SINOMAB

SinoMab BioScience Limited
中國抗體製藥有限公司
(Incorporated in Hong Kong with limited liability)

Stock Code: 3681

2025 Annual Report

CONTENTS

Corporate Information

DIRECTORS

Executive Directors

Dr. Shui On LEUNG *(Chairman and Chief Executive Officer)*
Mr. Shanchun WANG *(President (China))*
(ceased to act as President (China) effective from 6 June 2025)
(resigned as executive director effective from 9 June 2025)

Non-executive Directors

Ms. Xiaosu WANG
Dr. Jianmin ZHANG
Dr. Haigang CHEN *(resigned on 31 March 2026)*
Mr. Xun DONG *(resigned with effect from 1 April 2026)*

Independent Non-executive Directors

Mr. George William Hunter CAUTHERLEY
Mr. Ping Cho Terence HON
Dr. Chi Ming LEE
Ms. Chi Sau Giselle LEE *(appointed on 30 June 2025)*
Mr. Nan SHEN *(appointed on 30 June 2025)*
Mr. Dylan Carlo TINKER *(passed away on 29 May 2025)*

AUDIT COMMITTEE

Mr. Ping Cho Terence HON *(Chairman)*
Mr. George William Hunter CAUTHERLEY
Dr. Chi Ming LEE
Ms. Chi Sau Giselle LEE *(appointed on 30 June 2025)*
Mr. Nan SHEN *(appointed on 30 June 2025)*
Mr. Dylan Carlo TINKER *(passed away on 29 May 2025)*

REMUNERATION COMMITTEE

Dr. Chi Ming LEE *(Chairman)*
Mr. Ping Cho Terence HON
Dr. Shui On LEUNG

NOMINATION COMMITTEE

Dr. Shui On LEUNG *(Chairman)*
Mr. Ping Cho Terence HON
Ms. Chi Sau Giselle LEE *(appointed on 30 June 2025)*
Mr. Nan SHEN *(appointed on 30 June 2025)*
Mr. Dylan Carlo TINKER *(passed away on 29 May 2025)*

COMPANY SECRETARY

Ms. Florence Wai Ki LAI *(appointed on 8 October 2025)*
Ms. Yuk Yin Ivy CHOW *(resigned on 8 October 2025)*

AUTHORISED REPRESENTATIVES

Dr. Shui On LEUNG
Mr. Jianping HUA

REGISTERED OFFICE

Units 303 and 305 to 307
No. 15 Science Park West Avenue
Hong Kong Science Park, Pak Shek Kok
New Territories
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
under the Accounting and Financial Reporting
Council Ordinance

LEGAL ADVISER

As to Hong Kong law
Edwin Kwok & Co

As to PRC law
Zhong Lun Law Firm

HONG KONG SHARE REGISTRAR

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

COMPANY WEBSITE

www.sinomab.com

STOCK CODE

3681

FINANCIAL SUMMARY

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

	For the year ended 31 December				
	2021	2022	2023	2024	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Operating results					
Research and development costs	(199,113)	(180,368)	(135,409)	(94,753)	**(81,624)**
Loss before tax	(288,194)	(284,158)	(243,111)	(185,141)	**(104,985)**
Loss for the year	(288,194)	(284,158)	(243,111)	(185,141)	**(104,985)**
Loss attributable to owners of the parent	(288,194)	(284,158)	(243,111)	(185,141)	**(104,985)**
	RMB	*RMB*	*RMB*	*RMB*	***RMB***
Loss per share — Basic and diluted	(0.29)	(0.29)	(0.24)	(0.17)	**(0.09)**

	As at 31 December				
	2021	2022	2023	2024	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Financial position					
Non-current assets	445,970	561,255	577,603	567,763	**518,211**
Current assets	595,685	447,093	270,183	185,337	**389,901**
Non-current liabilities	263,065	311,382	379,557	356,691	**196,195**
Current liabilities	98,364	187,391	172,646	203,498	**204,039**
Total equity	680,226	509,575	295,583	192,911	**507,878**

Chairman's Statement

Dr. Shui On LEUNG

Chairman, Executive Director and
Chief Executive Officer

Dear valued Shareholders,

On behalf of the Board, I hereby present the annual report of the Company (together with its subsidiaries) for the year ended 31 December 2025. We would like to express our wholehearted gratitude towards your abiding trust and support which accompanied us through another year.

BUSINESS OVERVIEW

The year 2025 is a pivotal year full of opportunities and challenges for China's biotech companies. With the relentless focus on innovation and research and development, China's biotech companies have consistently achieved impressive clinical data, demonstrating their great potential growth in the global pharmaceutical industry. We, SinoMab, are definitely among them.

Since our establishment, our unwavering commitment to innovation, differentiation, and strategic growth continues to drive us forward, positioning us as a pioneer in the development of transformative therapies focused on autoimmune diseases, neurodegenerative diseases, and other debilitating diseases, as well as committing to addressing unmet medical needs.

During the year 2025, our key product SM17, the global first-in-class humanised monoclonal antibody ("**mAb**") which targets the receptor of interleukin 25 (IL-25), has demonstrated great potential for treating atopic dermatitis ("**AD**"), asthma, idiopathic pulmonary fibrosis ("**IPF**"), inflammatory bowel disease ("**IBD**") and other immunological disorders.

- In April 2025, SM17 achieved encouraging positive results in a Phase 1b study in China for the treatment of moderate to severe atopic dermatitis (AD): 12-week topline data after unblinding showed that in the high dose group, 91.7% of patients achieved pruritus relief (NRS-4), 75% achieved skin healing (EASI 75), and 41.7% achieved clear or almost clear signs of AD (IGA0/1). These results significantly outperform IL-4/IL-13 monoclonal antibodies and demonstrate a significantly better safety and tolerability profile than Janus Kinase inhibitors (JAK inhibitors), making SM17 potentially the first-in-class and best-in-class therapeutics which can simultaneously achieve rapid onset of action on pruritic relief, skin healing with a good safety profile. Study results of SM17 were published in various leading international journals. Phase 2 clinical trial for AD is expected to be entered into as early as mid-2026.

- During the second half of the year, SM17 has further achieved a breakthrough on indication expansion. On 11 December 2025, an Investigational New Drug application ("**IND**") for SM17 in the indication of IBD was filed with and accepted by the Center for Drug Evaluation (the "**CDE**") of the National Medical Products Administration of China ("**NMPA**"), and the IND was subsequently approved in February 2026. This IND submission represents an important step toward expanding SM17's therapeutic scope beyond atopic dermatitis ("**AD**") to IBD, including Crohn's disease ("**CD**") and ulcerative colitis ("**UC**"), which are chronic, debilitating conditions with significant unmet medical needs. In October 2025, the first cohort of healthy subjects was dosed in a Phase 1 bridging clinical trial for the route of administration conversion in China.

- As of 31 December 2025, a total of 30 healthy subjects had been enrolled and our follow-up visits for all healthy subjects were completed in February 2026. This bridging study is expected to be completed by the second quarter of 2026. Data from this study will be leveraged to support the progression of the IBD indication directly to Phase 2 clinical development.

During the year 2025, our anti-CD22 mAb candidate SM03 (Suciraslimab), achieved preclinical results from *in vivo* studies for the treatment of systemic lupus erythematosus ("**SLE**") while its potential superiority over existing drugs in improving proteinuria and renal pathology in lupus nephritis ("**LN**") has also been found. Suciraslimab adopts a novel mechanism of action, which differentiates itself from the current treatments available in the market. As a monoclonal antibody targeting CD22, a sialic acid-binding transmembrane protein primarily expressed on B cells, Suciraslimab leverages its unique mechanism *in vivo* studies for the treatment of SLE by modulating the autoimmune network through B cell regulation and interaction with other immune effectors like T cells, with multi-organ benefits. It addresses unmet needs in SLE treatment, such as long-term safety and organ protection, particularly showing promise in a murine model for alleviating proteinuria and potentially LN.

