flow projections is 14.02% (2024: 13.26%). The growth rate used to extrapolate the cash flows beyond the eight-year period is 2% (2024: 2%). Management of the AIM Rongyu cash-generating unit believes that this growth rate is justified, and it was consistent with the long-term average growth rate of the vaccine industry.

Assumptions were used in the value-in-use calculation of the cash-generating unit for the years end 31 December 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Notes to Financial Statements

31 December 2025

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

AIM Rongyu cash-generating unit (continued)

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The following table sets forth the headroom of the AIM Rongyu cash-generating unit under impairment testing as of 31 December 2025 and 2024.

	Recoverable amount of the cash-generating unit exceeds its carrying amount Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
AIM Rongyu	**188,377**	391,669

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the AIM Rongyu cash-generating unit to exceed its recoverable amount.

AIM Honesty cash-generating unit

The AIM Honesty cash-generating unit principally focuses on the development and sales of hepatitis B vaccine. The recoverable amount of the AIM Honesty cash-generating unit has been determined, with the assistance of the independent valuer engaged by the Group, based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets covering a five-year period approved by management. The discount rate applied to the cash flow projections is 14.63% (2024: 13.84%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 2%). Management of the AIM Honesty unit believes that this growth rate is justified, and it was the same as the long-term average growth rate of the vaccine industry.

Assumptions were used in the value-in-use calculation of the cash-generating unit for the years end 31 December 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Notes to Financial Statements

31 December 2025

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

AIM Honesty cash-generating unit (continued)

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The following table sets forth the headroom of the AIM Honesty cash-generating unit under impairment testing as of 31 December 2025 and 2024.

	Recoverable amount of the cash-generating unit exceeds its carrying amount Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
AIM Honesty	**43,906**	546,941

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the AIM Honesty cash-generating unit to exceed its recoverable amount.

AIM Action cash-generating unit

The AIM Action cash-generating unit principally focuses on the development and sales of hepatitis A vaccine and EV71-CA16 bivalent HFMD vaccine. The recoverable amount of the AIM Action cash-generating unit has been determined, with the assistance of the independent valuer engaged by the Group, based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets covering an eight-year period approved by management. Management considers that using an eight-year forecast period for the financial budget in the impairment testing of goodwill is appropriate because it generally takes longer for a vaccine company to reach perpetual growth mode, compared to companies in other industries, especially when its products are still under clinical trials and the markets of such products are at an early stage of development with substantial growth potential. Hence, taking into account the stage of existing and pipeline vaccines, the financial budget covering a eight-year period was used as management believes that a forecasted period longer than five years is feasible and reflects a more accurate entity value. The discount rate applied to the cash flow projections is 13.65% (2024: 13.03%). The growth rate used to extrapolate the cash flows beyond the eight-year period is 2% (2024: 2%). Management of the AIM Action cash-generating unit believes that this growth rate is justified, and it was the same as the long-term average growth rate of the vaccine industry.

Notes to Financial Statements

31 December 2025

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

AIM Action cash-generating unit (continued)

Assumptions were used in the value-in-use calculation of the cash-generating unit for the years end 31 December 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The following table sets forth the headroom of the AIM Action cash-generating unit under impairment testing as of 31 December 2025 and 2024.

	Recoverable amount of the cash-generating unit exceeds its carrying amount Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
AIM Action	**73,348**	94,361

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the AIM Action cash-generating unit to exceed its recoverable amount.

Notes to Financial Statements

31 December 2025

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

Liverna cash-generating unit

The Liverna cash-generating unit principally focuses on the development of mRNA vaccine with its patented mRNA platform technologies. The recoverable amount of the Liverna cash-generating unit has been determined, with the assistance of the independent valuer engaged by the Group, based on a value-in-use calculation. This calculation uses cash flow projections based on financial budgets covering an twelve-year period approved by management. Management considers that using an twelve-year forecast period for the financial budget in the impairment testing of goodwill is appropriate because it generally takes longer for a vaccine company to reach perpetual growth mode, compared to companies in other industries, especially when its products are still under clinical trials and the markets of such products are at an early stage of development with substantial growth potential. Hence, taking into account the stage of existing and pipeline vaccines, the financial budget covering an eleven-year period was used as management of the Group believes that a forecasted period longer than five years is feasible and reflects a more accurate entity value. The discount rate applied to the cash flow projections is 14.14% (2024: 13.65%). The growth rate used to extrapolate the cash flows beyond the twelve-year period is 2% (2024: 2%). Management of the Liverna cash-generating unit believes that this growth rate is justified, and it was the same as the long-term average growth rate of the vaccine industry.

Assumptions were used in the value-in-use calculation of the cash-generating unit for the years end 31 December 2025 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Revenue compound growth rate – The basis used to determine the budget revenue is based on management's expectation of when to launch the mRNA related products and also the expectation of the future market. The compound growth rate of revenue was estimated based on information available at the time of assessment, disregarding information that became available after the assessment. Such information includes current industry overview and estimated market development of related products.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Notes to Financial Statements

31 December 2025

15. GOODWILL (CONTINUED)

Impairment testing of goodwill (continued)

Liverna cash-generating unit (continued)

The following table sets forth the headroom of the Liverna cash-generating unit under impairment testing as of 31 December 2025 and 2024.

	Recoverable amount of the cash-generating unit exceeds its carrying amount Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Liverna	**42,474**	246,477

Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the Liverna cash-generating unit to exceed its recoverable amount.