While advancing the clinical development of SM17 and Suciraslimab, we persistently put efforts into early discovery to expand our pipelines with global first-in-class and best-in-class potential to treat autoimmune diseases. During the year 2025, we've made significant progress from preclinical studies of two new drug candidates, an anti-CGC antibody and a bispecific antibody, to treat alopecia areata, vitiligo, and other autoimmune diseases, respectively.

Seeking opportunities to license out our pipeline assets is the Company's core strategy. During 2025, our management team has been actively participating in global healthcare conferences, including but not limited to the J.P. Morgan Healthcare Conference, where we received overwhelmingly positive feedback on our drug candidates, especially on SM17 from potential partners, leading pharmaceutical companies, and capital market participants. Our out-licensed key product SN1011 (in the field of treatment of renal diseases) had also made an advancement in its clinical study. Positive results were released by Everest Medicines Limited in June 2025 of its ongoing Phase 1b/2a clinical trial of EVER001 (known as SN1011 in the Company's product pipeline) at the European Renal Association (ERA) 2025 for the treatment of primary membranous nephropathy (PMN).

To further enhance our R&D capabilities, in August 2025, we entered into a comprehensive strategic cooperation agreement with Sun Yat-sen University Institute of Advanced Studies Hong Kong Limited ("**SYSU-IAS**"). Through this agreement, we have established a mutually beneficial framework to accelerate the development of innovative drugs and promote the translation of scientific research into clinical applications worldwide. Under the cooperation agreement, the Company enjoys direct access to SYSU-IAS's comprehensive laboratory facilities and valuable data resources, as well as access to primate and non-primate animal studies supply resources. These are key elements in promoting novel drug innovation and the Company's R&D development sustainability. Furthermore, to improve new drug R&D efficiency and shorten the development cycle, we are actively exploring the feasibility of using artificial intelligence (AI) technology for new target identification.

During the year, the Company also successfully raised an aggregate amount of HK$493.7 million through subscriptions. This successful capital raising serves as a strong recognition from our investors and shareholders of the Company's positive developments and future prospects.

With the support of our strong R&D capabilities, extensive pipeline assets and refined operational management, we are thrilled to obtain renowned awards during the year, including the 2nd "New Quality Productive Forces Enterprise Award" jointly presented by the Greater Bay Area Family Office Association and the Hong Kong International Family Office Association, as well as the "Most Valuable Pharmaceutical Company Award" presented by Zhitong Finance.

OUTLOOK

In 2025, we saw a remarkable sign of the growing presence of China's biotech companies in the global biopharma ecosystem. China's biotech companies are no longer merely "R&D supplements" for multinational pharmaceutical companies, but have become "growth engines" empowering their businesses. In 2025, China's biotech companies' out-licensing deals more than doubled from a year earlier to a record high, propelled by dozens of multibillion-dollar agreements between China's biotech companies and global pharmaceutical giants. According to the statistical data released by the NMPA on 3 January 2026, 157 out-licensing deals worth US$135.7 billion were signed, compared with 94 transactions worth US$51.9 billion in 2024, showing a rapid growth of out-licensing deals in China's biopharmaceutical industry with great contribution potential to global biopharma ecosystem in the future. The growing trend of out-licensing deals in China is expected to carry forward in 2026 and we are well positioned to capture this opportunity as our strong pipeline profile with outstanding first-in-class and best-in-class potentials.

Relying on a strong foundation in manufacturing and extensive supply chain, together with favourable government policies on China's biopharmaceutical industry, we believe that China's biopharma innovation ecosystem will continue to evolve rapidly in 2026. Moreover, reforms in domestic medical ecosystem and commercial medical insurance for innovative drugs are expected to provide new funding and new growth momentum for the development of domestic biopharma. These reforms have transformed China's pharmaceutical ecosystem, enhancing R&D efficiency through shortened development cycles, increasing capital inflows into biopharmaceutical innovation and growing global market penetration of domestically developed therapies. As the industry continues to mature, China is poised to emerge as a leading hub globally for innovation-driven clinical development. As the first Hong Kong-based listed biopharmaceutical company, we strive to become a leading global biopharmaceutical company for the development of novel drugs and life-changing therapies to fulfill unmet medical needs through the integration of our Hong Kong-based innovative R&D team and the PRC-based manufacturing capabilities.

Looking ahead to 2026, the biotechnology and biopharmaceutical industries will still undergo a profound transformation. Building on traditional expertise in experimental medicine and breakthroughs in molecular biology (molecular medicine), the industry has been entering its third revolution — the "Biotech 3.0 Era", which is characterised by innovation-driven development, multidisciplinary integration, and intelligent, precision-driven processes across the entire supply chain. We are well-positioned to leverage this era's opportunity for strategic growth. By adhering to the principle of differentiated innovation, we are prioritising our R&D efforts on "first-in-class" and "best-in-class" novel therapeutics for immunological diseases, creating great momentum to facilitate the Company's potential out-licensing deals and long-term stable development with unique position, maximizing the returns of shareholders in the future.

I, on behalf of the Board and management of the Company, would like to express our sincere gratitude to all shareholders for your enduring support and attention, and to our staff for their unremitting efforts.

Chairman, Executive Director and Chief Executive Officer
Dr. Shui On LEUNG
23 March 2026

Production Base

In line with our strategy to optimize resource allocation and enhance operational flexibility, we are transitioning towards a light-asset manufacturing model. While our existing facilities were essential under earlier regulatory frameworks, the current industry trend toward outsourcing production to Contract Development and Manufacturing Organisations (CDMOs) offers significant cost advantages. Depending on market demand and partnership opportunities, we are assessing the transition of manufacturing to external providers.

Suzhou Production Base

Our Suzhou Campus is designed as commercial-scale manufacturing facilities. The Real Estate Ownership Certificate was granted in March 2026.

Suzhou Campus, located in Suzhou Dushu Lake High Education Town*

Topping-out ceremony for our Suzhou Campus

Haikou Production Base

Subsequent to the Reporting Period, the Company entered into an agreement to terminate the lease for our Haikou production base. This decision reflects our strategic shift towards a more flexible, asset-light operational structure, allowing us to reduce fixed operational costs and focus internal resources on core competencies such as R&D and commercialisation. Please refer to the Company's announcement dated 12 March 2026 for further details.

* Artist impression

OVERVIEW

We are the first Hong Kong-based listed biopharmaceutical company dedicated to the research, development, manufacturing and commercialisation of therapeutics, primarily first-in-class monoclonal antibody ("**mAb**")-based biologics, for the treatment of immunological diseases. We strive to become a leading global biopharmaceutical company for the development of novel drugs to fulfil unmet medical needs through the integration of our Hong Kong-based innovative research and development ("**R&D**") team and PRC-based manufacturing capabilities. We have been dedicated to R&D since our inception, and have built a pipeline of mAb-based biologics and new chemical entities addressing a plethora of immunological diseases. Our vision is to become a global leader in the innovation of therapeutics for immunological and other debilitating diseases.

Our key product, SM17, is a global first-in-class (FIC), humanised mAb targeting the receptor for IL-25. The compound has the potential for treating atopic dermatitis ("**AD**"), asthma, idiopathic pulmonary fibrosis ("**IPF**"), Inflammatory Bowel Disease ("**IBD**") including Crohn's disease ("**CD**") and ulcerative colitis ("**UC**"), chronic rhinosinusitis with nasal polyps (CRSwNP) and other immunological disorders. During the year 2025, SM17 initiated its route of administration conversion bridging clinical study in October and obtained an acceptance by the Center for Drug Evaluation (the "**CDE**") of National Medical Products Administration of the People's Republic of China ("**NMPA**") of an Investigational New Drug application ("**IND**") in the indication of IBD in December. Subsequent to the year end of 2025, follow-up visits for the healthy participants in the bridging study were completed in February 2026 and the IND approval for the treatment of IBD was granted by the NMPA in February 2026. R&D work on SM17 was carried out in both the U.S. and China. In the U.S., SM17 obtained the IND application for the treatment of asthma from the U.S. Food and Drug Administration ("**FDA**") in March 2022. The clinical report for the U.S. first-in-human (FIH) Phase 1 clinical study was obtained in the first quarter of 2024, data from which demonstrated an overall favourable safety, tolerability and pharmacokinetics ("**PK**") profile for SM17. In April 2024, study results of SM17 pre-clinical work, demonstrating SM17 to be as effective as Janus Kinase 1 inhibitor ("**JAK1 inhibitor**") in treating AD in mice, were published in *Allergy*, an official journal of the European Academy of Allergy and Clinical Immunology (EAACI). In China, SM17 obtained the IND approvals for the treatment of asthma and AD from the NMPA on 11 August 2023 and 8 September 2023, respectively. Phase 1b positive topline results for SM17 for the treatment of moderate to severe AD patients were published by the Company on 7 April 2025. Topline results highlight SM17's strong potential as a novel biologic for AD, demonstrating superior pruritic relief effects and skin clearance comparable to or exceeding leading AD therapies. Notably, SM17 delivers faster and more robust itch relief than other targeted biologics, along with a favourable safety profile that avoids the safety risks associated with Janus Kinase inhibitors ("**JAK inhibitors**"). These advantages position SM17 as a promising first-in-class and best-in-class treatment for AD, offering patients both rapid symptom relief and durable skin improvement with an excellent benefit-risk profile.

Our flagship product, SM03 (Suciraslimab), is a potential global first-in-class (FIC) anti-CD22 mAb for the treatment of rheumatoid arthritis ("**RA**") and other immunological and neuro-immunological diseases such as systemic lupus erythematosus ("**SLE**"), Sjogren's syndrome ("**SS**"), mild cognitive impairment ("**MCI**") due to Alzheimer's disease, as well as Alzheimer's disease. In July 2025, Suciraslimab achieved breakthrough preclinical results from *in vivo* studies for the treatment of SLE. As a mAb targeting CD22, a sialic acid-binding transmembrane protein primarily expressed on B cells (with high neurological expression, including in microglia, and links to MCI, Alzheimer's disease and other autoimmune conditions), Suciraslimab leverages its unique mechanism by modulating the autoimmune network through B cell regulation and interaction with other immune effectors like T cells, with multi-organ benefits. It addresses unmet needs in SLE treatment, such as long-term safety and organ protection, particularly showing promise in a murine model for alleviating proteinuria and potentially lupus nephritis ("**LN**"). This positions it to offer patients a safer, more effective option, and delivering possible differentiation beyond current therapies. As previously disclosed, Suciraslimab met its primary endpoint in a Phase 3 clinical study for the treatment of RA in China and its Biologics Licence Application ("**BLA**") was accepted by the NMPA in September 2023. Based on the clinical data from the Phase 3 clinical study and extension study, Suciraslimab demonstrated good long-term efficacy and safety. As announced by the Company on 14 July 2025, following communications with the CDE of NMPA and the Company's internal assessment, the Company has strategically chosen to voluntarily withdraw the BLA application for Suciraslimab in the treatment of RA. Meanwhile, the Company has decided to advance at full speed the clinical development of Suciraslimab for the treatment of SLE based on the encouraging pre-clinical results.

OVERVIEW (continued)

Our other drug candidates, anti-CGC antibody and bispecific antibody candidates are currently in the process of chemistry, manufacturing and control processes (CMC) optimisation and toxicology studies. We are advancing preclinical preparations for these two products and expect to submit IND applications by the fourth quarter this year at the earliest.

Our other drug candidate, SM06, is a second-generation humanised anti-CD22 antibody derived from Suciraslimab with a similar mechanism of action. Our in-house *in vitro* studies demonstrated SM06 to have potentially enhanced efficacy in enacting immunomodulatory effects and drug half-life. The compound is at the IND enabling stage, and is currently in the process of optimisation for clinical studies.

Another key product, SN1011, is a third generation covalent reversible Bruton's tyrosine kinase ("**BTK**") inhibitor. SN1011 was designed to exhibit high selectivity with prolonged but controlled drug exposure to achieve superior efficacy and good safety profile for the potentially long-term treatment of patients with chronic immunological disorders. SN1011 obtained four IND approvals from the NMPA for the treatment of SLE, pemphigus, multiple sclerosis ("**MS**") and neuromyelitis optica spectrum disorders ("**NMOSD**"). In 2021, we entered into a licence agreement with Everest Medicines Limited ("**Everest Medicines**", as licensee), to out-licence the right to develop and commercialise SN1011 globally for the treatment of renal diseases. In July 2025, Everest Medicines announced updated positive results in preliminary analysis of its Phase 1b/2a clinical trial of EVER001 (known as SN1011 in the Company's product pipeline) for the treatment of primary membranous nephropathy (PMN) based on its data analysis as of 21 March 2025.

BUSINESS REVIEW

The Group is principally engaged in research and development of pharmaceutical products.

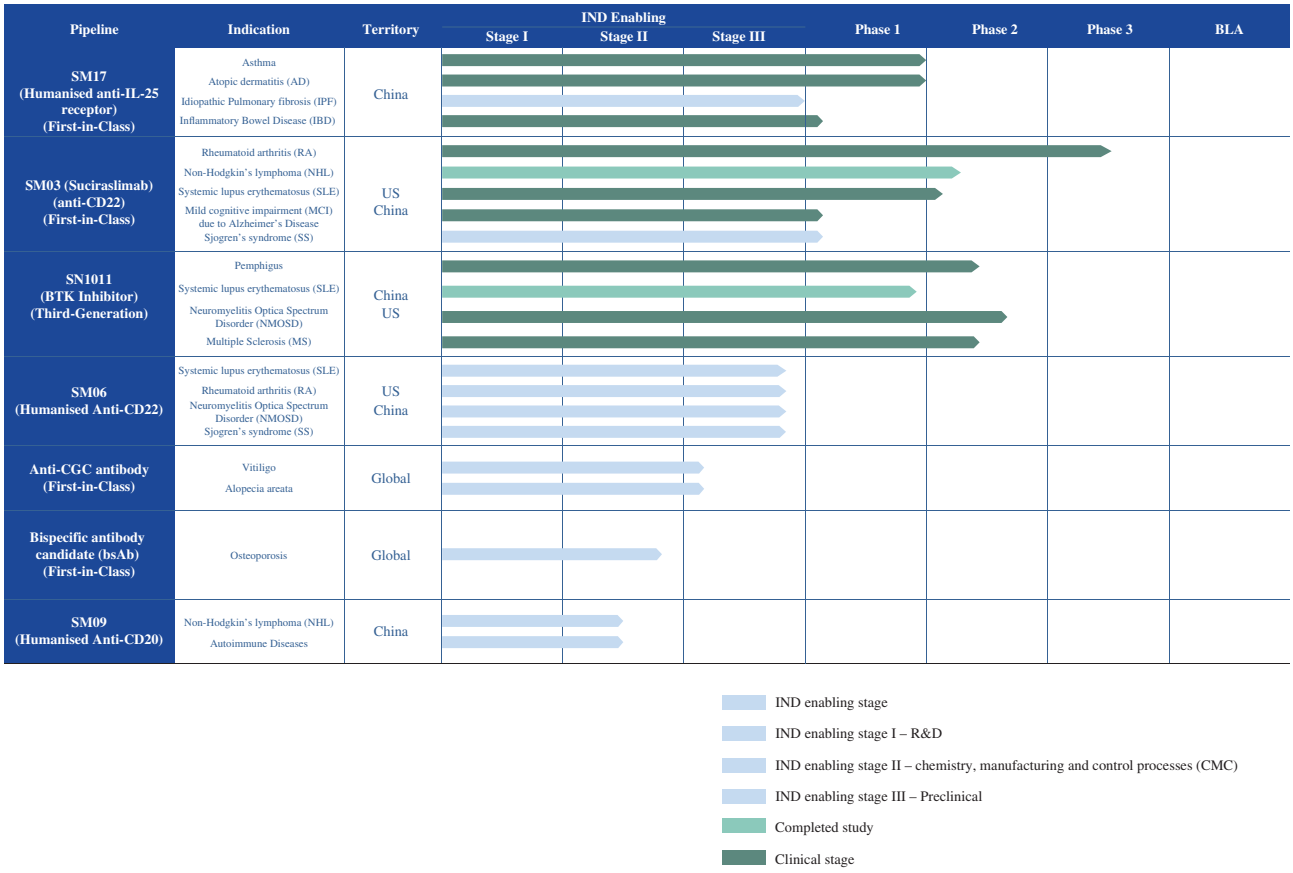
The operating performance and the progress of the Group's clinical projects during the year under review and future prospects are contained in the preceding Chairman's Statement and in this section.