Notes to Financial Statements

31 December 2025

16. OTHER INTANGIBLE ASSETS

	Deferred development costs	Patents and proprietary know-how	Brands	Software	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025						
Cost at 1 January 2025, net of accumulated amortisation and impairment	**720,552**	**209,612**	**10,394**	**48,800**	**–**	**989,358**
Additions	**172,546**	**–**	**–**	**811**	**–**	**173,357**
Impairment	**(211,076)**	**–**	**–**	**–**	**–**	**(211,076)**
Amortisation provided during the year	**(1,706)**	**(26,471)**	**(1,298)**	**(4,909)**	**–**	**(34,384)**
At 31 December 2025	**680,316**	**183,141**	**9,096**	**44,702**	**–**	**917,255**
At 31 December 2025						
Cost	**2,415,938**	**511,517**	**23,219**	**63,297**	**3,117**	**3,017,088**
Accumulated amortisation	**(12,316)**	**(328,376)**	**(14,123)**	**(18,595)**	**(3,117)**	**(376,527)**
Impairment	**(1,723,306)**	**–**	**–**	**–**	**–**	**(1,723,306)**
Net carrying amount	**680,316**	**183,141**	**9,096**	**44,702**	**–**	**917,255**
31 December 2024						
Cost at 1 January 2024, net of accumulated amortisation and impairment	516,782	236,083	11,692	40,858	–	805,415
Additions	205,474	–	–	12,553	–	218,027
Transfer	–	–	–	259	–	259
Amortisation provided during the year	(1,704)	(26,471)	(1,298)	(4,870)	–	(34,343)
At 31 December 2024	720,552	209,612	10,394	48,800	–	989,358
At 31 December 2024						
Cost	2,243,392	511,517	23,220	62,484	3,117	2,843,730
Accumulated amortisation	(10,610)	(301,905)	(12,826)	(13,684)	(3,117)	(342,142)
Impairment	(1,512,230)	–	–	–	–	(1,512,230)
Net carrying amount	720,552	209,612	10,394	48,800	–	989,358

Notes to Financial Statements

31 December 2025

16. OTHER INTANGIBLE ASSETS (CONTINUED)

Impairment testing of the acquired deferred development costs

Included in the deferred development costs, a cost of RMB1,869,400,000 as at 31 December 2025 (2024: RMB1,869,400,000) was acquired deferred development costs as a result of the acquisition of Liverna in May 2021, which were not yet available for use but subject to mandatory impairment testing on an annual basis until the completion or abandonment of the related research and development efforts. The recoverable amount is determined, with the assistance of the independent valuer engaged by the Group, based on the fair value less cost to sell.

The fair value of the acquired deferred development costs not yet available for use was determined using the multi-period excess earnings method, taking into account the nature of the assets, using cash flow projections and the contributory asset charges. Cash flow projection is estimated by management based on the financial budget covering the expected benefit period of the relevant mRNA vaccine products, ranging from 13 to 16 years.

Key assumptions used in the calculation are as follows:

	2025	2024
Discount rate	**17.74%**	17.29%
Contributory asset charges	**1.92%-7.27%**	2.04%-6.61%
Carrying amount *(in RMB thousand)*	**229,320**	357,170
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**N/A**	62,070

Discount rates – The discount rates used reflect specific risks relating to deferred development costs.

Contributory asset charges – The basis used to determine the value assigned to contributory asset charges is the return of revenue ("**ROR**") of the contributory assets, the ROR was determined according to the borrowing rate and cost of equity, and the contributory assets mainly included working capital, tangible assets and assembled workforce.

Due to the suspension of the research and development activities for certain mRNA vaccine products, management was unable to reliably estimate the timeline for their commercialisation. As a result, the recoverable amount of acquired deferred development costs not yet available for use was determined to be lower than the carrying amount as at 31 December 2025, based on the result of the impairment testing. Impairment provision of RMB127,850,000 was provided for the acquired deferred development costs and was recorded in the profit or loss for the year. As the acquired deferred development cost has been reduced to its recoverable amount of RMB229,320,000 as at 31 December 2025, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment loss.

Notes to Financial Statements

31 December 2025

16. OTHER INTANGIBLE ASSETS (CONTINUED)

Impairment testing of the capitalised deferred development costs not yet available for use

Included in the deferred development costs, cost of RMB529,481,000 as at 31 December 2025 (2024: RMB356,931,000) were internal development costs capitalised for vaccine pipeline products, which were not yet available for use but subject to mandatory impairment testing on an annual basis until the completion or abandonment of the related research and development efforts. The recoverable amounts of the relevant capitalised deferred cost are determined, with the assistance of the independent valuer engaged by the Group, based on the fair value less cost to sell.

The fair value of the capitalised deferred development costs not yet available for use was determined using the multi-period excess earnings method, taking into account the nature of the assets, using cash flow projections and the contributory asset charges.

Impairment testing of the capitalised deferred development costs

Key assumptions used in the calculation of the recoverable amount and the impacts on the amounts by which the recoverable amounts exceed their respective carrying amount (headroom) for each of the pipeline products as at 31 December 2025 and 2024 are as bellow:

Pipeline product A

	2025	2024
Discount rate	**16.90%**	16.43%
Contributory asset charges	**2.93%-7.61%**	2.69%-6.29%
Carrying amount *(in RMB thousand)*	**177,302**	207,962
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**N/A**	226,589

Pipeline product B

	2025	2024
Discount rate	**17.00%**	16.56%
Contributory asset charges	**3.67%-24.17%**	3.52%-11.63%
Carrying amount *(in RMB thousand)*	**87,000**	59,373
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**6,070**	24,766

Notes to Financial Statements

31 December 2025

16. OTHER INTANGIBLE ASSETS (CONTINUED)

Impairment testing of the capitalised deferred development costs (continued)

Pipeline product C

	2025	2024
Discount rate	**17.37%**	16.12%
Contributory asset charges	**7.00%-21.33%**	7.56%-14.43%
Carrying amount *(in RMB thousand)*	**126,249**	89,599
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**360,156**	109,454

Pipeline product D

	2025	2024
Discount rate	**16.99%**	N/A
Contributory asset charges	**9.88%-15.44%**	N/A
Carrying amount *(in RMB thousand)*	**55,703**	N/A
Recoverable amount exceeds its carrying amount *(in RMB thousand)*	**54,747**	N/A

Discount rates – The discount rates used reflect specific risks relating to deferred development costs.

Contributory asset charges – The basis used to determine the value assigned to contributory asset charges is the return of revenue ("**ROR**") of the contributory assets, the ROR was determined according to the borrowing rate and cost of equity, and the contributory assets mainly included working capital, tangible assets and assembled workforce.

Due to a delay in the expected commercialization timeline for Pipeline Product A, resulting from additional testing required for regulatory approval, the recoverable amount of deferred development costs not yet available for use was determined to be lower than the carrying amount as at 31 December 2025, based on the result of the impairment testing. Impairment provision of RMB83,225,000 was provided for the acquired deferred development cost and was recorded in the profit or loss for the year (2024: Nil). As the deferred development cost has been reduced to its recoverable amount of RMB177,302,000 as at 31 December 2025, any adverse change in the assumptions used in the calculation of recoverable amount would result in further impairment loss. Management believes that any reasonably possible change in any of the key assumptions would not cause the carrying amounts of the rest capitalised deferred development costs to exceed their recoverable amounts.