The Group has no immediate plans for material investments or capital assets, other than as disclosed in the section headed "Business Overview" in the preceding Chairman's Statement and in this section.

A brief review on the business operation and clinical projects currently undertaken by the Group is set out below.

PROGRESS OF CLINICAL PROJECTS

Product pipeline



Key Product — SM17

SM17 is a global, first-in-class, humanised, IgG4-κ mAb which is capable of modulating Type II allergic reaction by targeting the receptor of a critical "alarmin" molecule interleukin-25 (IL-25). SM17 could suppress T helper 2 (Th2) immune responses by binding to IL-25 receptor (also known as IL-17RB) on Type 2 Innate Lymphoid cells (ILC2s) and Th2 cells, blocking a cascade of responses induced by IL-25 and suppressing the release of the downstream Th2 cytokines such as IL-4, IL-5, IL-9 and IL-13. IL-25 is classified as "alarmin" which is overexpressed in biopsy tissues of patients with asthma, atopic dermatitis (AD) and idiopathic pulmonary fibrosis (IPF). Our *in vitro* studies clearly demonstrated that SM17 can suppress IL-25 induced type 2 immunity and the underlying mechanism supports its potential benefits in treating allergic and autoimmune diseases, such as AD, asthma and IPF.

When we evaluated SM17 in two murine asthma models induced by ovalbumin or house dust mite, blockage of IL-25 signalling pathway by SM17 offered protection against airway resistance and type 2 immune response in the lungs. SM17 also significantly reduced immune cell infiltration into the lung and serum levels of IgE. In another 1-Fluoro-2, 4-dinitrobenzene (DNFB) driven murine atopic dermatitis model, SM17 administration could attenuate epidermal thickening and improve skin condition by suppressing Th2 immune responses and immune cell infiltration into the skin layers. We expect that targeting upstream mediators of the Th2 inflammatory cascade, such as the receptor for IL-25, will have a broader effect on reducing airway resistance as well as skin inflammation.

R&D work of SM17 was carried out in both the U.S. and China. In the U.S., an IND application for asthma was approved by the FDA in March 2022. The first healthy subject was successfully dosed in a first-in-human Phase 1 clinical trial (NCT05332834) in the U.S. in June 2022. The Phase 1 clinical study consisting of single ascending dose and multiple ascending dose cohorts to evaluate its safety, tolerability and PK profile in healthy subjects was completed in 2023. The total number of healthy subjects enrolled in this Phase 1 study was 77. The clinical report was obtained in the first quarter of 2024, data from which demonstrated an overall favourable safety, tolerability and PK profile for SM17. Study results of SM17 pre-clinical work, demonstrating SM17 to be as effective as JAK1 inhibitor in treating AD in mice, were published in *Allergy*, an official journal of the European Academy of *Allergy* and Clinical Immunology (EAACI), on 9 April 2024. Results from pre-clinical models and Phase 1 clinical study of SM17 on healthy participants were also published in *Frontiers in Immunology*, on 9 December 2024.

In China, an IND application for asthma was approved by the NMPA on 11 August 2023, while another IND application for AD was approved by the NMPA on 8 September 2023. A bridging Phase 1a clinical trial to evaluate the safety, tolerability and PK profile in the Chinese population was completed in China in May 2024. Results indicated SM17 to have good tolerability and safety profile and comparable PK profile as in Caucasian population. A proof-of-concept Phase 1b clinical trial was initiated to evaluate the preliminary efficacy of SM17 in moderate to severe AD patients in China. A total of 32 moderate-to-severe AD patients were enrolled in this Phase 1b study, and positive topline results for this Phase 1b clinical trial were published by the Company on 7 April 2025. Clinical data demonstrated that a high dose of SM17 achieved promising results, showing obvious improvement from baseline in all other secondary endpoints, including skin healing effect (EASI50, 75, 90, BSA, SCORAD) and patients' quality of life (DLQI). For the high dose group, 91.7% of patients achieved pruritus relief (NRS-4), 75% achieved skin healing (EASI 75), and 41.7% achieved clear or almost clear signs of AD (IGA0/1). A low dose of SM17, albeit not as effective as the high dose group, also showed a dose-response trend in alleviating pruritus symptoms, as well as improvement in skin healing by comparing with placebo. Based on the topline results, SM17 demonstrates its competitive advantage as the first AD biologic with dual efficacy in pruritus relief and skin-healing. It delivers faster and deeper itch relief compared to anti-IL-4/13 agents and has a safer profile than JAK inhibitors, positioning SM17 as a potential first-in class and best-in-class treatment for AD. The strong topline results from SM17's Phase 1b proof-of-concept study in AD drive us to move forward with our clinical program. A Phase 2 clinical trial for AD is expected to be initiated as early as mid-2026.

The Company has initiated its clinical bridging study for the route of administration conversion of SM17 in China. The first cohort of healthy subjects has been successfully dosed with the subcutaneous formulation in China in October 2025 and the follow-up visits for all 30 healthy participants were completed in February 2026. This study is expected to be completed by the second quarter of 2026.

On 11 December 2025, an IND for SM17 in the indication of IBD was accepted by the CDE of NMPA. The IND was subsequently approved by the NMPA on 24 February 2026. This IND approval represents an important step toward expanding SM17's therapeutic scope beyond AD to IBD, including CD and UC. In respect of the IBD indication, the novel multi-mechanistic profile differentiates SM17 from existing single-pathway therapies and may provide a novel therapeutic option for patients with refractory or complex disease phenotypes. For UC, SM17 positions itself as a promising therapeutic candidate as IL-25 has been shown to play a pro-inflammatory role in UC pathogenesis. Furthermore, SM17 may offer benefits in CD through modulation of Th17-associated inflammation and potential anti-fibrotic effects, which could help address complications of transmural inflammation, such as strictures and fistulas. Data from our clinical bridging study for the route of administration conversation will also be leveraged to support the advancement of the IBD indication towards further clinical development, including preparation of Phase 2 studies.

The compound has the potential for treating AD, asthma, IPF, IBD including CD and UC, chronic rhinosinusitis with nasal polyps (CRSwNP), and other immunological disorders.

Please also refer to the Company's announcements dated 16 February 2022, 14 March 2022, 15 June 2022, 22 May 2023, 12 June 2023, 14 August 2023, 11 September 2023, 27 November 2023, 11 June 2024,7 April 2025, 14 October 2025, 11 December 2025 and 24 February 2026 for further information about the latest R&D progress of SM17.

Flagship Product — SM03 (Suciraslimab)

Our self-developed SM03 (Suciraslimab) is a potential global first-in-class anti-CD22 mAb for the treatment of rheumatoid arthritis (RA) and other immunological and neuro-immunological diseases, such as systemic lupus erythematosus (SLE), Sjogren's syndrome (SS), mild cognitive impairment (MCI) due to Alzheimer's disease, as well as Alzheimer's disease. Suciraslimab adopts a novel mechanism of action, which differentiates itself from the current treatments available in the market.

In July 2025, Suciraslimab achieved breakthrough preclinical results from *in vivo* studies for the treatment of SLE. As a mAb targeting CD22, a sialic acid-binding transmembrane protein primarily expressed on B cells (with high neurological expression, including in microglia, and links to MCI, Alzheimer's disease and other autoimmune conditions), Suciraslimab leverages its unique mechanism by modulating the autoimmune network through B cell regulation and interaction with other immune effectors like T cells, with multi-organ benefits. It addresses unmet needs in SLE treatment, such as long-term safety and organ protection, particularly showing promise in a murine model for alleviating proteinuria and potentially lupus nephritis (LN). This positions it to offer patients a safer, more effective option, and delivering possible differentiation beyond current therapies. The novel mechanism of Suciraslimab confers three key competitive advantages in the treatment of SLE.