Notes to Financial Statements

31 December 2025

17. PREPAYMENTS FOR EQUIPMENT

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Prepayments for equipment	**73,719**	73,745

18. OTHER NON-CURRENT ASSETS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Value-added tax recoverable	**1,411**	1,374
Rental deposits	**1,542**	1,605
Total	**2,953**	2,979

19. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Raw materials	**70,186**	83,988
Work in progress	**61,063**	70,456
Finished goods	**216,164**	308,167
Total	**347,413**	462,611

Notes to Financial Statements

31 December 2025

20. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**1,241,722**	1,173,906
Bills receivables	**–**	1,000
Impairment	**(44,127)**	(51,153)
Total	**1,197,595**	1,123,753

The Group's trading terms with its customers are mainly on credit. The credit period is generally from two to six months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's bills receivables were all aged within six months and were neither past due nor impaired.

An ageing analysis of the Group's trade receivables, based on the invoice date and net of loss allowance, as at the end of the reporting period is as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**896,153**	892,494
1 to 2 years	**241,130**	192,021
2 to 3 years	**48,676**	27,383
3 to 4 years	**7,503**	9,467
4 to 5 years	**4,133**	1,388
Total	**1,197,595**	1,122,753

Notes to Financial Statements

31 December 2025

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
At beginning of year	**51,153**	57,411
Reversal of impairment losses, net	**(7,010)**	(6,258)
Amount written off as uncollectible	**(16)**	–
At end of year	**44,127**	51,153

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off according to management approval.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Expected credit loss rate	**Gross carrying amount**	**Expected credit losses**	**Net carrying amount**
	(%)	***RMB'000***	***RMB'000***	***RMB'000***
Provision on an individual basis	**100.00**	**3,430**	**3,430**	**–**
Provision on a collective basis				
Aged less than 1 year	**0.61**	**901,673**	**5,520**	**896,153**
Aged 1 to 2 years	**2.61**	**247,591**	**6,461**	**241,130**
Aged 2 to 3 years	**10.96**	**54,670**	**5,994**	**48,676**
Aged 3 to 4 years	**33.92**	**11,354**	**3,851**	**7,503**
Aged 4 to 5 years	**59.80**	**10,281**	**6,148**	**4,133**
Aged over 5 years	**100.00**	**12,723**	**12,723**	**–**
Total		**1,241,722**	**44,127**	**1,197,595**

Notes to Financial Statements

31 December 2025

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 31 December 2024

	Expected credit loss rate (%)	Gross carrying amount RMB'000	Expected credit losses RMB'000	Net carrying amount RMB'000
Provision on an individual basis	100.00	3,430	3,430	–
Provision on a collective basis				
Aged less than 1 year	1.11	902,342	9,848	892,494
Aged 1 to 2 years	5.19	202,533	10,512	192,021
Aged 2 to 3 years	20.52	34,454	7,071	27,383
Aged 3 to 4 years	44.68	17,112	7,645	9,467
Aged 4 to 5 years	77.87	6,272	4,884	1,388
Aged over 5 years	100.00	7,763	7,763	–
Total		1,173,906	51,153	1,122,753

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Prepayments	**7,887**	17,126
Deposits for acquisition (i)	**81,751**	81,751
Deposits receivable	**12,079**	15,188
Receivables of land payments	**5,375**	5,375
Other receivables	**17,809**	18,233
	124,901	137,673
Impairment allowance	**(11,545)**	(11,545)
Total	**113,356**	126,128

Notes to Financial Statements

31 December 2025

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

(i) Deposits for acquisition of RMB81,751,000 (2024: RMB81,751,000) as of 31 December 2025 represented deposit balance in Renminbi paid to a previous offshore shareholder of AIM Persistence for the acquisition of AIM Persistence. The consideration for this acquisition payable in U.S. dollars has not been paid and was recorded in payable for acquisition included in other payables and accruals, amounting to RMB95,427,000 (2024: RMB97,594,000) as of 31 December 2025, as there is no legally enforceable right to set off the respective receivable and payable balances. Management of the Company considers there is no recoverability issue for this deposit as the Company is in the process of proceeding with the final settlement and the deposit balance will be collected upon the settlement of the payables.

Impairment of other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Reconciliation of allowance for receivables of deposits, land payments and other receivables is as follows:

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2 Individual basis	Stage 2 Collective basis	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	**10**	**–**	**–**	**11,535**	**11,545**
Impairment losses, net	**–**	**–**	**–**	**–**	**–**
Total	**10**	**–**	**–**	**11,535**	**11,545**

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2 Individual basis	Stage 2 Collective basis	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	10	–	–	11,538	11,548
Amount written off as uncollectible	–	–	–	(3)	(3)
Total	10	–	–	11,535	11,545

Notes to Financial Statements

31 December 2025

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Cash and bank balances	**342,857**	513,563
Time deposits	**41,702**	128,904
	384,559	642,467
Less:		
Pledged time deposit for performance bond	**150**	6,944
Pledged time deposit for construction project	**8,750**	9,351
Pledged time deposit for bank acceptance bills	**19,760**	–
Restricted bank deposit (i)	**279**	31,299
Non-pledged time deposits with original maturity of more than three months when acquired	**13,042**	100,608
Cash and cash equivalents	**342,578**	494,265

(i) Restricted bank deposit

As at 31 December 2024, a bank deposit amounting to RMB31,299,000 has been frozen by the court due to litigation, which was related to the litigation arising before the acquisition of AIM Honesty. The restriction was lifted on 24 October 2025 following the final-instance judgement of the litigation. Further details are included in note 36(c)(i).

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to RMB342,705,000 (2024: RMB513,464,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

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23. TRADE AND BILLS PAYABLES

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

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**72,483**	44,664
1 to 2 years	**4,943**	4,690
2 to 3 years	**1,650**	672
Over 3 years	**899**	868
Total	**79,975**	50,894

The trade and bills payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

24. OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Promotion fee payable	**633,317**	572,603
Payable for acquisition (Note 21 (i))	**95,427**	97,594
Payable for purchase of property, plant and equipment	**280,378**	324,504
Deposits payable	**90,387**	95,345
Salary payables	**56,946**	54,273
Other tax payables	**20,021**	18,308
Freight payable	**80,998**	77,441
Payable for research and development costs	**274,624**	280,588
Others	**22,595**	49,040
Total	**1,554,693**	1,569,696

Other payables are unsecured, non-interest-bearing and repayable on demand.