Suciraslimab met its primary endpoint in a Phase 3 clinical study for the treatment of RA in China in April 2023 and its BLA for the treatment of RA was accepted by the NMPA in September 2023. The unblinded pivotal Phase 3 data demonstrated Suciraslimab's clear and significant therapeutic efficacy in RA patients. The primary endpoint (ACR20 response rate at Week 24 of the double-blind phase) achieved an approximately 50% response rate and showed statistically significant differences versus the control group. With long-term treatment, ACR20 response rates continued to improve over time and exceeded 65% at Week 52 and surpassed 70% through Week 104 of the extension period, with no new safety risks revealed. Based on the clinical data from the Phase 3 clinical study and extension study, Suciraslimab demonstrated good long-term efficacy and safety. On 14 July 2025, the Company announced that, following recent communications with the CDE of the NMPA. and the Company's internal assessment, the Company has strategically chosen to voluntarily withdraw the BLA application for Suciraslimab in the treatment of RA. Meanwhile, the Company has decided to advance at full speed the clinical development of Suciraslimab for the treatment of SLE.

B Cell Modulation Without Depletion:

Unlike traditional B cell depletion therapies (BCDTs) such as anti-CD20 agents, Suciraslimab specifically modulates autoreactive B cells without depleting normal B cells, thereby reducing infection risks and preserving immune surveillance.

Dual Mechanism and Dual Regulation:

Suciraslimab acts through a dual mechanism involving both upstream inhibition of autoreactive B cell activation and autoantibody production, which addresses humoral immune dysregulation (humoral immune axis), while also modulating B cell interactions with other immune cells. This dual regulation of both the humoral immune axis and the broader immune network leads to systemic control of autoreactive inflammation.

Organ Protection:

Suciraslimab offers a unique advantage among competitors by reducing proteinuria and mitigating immune complex-mediated glomerular tissue damage, which is critical in LN. Furthermore, through its dual-regulation effects, Suciraslimab alleviates immune-driven pulmonary complications in SLE, such as recurrent alveolar hemorrhage or pulmonary arterial hypertension. These organ-protective effects have clinical significance and are vital for treatment prognosis in SLE.

By utilising a humanised animal (murine) model that closely recapitulates key pathological features of human systemic lupus erythematosus (SLE), including the production of pathogenic autoantibodies, multi-organ immune complex deposition, and progressive tissue damage, Suciraslimab treatment demonstrated distinct and favourable immunomodulatory properties. Suciraslimab selectively inhibits activated B cell subsets (e.g., CD27+/CD38+) while sparing the overall B cell population, marking a significant differentiation from prevailing immunosuppression therapies induced by commercially available drugs. Notably, Suciraslimab significantly reduces serum levels of anti-double-stranded DNA (anti-dsDNA) antibodies. These findings hold clinical significance, as anti-dsDNA antibodies are highly prevalent, found in approximately 70% of SLE patients. These autoantibodies not only serve as biomarkers for disease activity but also contribute directly to organ damage by forming immune complexes in tissues such as kidneys, skin, and joints. These complexes activate the complement cascade and drive progressive organ injury, playing a particularly critical role in the pathological deterioration of LN.

Current B cell-targeted therapies in clinical use can reduce autoantibody levels but often fail to significantly improve end-organ damage — an issue particularly prominent in LN, which affects approximately 50% of SLE patients. Moreover, systemic complications such as pulmonary interstitial disease also lack effective therapies. In contrast, Suciraslimab has demonstrated breakthrough organ- protective effects in preclinical studies: it restored proteinuria to levels comparative to those in healthy animals while significantly reducing the intensity of glomerular immune complex deposition. Additionally, Suciraslimab suppressed pulmonary inflammatory infiltration and fibrosis progression, with histopathological improvements surpassing those observed with comparator drugs.

This differentiated advantage stems from Suciraslimab's novel mechanism of action, by regulating autoreactive B cell function in a non-depleting manner, it modulates autoantibody production while enhancing B cell interactions with other immune cells to regulate immune cell interaction networks, thereby suppressing downstream immune cell activation cascades. This enables coordinated protection across multiple organs. Given its clearly demonstrated *in vivo* efficacy and favourable safety profile, Suciraslimab is expected to be a superior therapeutic option for LN and multi-organ damage in SLE.

Beyond its potential therapeutic effects in SLE, Suciraslimab has also shown promise as a candidate for treating neurodegenerative diseases, particularly Alzheimer's disease. A paper titled "*CD22 modulation alleviates amyloid β-induced neuroinflammation*" unveiling the dual mechanism of action of Suciraslimab in simultaneously promoting amyloid-beta clearance and exerting anti-inflammatory effects was published in the *Journal of Neuroinflammation* in February 2025.

The Company has initiated planning for a Phase 2 clinical program for Suciraslimab in the treatment of SLE and is working to enable an IND application for using Suciraslimab for treating Alzheimer's disease.

Key Product — SN1011

SN1011 is a third generation, covalent reversible BTK inhibitor designed to exhibit high selectivity with prolonged but controlled drug exposure to achieve superior efficacy and good safety profile for the potentially long-term treatment of systemic lupus erythematosus (SLE), pemphigus, multiple sclerosis (MS), neuromyelitis optica spectrum disorder (NMOSD) and other rheumatology or neuro-immunological diseases. SN1011 differentiates from existing BTK inhibitors currently available in the market, such as Ibrutinib, in terms of mechanism of action, affinity, selectivity and safety.

The Phase 1 study (first-in-human) in Australia was conducted in 2019 while Phase 1 study (first-in-human) in China was conducted and completed in 2021. The studies have demonstrated a good safety and PK profile. SN1011 obtained four IND approvals from the NMPA for the treatment of SLE, pemphigus, MS and NMOSD on 27 August 2020, 23 June 2021, 19 April 2022 and 22 August 2022, respectively. Please also refer to the Company's announcements dated 14 November 2019, 29 January 2020, 29 June 2020, 1 September 2020, 15 January 2021, 24 June 2021, 23 July 2021, 7 February 2022, 20 April 2022, 9 June 2022 and 23 August 2022 for further information about the latest R&D progress of SN1011.

Other drug candidates

SM06

SM06 is a second-generation anti-CD22 antibody that is humanised using our proprietary framework-patching technology. SM06 is a humanised version of SM03 (Suciraslimab), with a similar mechanism of action. Our in-house *in vitro* studies demonstrated SM06 to have potentially enhanced efficacy in enacting immunomodulatory effects and drug half-life. We are currently in the process of optimising the chemistry, manufacturing and control processes ("**CMC**") for SM06.

Anti-CGC Antibody

Anti-CGC antibody is an in-house developed, first-in-class humanised anti-γc antibody. Our *in vitro* assays suggested that our antibody could suppress inflammation and autoimmunity driven B, T and NK cell activation. Animal studies demonstrated that our antibody could be a potential therapeutic agent for the treatment of vitiligo, alopecia areata and possibly other autoimmune diseases through the modulation of immune cell expansion, autoreactivity and tissue infiltration. We are currently in the process of CMC optimisation and toxicology studies for our antibody and plan to submit our IND application for the treatment of alopecia areata by the fourth quarter of 2026 at the earliest.

Bispecific Antibody Candidate (bsAb)

Bispecific antibody candidate is a novel, bispecific antibody targeting Receptor activator of the nuclear factor kappa-B ligand (RANKL) and sclerostin for bone-related indications. bsAb processes differential mechanisms of action tailored for the treatment of osteoporosis. Our in-house *in vitro* and *in vivo* studies demonstrated our candidate to have enhanced efficacy over market-approved antibodies such as Denosumab and Romosozumab. We are currently in the process of optimising CMC and testing toxicity in non-human primates and plan to submit our IND application by the first half of 2027 at the earliest.