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25. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

	As at 31 December		As at 1 January
	2025	2024	2024
	RMB'000	*RMB'000*	*RMB'000*
Advances received from customers:			
Sale of vaccine	**17,582**	35,289	47,500
Research and development services	**–**	–	9,434
Current portion	**17,582**	35,289	56,934

Contract liabilities include advances received to deliver vaccine products. The changes in contract liabilities during the year were mainly due to the changes in advances received from customers in relation to the sale of vaccine products.

26. INTEREST-BEARING BANK BORROWINGS

	As at 31 December 2025			As at 31 December 2024		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans – secured	**2.6-4.5**	**2026**	**761,451**	3.15-4.35	2025	522,570
Bank loans – secured (a)	**5.22**	**on demand**	**333,060**	5.22	on demand	409,688
Bank loans – unsecured	**3.10-3.55**	**2026**	**21,001**	3.30-4.55	2025	190,216
Current portion of long-term bank loans – secured	**3.30-4.65**	**2026**	**163,567**	3.50	2025	50,156
Current portion of long-term bank loans – unsecured	**3.30-3.85**	**2026**	**109,620**	3.85-4.65	2025	221,162
Total – current			**1,388,699**			1,393,792
Non-current						
Bank loans – secured	**2.95-4.65**	**2027-2028**	**354,800**	3.85-4.65	2026-2028	324,993
Bank Loans – unsecured	**–**	**–**	**–**	3.35	2026	100,000
Total – non-current			**354,800**			424,993
Total			**1,743,499**			1,818,785

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26. INTEREST-BEARING BANK BORROWINGS (CONTINUED)

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**1,388,699**	1,393,792
In the second year	**179,682**	225,844
In the third to fifth years, inclusive	**175,118**	199,149
Total	**1,743,499**	1,818,785

Certain of the Group's bank loans are secured by:

(i) mortgages over the Group's buildings, which had a net carrying value at the end of the reporting period of approximately RMB233,099,000 (2024: RMB249,748,000);

(ii) mortgages over the Group's leasehold land, which had a net carrying value at the end of the reporting period of approximately RMB68,708,000 (2024: RMB71,056,000);

(iii) the guarantee from Mr. Yan ZHOU; and

(iv) the guarantee from the Company and a subsidiary of the Group.

(a) Certain of the bank loans are subject to the fulfilment of covenants. If the entities were to breach the covenants, the bank loans would become repayable on demand. As at 31 December 2025, covenants relating to bank loans amounting to approximately RMB333,060,000 have been breached (2024: RMB409,688,000). These borrowings were classified as current liabilities even though the directors of the Company do not expect that the lenders would exercise their rights to demand immediate repayment. The directors of the Company regularly monitor its compliance with these covenants and do not consider it probable that the lenders will exercise their discretion to demand immediate repayment so long as the Group continues to make payments according to the schedule of the loans.

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27. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax assets

	Loss available for offsetting against future taxable profits *RMB'000*	Lease liabilities *RMB'000*	Impairment of inventories and financial assets *RMB'000*	Impairment of Property, plant and equipment *RMB'000*	Accruals *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2024	92,185	9,118	8,038	19,829	22,212	14,979	166,361
Deferred tax credited/(charged) to profit or loss during the year (note 10)	5,137	(4,577)	(826)	(1,844)	9,741	13,567	21,198
Gross deferred tax assets at 31 December 2024	97,322	4,541	7,212	17,985	31,953	28,546	187,559
At 1 January 2025	**97,322**	**4,541**	**7,212**	**17,985**	**31,953**	**28,546**	**187,559**
Deferred tax (charged)/credited to profit or loss during the year (note 10)	**(8,666)**	**(2,003)**	**14,045**	**(1,817)**	**(848)**	**8,252**	**8,963**
Gross deferred tax assets at 31 December 2025	**88,656**	**2,538**	**21,257**	**16,168**	**31,105**	**36,798**	**196,522**

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27. DEFERRED TAX (CONTINUED)

The movements in deferred tax liabilities and assets during the year are as follows: (continued)

Deferred tax liabilities

	Fair value adjustment arising from acquisition of subsidiaries *RMB'000*	Right-of-use asset *RMB'000*	Depreciation *RMB'000*	Unrealised internal losses *RMB'000*	Total *RMB'000*
At 1 January 2024	101,931	9,070	488	708	112,197
Deferred tax credited to profit or loss during the year (note 10)	(4,948)	(4,578)	(80)	–	(9,606)
Gross deferred tax liabilities at 31 December 2024	96,983	4,492	408	708	102,591
At 1 January 2025	**96,983**	**4,492**	**408**	**708**	**102,591**
Deferred tax credited to profit or loss during the year (note 10)	**(23,790)**	**(1,999)**	**(78)**	**–**	**(25,867)**
Gross deferred tax liabilities at 31 December 2025	**73,193**	**2,493**	**330**	**708**	**76,724**

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27. DEFERRED TAX (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Reflected in the consolidated statements of financial position:		
– Deferred tax assets	**128,605**	109,970
– Deferred tax liabilities	**8,807**	25,002

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Tax losses	**2,236,892**	1,923,078
Deductible temporary differences	**923,308**	505,505
Total	**3,160,200**	2,428,583

The Group has tax losses arising in Chinese Mainland of RMB313,814,000 for the year ended 31 December 2025 (2024: RMB500,960,000), that will expire in five to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries and the Company that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Notes to Financial Statements

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28. DEFERRED GOVERNMENT GRANTS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**160,439**	166,093
Addition	**917**	225
Amortisation during the year	**(6,060)**	(5,879)
At the end of the year	**155,296**	160,439
Current portion	**5,980**	6,024
Non-current portion	**149,316**	154,415

29. SHARE CAPITAL

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Issued and fully paid:		
ordinary shares	**1,226,563**	1,211,063

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

	Numbers of ordinary shares	**Paid-in capital/ share capital** *RMB'000*
As at 1 January 2024	1,211,062,599	1,211,063
At 31 December 2024 and 1 January 2025	1,211,062,599	1,211,063
Issuance of shares (a)	15,500,000	15,500
At 31 December 2025	**1,226,562,599**	**1,226,563**

(a) On 6 March 2025, the Company placed 15,500,000 shares to Factorial Master Fund at the placing price of HK$5.01 per placing share. After deducting expenses related to placement of shares, the share capital and capital reserve of the Company increased by RMB15,500,000 and RMB53,631,000, respectively.

Notes to Financial Statements

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30. SHARE-BASED PAYMENT

2020 Share Option Scheme

In 2020, the Company implemented a share option scheme to motivate and reward those who contribute to the operation of the Group. Eligible persons include senior management, core technical personnel and core business personnel of the Group. The plan became effective on 30 November 2020 and, unless otherwise cancelled or amended, will remain in force for 7 years from that date. Under the 2020 share option scheme, grantees are granted options which only vest if certain non-market performance conditions are met.

On 16 February 2022, the general meeting of shareholders of the Company approved a modification of the vesting conditions of the 2020 Share Option Scheme, which was beneficial to the employee.

A stock option does not give the holder the right to vote at the general meeting of shareholders.

The following share options were outstanding under the 2020 Share Option Scheme during the year ended 31 December 2024:

31 December 2024

	Weighted average exercise price RMB per share ordinary shares	Number of options *'000*
At the beginning of the year	6.98	3,351
Forfeited during the year	6.98	(345)
Expired during the year	6.98	(3,006)
At the end of the year	6.98	–

As of 31 December 2025 and 2024, there were no outstanding share options under the 2020 Share option scheme. No share option expense was recognised (2024: Nil) during the year.

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31. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity of the financial statements.

(i) Capital reserve

The capital reserve comprises the capital/share premium of the Company and the difference between the aggregate of the then net assets of the non-controlling interests acquired and the consideration paid by the Group.

(ii) Merger reserve

The merger reserve of the Group represents the difference between the aggregate of the then net assets of the subsidiary acquired and the consideration paid by the Group for the business combination under common control.

(iii) Statutory reserve

In accordance with the Company Law of the PRC, the Company in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the Company's registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the Company. The statutory reserve is not available for dividend distribution to shareholders of the PRC subsidiaries.

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32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Liverna

	As at 31 December	
	2025	2024
Percentage of equity interest held by non-controlling interests	**49.8454%**	49.8454%

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Loss for the period allocated to non-controlling interests	**(68,270)**	(1,235)

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Accumulated balances of non-controlling interests	**177,318**	245,588

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32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

Liverna

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenue	**1,455**	23,585
Total expenses	**(139,418)**	(26,061)
Loss for the period	**(137,963)**	(2,476)
Total comprehensive loss for the period	**(137,963)**	(2,476)
Net cash flows used in operating activities	**(4,537)**	(29,052)
Net cash flows used in investing activities	**(442)**	(387)
Net decrease in cash and cash equivalents	**(4,979)**	(29,439)
Current assets	**134,419**	154,336
Non-current assets	**262,968**	400,582
Current liabilities	**(7,961)**	(7,514)
Non-current liabilities	**(34,690)**	(54,704)

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets of RMB10,429,000 (2024: RMB10,761,000), and lease liabilities of RMB10,429,000 (2024: RMB10,761,000), in respect of lease arrangements for buildings.

During the year, the Group reclassified other payables of RMB27,583,000 (2024: Nil) to interest-bearing bank borrowings in respect of the supplier finance arrangements.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2025

	Bank loans *RMB'000*	**Lease liabilities** *RMB'000*
At 1 January 2025	**1,818,785**	**22,492**
Changes from financing cash flows	**(160,005)**	**(20,772)**
New leases	**–**	**10,429**
Increase arising from supplier finance arrangements	**27,583**	**–**
Interest expense (note 6)	**57,136**	**707**
At 31 December 2025	**1,743,499**	**12,856**

Year ended 31 December 2024

	Bank loans *RMB'000*	Lease liabilities *RMB'000*
At 1 January 2024	1,762,640	32,969
Changes from financing cash flows	(3,463)	(22,758)
New leases	–	11,093
Interest expense (note 6)	59,608	1,188
At 31 December 2024	1,818,785	22,492

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within operating activities	**4,144**	5,164
Within investing activities	**100**	766
Within financing activities	**20,772**	22,758
Total	**25,016**	28,688

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for business operation are included in note 26 to the financial statements.

35. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Property, plant and equipment	**466,976**	483,294

Notes to Financial Statements

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36. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related party	Relationship with the Company
Mr. Yan ZHOU	Chairman of the board and the single largest shareholder
Shanghai Tianxia Asset Management Co., Ltd. ("**Shanghai Tianxia**")	Company controlled by Mr. Yan ZHOU
Shenyang Yuanyan Sino Pharmaceutical Co., Ltd. (瀋陽原研賽諾藥業有限公司) ("**Shenyang Yuanyan Sino**")	Company controlled by Mr. Yan ZHOU
拉薩梅花生物投資控股有限公司 (Lhasa Meihua Biological Investment Holding Co., Ltd.) ("**Lhasa Meihua**")	Shareholder of the Company

(b) The Group had the following material related party transactions during the year:

		Year ended 31 December	
	Notes	**2025** ***RMB'000***	2024 *RMB'000*
Rental expenses to related parties			
Mr. Yan ZHOU	(i)	**10,750**	11,010
Shanghai Tianxia	(ii)	**336**	336
Shenyang Yuanyan Sino	(iii)	**303**	267

Notes:

(i) The Group has entered into lease agreements in respect of buildings from Mr. Yan ZHOU. The rental fees under the lease were RMB10,750,000 (2024: RMB11,010,000) for the year ended 31 December 2025. The Group recorded right-of-use assets of RMB5,214,000 (2024: RMB5,212,000) and lease liabilities of RMB5,214,000 (2024: RMB5,212,000) as at 31 December 2025. The transactions were made according to the prices and terms agreed with the related parties.

(ii) The Group has entered into lease agreements in respect of motor vehicles from Shanghai Tianxia. The rental fees under the lease were RMB336,000 (2024: RMB336,000) for the year ended 31 December 2025. As the lease agreements were short-term leasing, the Group did not recognise right-of-use assets and lease liabilities. The transactions were made according to the prices and terms agreed with the related parties.

(iii) The Group has entered into lease agreements in respect of buildings from Shenyang Yuanyan Sino. The rental fees under the lease were RMB303,000 (2024: RMB267,000) for the year ended 31 December 2025. As the lease agreements were short-term leasing, the Group did not recognise right-of-use assets and lease liabilities. The transactions were made according to the prices and terms agreed with the related parties.

Notes to Financial Statements

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36. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Other transactions with related parties:

Mr. Yan ZHOU has guaranteed certain bank loans made to the Group with an amount of RMB250,000,000 (2024: RMB190,000,000) as at 31 December 2025, as disclosed in note 26.