SM09

SM09 is a framework-patched, humanised anti-CD20 antibody that targets an epitope different from that of other market-approved anti-CD20 antibodies such as rituximab, obinutuzumab and ofatumumab for the treatment of non-Hodgkin's lymphoma (NHL) and other auto-immune diseases

COLLABORATION

We are committed to collaborating with our partners to develop the most innovative therapies to address unmet medical needs in the area of immunological diseases. Given our strong in-house research and development capabilities, we have established global collaboration relationships with reputable companies and scientific research institutions.

SYSU-IAS

Sun Yat-sen University Institute of Advanced Studies Hong Kong Limited ("**SYSU-IAS**") is a research institution established by the Sun Yat-sen University. On 12 August 2025, a comprehensive strategic cooperation agreement was entered into between the Company and SYSU-IAS for the purpose to accelerate the development of innovative drugs and promote the translation of scientific research into clinical applications worldwide. Pursuant to the agreement, SYSU-IAS and the Company shall cooperate in five main areas, including, (i) joint research efforts; (ii) joint usage of facilities, the Sun Yat-sen University Institute of Advanced Studies Hong Kong — SinoMab BioScience Limited Joint Laboratory located at Shenzhen Futian International Biomedical Industry Park, Shenzhen, China; (iii) technical support; (iv) drug development; and (v) training and knowledge exchange.

LifeArc

LifeArc is a United Kingdom-based medical research charity, whose mission is to pioneer new ways to turn great science into great patient impact. We have been entrusted by LifeArc to further develop and commercialise SM17 in all fields and worldwide. According to public information, LifeArc provides intellectual property identification, technology development, early stage drug discovery and antibody humanisation services for academia, biotechnology and pharmaceutical organisations and charities, aiming to propel promising medical researches into viable and accessible patient treatments.

Everest Medicines

Everest Medicines Limited ("**Everest Medicines**") is a listed biopharmaceutical company (stock code: 1952.HK) that integrates discovery, licensing, clinical development, commercialisation and manufacturing of potentially novel or differentiated therapies to address critical unmet medical needs in initially Asia Pacific markets, and eventually around the world. In 2021, we entered into a licence agreement with Suzhou Sinovent Pharmaceuticals Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司), (now known as Evopoint Biosciences Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司)), together with the Company as licensor), and Everest Medicines II (HK) Limited, a wholly owned subsidiary of Everest Medicines, as licensee, to out-license the right to develop and commercialise SN1011 globally for the treatment of renal diseases. In July 2025, Everest Medicines announced updated positive results in preliminary analysis of its Phase 1b/2a clinical trial of EVER001 (known as SN1011 in the Company's product pipeline) for the treatment of primary membranous nephropathy based on its data analysis as of 21 March 2025.

PRODUCTION

In line with our strategy to optimize resource allocation and enhance operational flexibility, we are transitioning towards a light-asset manufacturing model. While our existing facilities were essential under earlier regulatory frameworks, the current industry trend toward outsourcing production to Contract Development and Manufacturing Organisations (CDMOs) offers significant cost advantages. Depending on market demand and partnership opportunities, we are assessing the transition of manufacturing to external providers.

Haikou Production Base

Subsequent to the Reporting Period, the Company entered into an agreement to terminate the lease for our Haikou production base. This decision reflects our strategic shift towards a more flexible, asset-light operational structure, allowing us to reduce fixed operational costs and focus internal resources on core competencies such as R&D and commercialisation. Please refer to the Company's announcement dated 12 March 2026 for further details.

Suzhou Production Base

We purchased a piece of land of 43,158 square metres in Suzhou Dushu Lake Higher Education Town, China in June 2020. The total floor area would be approximately 75,000 square metres. This production base is designed as commercial-scale manufacturing facilities. The Real Estate Ownership Certificate was granted in March 2026.

INTELLECTUAL PROPERTY

Core technology of main drugs (products)

For SM03 (Suciraslimab), the Group has four invention patents granted and registered in the PRC, one of which is also applicable to SM06, and four invention patents which are granted and registered in the United States, all of which are also applicable to SM06, and one invention patent granted and registered in South Africa.

For SN1011, the Group has one invention patent granted and registered in the United States, one invention patent granted and registered in the European Union and one invention patent granted and vested in Australia.

For SM09, the Group has two invention patents granted and registered in the PRC, three invention patents granted and registered in the United States, and one in each of various jurisdictions, including the European Union, India, Singapore and Japan.

During the Reporting Period, the Group filed one Patent Cooperation Treaty ("**PCT**") application for SM06, one PCT application for SM17 and one PCT application for Suciraslimab. In addition, one invention patent was granted and registered in the PRC and one PCT patent for SM18 was entering national phase into different countries during the Reporting Period.

As at 31 December 2025, the Group had six pending patent applications in the United States, eight pending patent applications in the PRC, seven pending patent applications in the European Union, and five pending PCT patent applications.

Well-known or famous trademarks

The Company conducts its business under the brand name of "SinoMab" ("**中國抗體**"). As at the end of the Reporting Period, the Company had various registered trademarks in Hong Kong and the PRC, with multiple trademark applications pending approval in the PRC.

* *for identification purpose only*

Patents

Item	As at 31 December 2025	As at 31 December 2024
Number of invention patents owned by the Group*	93	91

* *including patent pending and granted patent*

HUMAN RESOURCES

As at 31 December 2025, the Group had a total of 95 employees in China and Hong Kong. For the year ended 31 December 2025, the Group incurred approximately RMB33.6 million employee costs (including directors' remuneration but excluding any contributions to pension scheme, directors' fees and share-based payment). Employees are important resources for the Group's sustainable operation and steady development. The Company has formulated policies related to employees' remuneration, rights and interests and conducted various staff training, details of which are further set out in the separate Environmental, Social and Governance Report of the Company. The Company has also established its share award scheme and share option scheme, details of which are set out in the paragraph headed "SHARE INCENTIVES" under "Report of the Directors" in this annual report.

R&D PERSONNEL

Education level	Number at the end of the Reporting Period	Number at the beginning of the Reporting Period
PhD	5	6
Master	23	24
Undergraduate or below	8	10
Total number of R&D personnel	36	40

The above number of R&D personnel does not include our employees in manufacturing, quality assurance or quality control for the clinically related operation.

FUTURE AND PROSPECTS

We strive to become a leading global biopharmaceutical company for the development of novel drugs to fulfil unmet medical needs through our Hong Kong-based innovative R&D team, and PRC-based manufacturing capabilities. Our vision is to become a global leader in the innovation of therapeutics for immunological and other debilitating diseases.

Our portfolio of drug candidates encompasses the entire immunological field which, we believe, will enable us to provide comprehensive treatment options for field-wide indications to patients. We believe our dedication, experience and achievements in the field of immunology have expedited the process, and elevated the industry standard, for the discovery and development of novel therapeutics against a variety of immunological diseases. We have accumulated significant experience in the discovery of new treatment modalities for immunological diseases, which will allow us to better capture a substantial share of the immunological disease market. We believe that our strategic specialisation and dedicated focus on immunological diseases are effective ways to differentiate ourselves from our peers. By specialising in innovative treatments of immunological diseases, we seek to solidify our leading position in the field, thereby creating a higher barrier to entry for our peers to compete with us in the development of first-in-class drug candidates.

Further, our product pipeline is backed by our established full-spectrum platform integrating in-house capabilities across the industry chain, from our strong and independent target identification, drug candidate development, pre-clinical research, clinical trials, clinical production, quality control, quality assurance, regulatory approval and commercial-scale production up to the commercialisation stage, as well as all other processes in the discovery and development of our drug candidates. We believe that this full-fledged capability is matched by only a few biopharmaceutical companies in the Greater China region. With a diverse and expanding product pipeline, we believe that we are well positioned to become an industry leader in the development of treatments for immunological diseases.

The Group will continue to focus on exploring international partnership for our pipeline product, especially for our SM17, anti-CGC antibody and bispecific antibody candidate, further develop our existing product pipeline, discover and develop novel drugs for the treatment of immunological diseases by leveraging our R&D capabilities and strengthen our global presence through leveraging our position as a Hong Kong-based biopharmaceutical company.

Apart from continuously expanding our product pipeline and advancing our clinical development, we will also continue to actively explore strategic collaboration opportunities. We have developed a pipeline of pre-clinical, clinical and pre-registration stage first-in-class assets addressing various inflammatory and immunological diseases. To maximise the commercial values of our assets as well as to accelerate the development of our innovative drug candidates, we are open to collaboration, partnerships and licensing agreements with partners worldwide.

Clinical development plan

We will continue to advance clinical trials for SM03 (Suciraslimab) for SLE and other autoimmune diseases to broaden its therapeutic uses for addressing other unmet medical needs. Regulatory pathways to extrapolate the clinical indications of neuro-immunological diseases, Alzheimer's disease, for Suciraslimab will also be sought. The initiation of an IND application for Alzheimer's disease and proof-of-concept Phase 2 clinical study for SLE in China are also in our plan.

In respect of SM17, on 7 April 2025, the Company published positive topline results from a Phase 1b study in which a total of 32 moderate-to-severe AD patients were enrolled. The Phase 1b clinical trial aims to explore the preliminary efficacy of SM17 in moderate to severe AD patients, as well as to study its safety, tolerability, and PK profile. The Company expects to initiate a Phase 2 clinical trial for AD as early as mid-2026. The Company has also initiated its clinical bridging study for the route of administration conversion of SM17 in China. The first cohort of healthy subjects had been successfully dosed with the subcutaneous formulation of SM17 in October 2025 and the follow-up visits for all 30 healthy participants were completed in February 2026. This study is expected to be completed by the second quarter of 2026.

We also plan to submit IND applications in both the U.S. and China for the treatment of IPF with SM17.

Pre-clinical R&D

We have built a pre-clinical R&D platform for studying pathogenesis of autoimmune diseases, as well as exploring and identifying treatments for them. Our internal R&D team will continue to discover novel mechanisms for treatments of multiple autoimmune disease areas for rheumatology, neuro-immunology, respiratory and dermatology. Our R&D team possesses the capability of generating pre-clinical pharmacology internally and is developing in-depth collaboration with well-known clinical KOLs from our on-going clinical programs. By utilising established business and cooperation relationship with vendors and partners, the Company is in the process of generating and collecting the IND-enabling data package for our products under pre-clinical development, such as SM06, and will thereafter conduct pre-clinical studies to test their efficacies, safety and PK/pharmacodynamics, and fulfil other regulatory requirements.

Our SM06 is currently at the IND enabling stage and is in the process of optimisation for clinical trials. We will advance the first IND application process, aiming for a bio-better product development for known indications based on the good therapeutic potential of Suciraslimab, as well as further exploration into other immunological diseases.

Our anti-CGC antibody and bispecific antibody candidates are currently in the process of CMC optimisation and toxicology studies.

Novel drug targets identification

The Company has been actively exploring novel targets identification and has developed a strong team of R&D talents with a mix of resources that instill an innovative culture at all levels. Led by the Chief Executive Officer of the Company, who also undertakes the function of the Chief Scientific Officer, the research team has established five strategic in-house platforms, namely, the “B-cell Therapeutic Platform”, “Alarmins-pathway Therapeutic Platform”, “Selective-T Cell Therapeutic Platform”, “Neurological Disease Platform” and “Antibody Framework-Patching Humanisation Platform” that allow the Company to continuously identify novel drug targets and develop new antibody candidates, broadening and enriching our product pipelines for other autoimmune diseases with unmet medical needs.

Production

As previously reported, the Group purchased a piece of land of 43,158 square metres in Suzhou Dushu Lake High Education Town in China in June 2020. The land is used for constructing the Group's second production base, and the total floor area would be of approximately 75,000 square metres. This new Suzhou campus consists of commercial manufacturing facilities, a pilot plant, an R&D centre, a quality control centre, a clinical study centre and an administration building. The Real Estate Ownership Certificate was granted in March 2026.

Commercialisation and Partnerships

As of the Reporting Period, we have established a marketing team. In addition, we are actively exploring and identifying opportunities for collaboration and/or partnership, including but not limited to licensing in or licensing out, to enhance our commercialisation and business development capabilities.

CAUTIONARY STATEMENT REQUIRED BY RULE 18A.05 OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PRODUCT CANDIDATES SUCCESSFULLY.

MARKET OVERVIEW

Systemic Lupus Erythematosus (SLE)

SLE treatment refers to a range of medical interventions aimed at managing and alleviating the symptoms of the disease. SLE is a chronic autoimmune disorder characterised by the immune system attacking the body's own tissues and organs, resulting in widespread inflammation and tissue damage. In recent years, the incidence of SLE has been rising globally, and the SLE treatment market is experiencing unprecedented rapid expansion. According to a report by Frost & Sullivan, there are currently approximately 1.0349 million SLE patients in China, a figure projected to increase to 1.0947 million by 2030. Research Nester estimates that the global SLE treatment market exceeded USD2.4 billion in 2024 and is forecasted to grow at a compound annual growth rate (CAGR) of more than 7.8%, reaching over USD6.37 billion by 2037.

Atopic Dermatitis (AD)

As a long-standing chronic disease, new cases of AD are growing rapidly globally with broad market potential. Patients with AD have an increasing all-cause mortality rate and disease-specific mortality rate in diseases, such as infections, respiratory diseases, gastrointestinal diseases, and oncological diseases. Currently approved therapies for AD, including biologics, can significantly improve eczema area and severity index and patient's quality of life. However, there is still an unmet medical need for patients showing irresponsiveness to those approved therapies. According to Frost & Sullivan, there were approximately 65.7 million AD patients in China in 2019 with an expected growth to 81.7 million in 2030, of which 30% being moderate-to-severe patients. The AD medicine market in China was valued at US$600 million in 2019, and has reached US$1.5 billion in 2024, further increasing to US$4.3 billion in 2030. According to a report by Grand View Research, Inc., the global market size for AD is estimated to reach US$27.7 billion by 2030. We believe the mechanism of action of SM17 by targeting upstream of the Th2 inflammatory cytokine pathway, such as IL-25 receptor, will have broad effects on skin inflammation, implicating a great potential for SM17 to be a differentiating, safer and more effective product for the treatment of AD.

Asthma

The number of asthma patients worldwide is increasing year by year, and a large patient base is in urgent need of effective therapeutic drugs. According to Frost & Sullivan, the number of asthma patients worldwide is expected to increase to approximately 860 million in 2030, of which 78.1 million will be in China, a country with a higher growth rate than that for the global patient population. Severe, uncontrolled asthma patients are at risk of recurrent asthma exacerbations and hospitalisations, and uncontrolled severe asthma is associated with increased mortality/morbidity, diminished quality of life and increased health expenditures. Current approved therapies for severe asthma, including biologics, can reduce asthma exacerbations to a certain extent. However, there is still an unmet medical need for additional effective therapies, particularly for patients who do not respond to current treatments. We believe the mechanism of action of SM17 by targeting upstream of the Th2 inflammatory cytokine pathway, such as IL-25 receptor, will have broad effects on airway inflammation, which is expected to provide a new therapeutic channel with efficacy and safety for asthma diseases and bring relief and treatment to asthma patients.

Rheumatoid Arthritis (RA)

According to Frost & Sullivan, the global market for autoimmune disease drugs is expected to increase from US$120.5 billion in 2020 to US$163.8 billion in 2030, at a compound annual growth rate (CAGR) of 3.1%. The overall scale of existing patients with autoimmune diseases in China is huge. According to "*Rheumatoid Arthritis in China: A National Report of 2020*" issued by the National Clinical Research Center for Dermatologic and Immunologic Diseases in October 2021, there are about 5 million RA patients in China. With the continuous improvement of the diagnosis and treatment rate of autoimmune diseases in China and the continuous progress of related medical technologies, the market size of RA in China is expected to expand rapidly. According to Frost & Sullivan, the RA therapeutics market in the PRC is expected to reach RMB83.3 billion by 2030. The biologics market share in the RA therapeutics market in PRC is expected to increase from 43.4% in 2024 to 59.8% in 2030. We have been focusing on the R&D of mAb drugs in the field of autoimmune diseases for more than 20 years and our existing product pipeline covers all indications in the field of autoimmune diseases. We are one of a few biopharmaceutical companies in China with full-fledged capability that integrates all-industry functionalities, including R&D, production and commercialisation. Once Suciraslimab receives NMPA marketing approval, leveraging the first-mover advantage of the first-in-class status of Suciraslimab and its competitive advantage in its better safety profile over existing and potential market competitors, coupled with our targeted sales and marketing strategy and execution, we believe that we can successfully launch Suciraslimab, which will be an important milestone in the development of the Group.