(d) Outstanding balances with related parties:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Non-trade related:		
Due from related parties		
Lhasa Meihua (i)	**–**	32,438
Total	**–**	32,438

(i) The Company acquired the 100% equity shareholding of AIM Honesty from Lhasa Meihua in 2015. Based on the agreement between the Company and Lhasa Meihua, any unrecorded liabilities of AIM Honesty arising before this acquisition should be assumed by Lhasa Meihua. On 4 July 2023, AIM Honesty received the second instance judgement from an intermediate people's court of the PRC in respect of a claim concerning the subrogation rights of a creditor arising before the acquisition. Pursuant to this written judgement, AIM Honesty was obliged to pay an amount of RMB28,697,000 with interest at the loan prime rate. As at 31 December 2024, the Group recorded relevant payables of RMB32,438,000, including the principal of RMB28,697,000 and interest of RMB3,741,000, to the creditors in other payables and accruals, and the same amount was assumed by Lhasa Meihua in the amount due from Lhasa Meihua, as there is no legally enforceable right to set off the respective receivable and payable balances. On 22 August 2025, AIM Honesty received the final-instance judgement, pursuant to which the first and second instance judgements were revoked and AIM Honesty was obliged to the pay an amount of RMB3,342,000 to the creditor. Consequently, the Group reversed the remaining payables to the creditor and the corresponding amount due from Lhasa Meihua during the year.

(e) Compensation of key management personnel of the Group:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	**13,320**	13,082
Performance-related bonuses	**692**	1,340
Pension scheme contributions	**892**	917
Total	**14,904**	15,339

Further details of directors' emoluments are included in note 8 to the financial statements.

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37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

As at 31 December 2025

	Financial assets at amortised cost *RMB'000*
Trade and bills receivables	**1,197,595**
Financial assets included in prepayments and other receivables (note 21)	**96,539**
Restricted cash	**28,939**
Time deposits	**13,042**
Cash and cash equivalents	**342,578**
Total	**1,678,693**

As at 31 December 2024

	Financial assets at amortised cost *RMB'000*
Trade and bills receivables	1,123,753
Financial assets included in prepayments and other receivables (note 21)	100,976
Due from related parties	32,438
Restricted cash	47,594
Time deposits	100,608
Cash and cash equivalents	494,265
Total	1,899,634

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37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

Financial liabilities

As at 31 December 2025

	Financial liabilities at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals (note 24)	**1,467,497**
Trade and bills payables	**79,975**
Interest-bearing bank borrowings	**1,743,499**
Lease liabilities	**12,856**
Total	**3,303,827**

As at 31 December 2024

	Financial liabilities at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals (note 24)	1,497,115
Trade and bills payables	50,894
Interest-bearing bank borrowings	1,818,785
Lease liabilities	22,492
Total	3,389,286

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amounts		Fair values	
	As at 31 December		As at 31 December	
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial liability				
Interest-bearing bank borrowings	**1,743,499**	1,818,785	**1,747,589**	1,827,890

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

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	
	RMB'000	***RMB'000***	***RMB'000***	**Total** ***RMB'000***
Interest-bearing bank borrowing	**–**	**1,747,589**	**–**	**1,747,589**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	*RMB'000*	*RMB'000*	Total *RMB'000*
Interest-bearing bank borrowing	–	1,827,890	–	1,827,890

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and bank loans. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities such as trade receivables which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. Generally, management of the Company meets regularly to analyse and formulate measures to manage the Group's exposure to these risks. In addition, the board of directors of the Company holds meetings regularly to analyse and approve the proposals made by management of the Company. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its interest-bearing bank borrowings. The increase/decrease in 100 basis points of floating rates on the Group's interest-bearing bank borrowings will not have a significant impact on the Group's profit/(loss) before tax.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) after tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points *(RMB'000)*	**(Decrease)/ increase in profit/(loss) after tax** *(RMB'000)*
Year ended 31 December 2025	**100/(100)**	**(2,005)/2,005**
Year ended 31 December 2024	100/(100)	(2,987)/2,987

Notes to Financial Statements

31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The Group trades only with recognised and creditworthy third parties, and there is no requirement for collateral. Concentrations of credit risk are managed by analysis by customer/counterparty.

Concentrations of credit risk are managed by analysis by customer. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different regions.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade receivables*	–	–	–	1,241,722	1,241,722
Financial assets included in prepayments, other receivables and other assets					
– Normal**	96,531	–	–	–	96,531
– Doubtful**	–	–	6,178	–	6,178
Restricted cash	28,939	–	–	–	28,939
Time deposits	13,042	–	–	–	13,042
Cash and cash equivalents	342,578	–	–	–	342,578
Total	481,090	–	6,178	1,241,722	1,728,990

Notes to Financial Statements

31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging (continued)

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 *RMB'000*	Stage 2 *RMB'000*	Stage 3 *RMB'000*	Simplified approach *RMB'000*	Total *RMB'000*
Trade receivables*	–	–	–	1,173,906	1,173,906
Financial assets included in prepayments, other receivables and other assets					
– Normal**	106,343	–	–	–	106,343
– Doubtful**	–	–	6,178	–	6,178
Due from related parties	32,438	–	–	–	32,438
Restricted cash	47,594	–	–	–	47,594
Time deposits	100,608	–	–	–	100,608
Cash and cash equivalents	494,265	–	–	–	494,265
Total	781,248	–	6,178	1,173,906	1,961,332

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and deposits and other receivables are respectively disclosed in notes 20 and 21 to the financial statements.

Notes to Financial Statements

31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its exposure to liquidity risk by monitoring the current ratio, which is calculated by comparing the current assets with the current liabilities.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025				
	On demand *RMB'000*	Within 1 year *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Lease liabilities	–	11,324	2,133	–	13,457
Interest-bearing bank borrowings	355,948	1,092,501	366,116	–	1,814,565
Trade and bills payables	27,538	52,437	–	–	79,975
Financial liabilities included in other payables and accruals	1,467,497	–	–	–	1,467,497
	1,850,983	1,156,262	368,249	–	3,375,494

	As at 31 December 2024				
	On demand *RMB'000*	Within 1 year *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Lease liabilities	–	14,862	8,477	–	23,339
Interest-bearing bank borrowings	409,688	1,338,725	444,458	–	2,192,871
Trade and bills payables	15,099	35,795	–	–	50,894
Financial liabilities included in other payables and accruals	1,497,115	–	–	–	1,497,115
	1,921,902	1,389,382	452,935	–	3,764,219

Notes to Financial Statements

31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, by pricing services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total financial indebtedness divided by total equity.

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Total equity	**2,936,509**	3,611,108
Total financial indebtedness	**1,756,355**	1,841,277
Gearing ratio	**59.8%**	51.0%

40. EVENTS AFTER THE REPORTING PERIOD

As at the date of approval of these financial statements, there have been no significant events after the end of the reporting period.

Notes to Financial Statements

31 December 2025

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**5,354**	6,591
Right-of-use assets	**34,526**	45,396
Other intangible assets	**924**	1,195
Prepayments for equipment	**62,607**	62,262
Investments in subsidiaries	**2,480,967**	4,698,205
Due from related parties	**481,484**	481,484
Other non-current assets	**564**	627
Total non-current assets	**3,066,426**	5,295,760
CURRENT ASSETS		
Prepayments, other receivables and other assets	**58,666**	42,754
Due from related parties	**1,118,458**	734,001
Restricted cash	**19,760**	–
Trade and bills receivables	**20,000**	–
Cash and cash equivalents	**63,328**	211,309
Total current assets	**1,280,212**	988,064
CURRENT LIABILITIES		
Trade and bills payables	**645,950**	565,298
Other payables and accruals	**154,067**	182,415
Lease liabilities	**18,272**	6,165
Interest-bearing bank borrowings	**157,712**	100,107
Other current liabilities	**21,294**	–
Total current liabilities	**997,295**	853,985
NET CURRENT ASSETS	**282,917**	134,079
TOTAL ASSETS LESS CURRENT LIABILITIES	**3,349,343**	5,429,839

Notes to Financial Statements

31 December 2025

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Lease liabilities	**–**	328
Interest-bearing bank borrowings	**37,000**	–
Total non-current liabilities	**37,000**	328
NET ASSEST	**3,312,343**	5,429,511
EQUITY		
Share capital	**1,226,563**	1,211,063
Reserves (note)	**2,085,780**	4,218,448
TOTAL EQUITY	**3,312,343**	5,429,511

Note:

A summary of the Company's reserves is as follows:

	Capital reserve	**Merger reserve**	**Share-based compensation reserve**	**Accumulated losses**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	4,573,733	(68,015)	1,194,940	(1,443,980)	4,256,678
Loss for the year	–	–	–	(38,230)	(38,230)
Total comprehensive loss for the year	–	–	–	(38,230)	(38,230)
At 31 December 2024 and at 1 January 2025	**4,573,733**	**(68,015)**	**1,194,940**	**(1,482,210)**	**4,218,448**
Profit for the year	**–**	**–**	**–**	**(2,186,299)**	**(2,186,299)**
Total comprehensive income for the year	**–**	**–**	**–**	**(2,186,299)**	**(2,186,299)**
Issue of shares	**54,562**	**–**	**–**	**–**	**54,562**
Share issue expenses	**(931)**	**–**	**–**	**–**	**(931)**
At 31 December 2025	**4,627,364**	**(68,015)**	**1,194,940**	**(3,668,509)**	**2,085,780**

Notes to Financial Statements

31 December 2025

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

The share-based compensation reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements.

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

Five-Year Financial Summary

CONSOLIDATED RESULTS

	Year ended December 31,				
	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**1,165,673**	1,285,031	1,187,468	1,264,073	1,570,129
Gross profit	**760,204**	953,508	901,016	1,027,659	1,294,700
Loss before tax	**(766,557)**	(290,718)	(2,270,645)	(434,165)	(606,703)
Loss for the year	**(743,730)**	(278,469)	(1,950,241)	(230,630)	(675,873)
Total comprehensive loss for the year and attributable to owners of the parent and non-controlling interests	**(743,730)**	(278,469)	(1,950,241)	(230,630)	(675,873)

CONSOLIDATED ASSETS AND LIABILITIES

	Year ended December 31,				
	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	**4,501,550**	4,926,924	4,779,059	6,327,083	5,713,669
Current assets	**2,042,923**	2,387,397	2,482,936	2,548,703	2,358,684
Total assets	**6,544,473**	7,314,321	7,261,995	8,875,786	8,072,353
Non-current liabilities	**515,020**	612,945	770,519	765,082	803,021
Current liabilities	**3,092,944**	3,090,268	2,601,899	2,249,797	1,570,042
Total liabilities	**3,607,964**	3,703,213	3,372,418	3,014,879	2,373,063
Total equity	**2,936,509**	3,611,108	3,889,577	5,860,907	5,699,290

Definitions

"AGM"	annual general meeting of the Company to be held in 2026;
"AIM Explorer"	AIM Explorer Biomedical R&D Co., Ltd. (艾美探索者生命科學研發有限公司), a company incorporated under the laws of PRC on September 10, 2018, a wholly-owned subsidiary of our Company;
"AIM Honesty"	AIM Honesty Biopharmaceutical Co., Ltd. (艾美誠信生物製藥有限公司), a company incorporated under the laws of PRC on September 20, 1993, a wholly-owned subsidiary of our Company;
"AIM Innovator"	AIM Innovator Biomedical Research (Shanghai) Co., Ltd. (艾美創新者生物醫藥研究(上海)有限公司), a company incorporated under the laws of PRC on May 17, 2021 and owned as to 95% by our Company, and 1% by each of AIM Action, AIM Honesty, AIM Persistence, AIM Responsibility Biopharmaceutical (Liaoning) Co., Ltd. (艾美責任生物製藥(遼寧)有限公司) (a company incorporated under the laws of PRC on January 28, 2023 and a wholly-owned subsidiary of our Company), and AIM Rongyu;
"AIM Action"	AIM Action BioPharm Co., Ltd. (艾美行動生物製藥有限公司) (previously known as AIM Kanghuai Biopharmaceutical (Jiangsu) Co., Ltd. (艾美康淮生物製藥(江蘇)有限公司)), a company incorporated under the laws of PRC on October 13, 2011, a wholly-owned subsidiary of our Company;
"AIM Liverna"	Liverna Therapeutics Inc. (珠海麗凡達生物技術有限公司), a company incorporated under the laws of PRC on June 21, 2019 and owned as to 50.1546% by our Company. The other minority shareholders of AIM Liverna are Independent Third Parties;
"AIM Persistence"	AIM Persistence Biopharmaceutical Co., Ltd. (艾美堅持生物製藥有限公司) (previously known as AIM Weixin Biopharmaceutical (Zhejiang) Co., Ltd. (艾美衛信生物藥業(浙江)有限公司)), a company incorporated under the laws of PRC on December 24, 2002 and owned as to 96.45% by our Company and 3.55% by Beibi Road;
"AIM Rongyu"	AIM Rongyu (Ningbo) Biopharmaceutical Co., Ltd. (艾美榮譽(寧波)生物製藥有限公司), formerly known as Ningbo Rong'an Biological Pharmaceutical Co., Ltd. (寧波榮安生物藥業有限公司), a company incorporated under the laws of PRC on April 30, 2001 and owned as to 20% by our Company and 80% by AIM Persistence;
"Articles" or "Articles of Association"	the articles of association of the Company;
"Audit Committee"	the audit committee of the Board of Directors;

Definitions

"Beibi Road"	Shanghai Beibi Road Cultural Development Co., Ltd. (上海北壁之路文化發展有限公司), a company incorporated under the laws of PRC on March 28, 2017, a wholly-owned subsidiary of our Company;
"Board" or "Board of Directors"	the board of Directors of our Company;
"CDC(s)"	Centre(s) for Disease Control and Prevention (疾病預防控制中心);
"Class I vaccine"	a vaccine that the Chinese government provides to its citizens freeÐf charge and that citizens should be vaccinated in accordance with relevant government regulations, including vaccines determined in the national immunization program, additional vaccines required by provincial government in the implementation of nationalÐmmunization programs, and vaccines used in emergency vaccination or mass vaccination organized by the government at county-level or above, or their respective healthcare department;
"Class II vaccine"	a vaccine that is voluntarily vaccinated by citizens in China, and the cost of which is paid by the recipient or his/her guardian;
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
"China" or "the PRC"	the People's Republic of China, which for the purpose of this report only, references to "China" or "the PRC" exclude Taiwan, Macau Special Administration Region and Hong Kong;
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Company", "our Company", or "the Company"	AIM Vaccine Co., Ltd. (艾美疫苗股份有限公司), a joint stock company incorporated in the PRC with limited liability on November 9, 2011;
"CSO(s)"	contract sales organization(s);
"CTA"	clinical trial application, the PRC equivalent of investigational new vaccine application;
"Director(s)" or "our Director(s)"	the director(s) of our Company;

Definitions

"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for and paid up in Renminbi by PRC domestic investors and not listed on any stock exchange;
"ESG Report"	Environmental, Social and Governance Report 2025 of the Company published on the websites of the Stock Exchange and the Company;
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use;
"CDE"	the Center for Drug Evaluation of the NMPA;
"FDA"	the United States Food and Drug Administration;
"Group A, C, Y and W135 MPSV" or "MPSV4"	Group A, C, Y and W135 MPSV, a vaccine used for the prevention of epidemic cerebrospinal meningitis in children aged above two years old;
"Group", "the Group", "our Group", "we" or "us"	our Company and its subsidiaries;
"H Share(s)"	overseas listed foreign share(s) in the issued share capital of the Company, with a nominal value of RMB1.00 each, listed on the Stock Exchange;
"HAV"	hepatitis A virus;
"HBV"	hepatitis B virus;
"HDC"	human diploid cell;
"HFMD"	hand foot and mouth disease;
"HFRS"	hemorrhagic fever with renal syndrome;
"HKEX"	Hong Kong Exchanges and Clearing Limited;
"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong;

Definitions

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"IFRSs"	the International Financial Reporting Standards;
"Independent Third Party(ies)"	an individual or a company which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules;
"IPO"	the initial public offering and listing of the Company's shares on the Stock Exchange on October 6, 2022;
"Latest Practicable Date"	April 20, 2026, being the latest practicable date prior to the bulk printing and publication of this annual report;
"Licensed Manufacturing Facility"	our manufacturing facility in each of AIM Rongyu, AIM Honesty, AIM Action and AIM Persistence, which have obtained valid production permitsand passed GMP inspections, each a Licensed Manufacturing Facility, collectively Licensed Manufacturing Facilities;
"Listing"	the listing of our H Shares on the Main Board;
"Listing Date"	October 6, 2022, the date on which the H Shares of the Company were listed on the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange, as amended and supplemented from time to time;
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange;
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部);
"mRNA"	messenger ribonucleic acid or messenger RNA, a single-stranded molecule of RNA that corresponds to the genetic sequence of a gene, and is read by a ribosome in the process of synthesizing a protein;
"NDA"	new drug application (藥品註冊證書申請);

Definitions

"NDA approval"	new drug application approval (藥品註冊證書批准);
"NIFDC"	the National Institutes for Food and Drug Control of the PRC (中國食品藥品檢定研究院);
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局);
"Nomination Committee"	the nomination committee of the Board of Directors;
"Original Strain"	the SARS-CoV-2 virus strain that caused the initial COVID-19 outbreak;
"PRC"	the People's Republic of China;
"PRC laws"	the Company Law of the PRC;
"Pre-IPO ESOP"	the pre-IPO employee stock incentive scheme adopted by the Company and took effect on November 30, 2020;
"Prospectus"	the Company's prospectus dated September 23, 2022;
"Remuneration Committee"	the remuneration and appraisal committee of the Board of Directors;
"Reporting Period"	for the year ended December 31, 2025;
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC;
"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 issued share capital of our Company with a nominal value of RMB1.00 each;
"Shareholder(s)"	holder(s) of our Shares;
"Share Option(s)"	share options under the Pre-IPO ESOP;
"SPHCC"	Shanghai Public Health Clinical Center (上海市公共衛生臨床中心);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;

Definitions

"Strategy Committee"	the strategy committee of the Board of Directors;
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance;
"Supervisor(s)"	supervisor(s) of our Company;
"Unlisted Foreign Share(s)"	ordinary share(s) issued by the Company with a nominal value of RMB1.00 each and is (are) held by non-PRC investors and not listed on any stock exchange;
"Unlisted RMB Denominated Ordinary Share(s)"	Domestic Share(s) and/or Unlisted Foreign Share(s), as the case may be; and
"%"	percentage.

In this annual report, the terms "associate(s)", "close associate(s)", "connected person(s)", "connected transaction(s)", "continuing connected transaction(s)", "controlling shareholder(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.