STRATEGIC IN-HOUSE PLATFORMS FOR ESTABLISHING STRONG PIPELINE

We are armed with several innovative technological and therapeutic platforms, allowing us to identify novel antibody candidates that are specific for novel targets and have the potential to achieve, therapeutic effects via novel mechanisms of actions:

B-cell Therapeutic Platform

The Company was established with an initial focus on developing therapeutics that target B cells. As more and more data was accumulated and the functions of these B cell antigens/targets and the roles of B cells played in the immune system were better understood, B cell's potentials for treating autoimmune diseases has become prominent — forming our bases for "B cell therapy approach". There are possibilities of use in combination of our different products developed on our B cell therapeutic platform in the future. These antigens and targets include:

a. CD22 — our SM03 (Suciraslimab) and SM06, anti-CD22 antibody, were developed under our B-cell therapeutic platform.

b. CD20 — our SM09, a novel framework-patched, humanised anti-CD20 antibody, was developed under our B-cell therapeutic platform.

c. BTK — our SN1011, a third generation covalent reversible BTK inhibitor, was developed to maximise the therapeutic benefits of B cell therapy.

Alarmins-pathway Therapeutic Platform

The immune system is an interplay between different cell lineages and factors; but the majority of which include B cells, T cells and cytokines. Albeit our good coverage on B cell specific targets, there are other areas we need to fill in order to address other immune related ailments. While most cytokines are well studied, and products against which have been approved, there emerges a new class of factors known as alarmins that are upstream of the immune pathway and have not been well studied. These alarmins play crucial roles in autoimmune diseases involving the respiratory tract, dermatological tissues, and digestive tract, such as asthma, AD, IPF, IBD, and so on.

IL-25 is one of the three alarmins that targets a particular receptor called IL-17RB. Our SM17 is a humanised, IgG4-κ monoclonal antibody targeting the receptor for IL-25 (also known as IL-17RB), which was developed under our alarmins-pathway therapeutic platform.

Selective-T Cell Therapeutic Platform

Our pipeline covers B cells, alarmins/cytokines, and another major piece in the immunotherapy portfolio — T cells. The T-cell associated receptor is not well researched in the biopharma area as its function is promiscuous. We have developed a platform to isolate antibodies that have selective binding to T-cell associated receptors, resulting in the identification of a battery of antibodies with differentiated functionality covering a wide range of immunological diseases. Our anti-CGC antibody, humanised anti-yc antibody, was developed under our selective T-cell therapeutic platform.

A paper titled "*Discovery of a New Anti-γc Antibody in Clinical Development for the Treatment of Autoimmune Diseases*" revealing our study on hC2, a humanised anti-γc antibody, in addressing autoimmune diseases, was published in *The Journal of Immunology* in March 2025. The study demonstrates that hC2 specifically targets the γc receptor, offering global suppression on Signal Transducer and Activator of Transcription (STAT) phosphorylation and cellular activities in all studied immune cell types. Combined with the efficacies observed in *in vitro* assays and graft-versus-host disease (GvHD) animal studies, the current data support the clinical development of hC2 for the treatment of autoimmune diseases in the future.

Neurological Disease Platform

In 2019, there was a paper published in the journal *Nature* that demonstrated that anti-CD22 antibody would have therapeutic effects on degenerative neurological disease in a murine model. We researched the possibility of using SM03 (Suciraslimab) for treating MCI due to Alzheimer's disease and Alzheimer's disease and found that CD22 is significantly expressed in microglia and other neurological cells.

The discovery that our anti-CD22 antibody can induce the internalisation of Aβ protein has led to the development of bispecific antibodies that target anti-inflammatory cell surface antigens and Aβ protein for treating Alzheimer's disease and other neurological diseases.

A paper titled "*CD22 modulation alleviates amyloid β-induced neuroinflammation*" revealing Suciraslimab's dual mechanism of action in combating Alzheimer's disease, was published in the *Journal of Neuroinflammation* in February 2025.

Product candidates are descendants of the SM03 (Suciraslimab)/SM06 lineage.

Antibody Framework-Patching Humanisation Platform

Most antibodies are produced in a murine background, and antibody humanisation (a genetic engineering approach) is needed to convert the murine sequence into human sequence without affecting the affinity and specificity of the original antibody (parent antibody). We employ a novel approach known as "framework-patching" to introduce "human-ness" in a functional perspective (functional humanisation). Our SM06 and SM09 antibodies were humanised using this novel, proprietary technology unique to the Company.

FINANCIAL REVIEW

Other income and gains

Our other income and gains consist primarily of bank interest income, changes in fair value on financial assets at fair value through profit or loss, government grants and foreign exchange gain. Total other income and gains were approximately RMB29.3 million for the Reporting Period, representing an increase of approximately RMB21.7 million from the year ended 31 December 2024, mainly due to (i) an increase of foreign exchange gain of approximately RMB11.4 million (ii) an increase of gain on lease termination of approximately RMB7.4 million and (iii) an increase in government grants amounting to approximately RMB4.1 million.

FINANCIAL REVIEW (continued)

R&D costs

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Laboratory consumable and experiment costs	**40,852**	42,289
Employment costs	**22,957**	32,519
Others	**17,815**	19,945
	81,624	94,753

Our R&D costs mainly include laboratory consumables, experiment costs, employment costs of R&D employees, depreciation of right-of-use assets relating to leases of research facilities and depreciation of research and testing equipment.

For the years ended 31 December 2025 and 2024, we incurred R&D costs of approximately RMB81.6 million and RMB94.8 million, respectively. The decrease in R&D cost during the Reporting Period was mainly attributable to the decrease in employment costs of R&D employees of approximately RMB9.5 million mainly due to optimisation of our R&D team for better efficiency.

Administrative expenses

Our administrative expenses primarily consist of employee costs of administrative personnel, depreciation of right-of-use assets relating to leases of office space, depreciation and amortisation, rental and property management fees, consulting and auditing fees, legal and other professional advisory service fees, office expenses, transportation costs and others.

For the years ended 31 December 2025 and 2024, our total administrative expenses were approximately RMB46.4 million and RMB67.7 million, respectively. The decrease was mainly attributable to (i) a decrease of approximately RMB16.4 million due to optimisation of company administrative staff cost and (ii) a decrease in non-cash share-based payments of approximately RMB2.8 million.

Other expenses

Total other expenses were approximately RMB0.7 million for the Reporting Period, representing a decrease of approximately RMB21.5 million from the year ended 31 December 2024 mainly due to (i) change from foreign exchange loss of RMB9.5 million in the year ended 31 December 2024 to foreign exchange gain in the Reporting Period and (ii) the one-off loss of approximately RMB12.6 million due to termination of purchase contract in the year ended 31 December 2024 was not incurred in the Reporting period.

FINANCIAL REVIEW (continued)

Liquidity and capital resources

The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet its future development demands for capital.

The following table sets forth a condensed summary of the Group's consolidated statement of cash flows for the years ended indicated and analysis of balances of cash and cash equivalents for the years ended indicated:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Net cash flows used in operating activities	**(70,478)**	(130,801)
Net cash flows from/(used) in investing activities	**16,251**	(94,482)
Net cash flows from financing activities	**329,388**	73,268
Net increase/(decrease) in cash and cash equivalents	**275,161**	(152,015)
Cash and cash equivalents at the beginning of year	**61,900**	203,664
Effect of foreign exchange rate changes, net	**(14,353)**	10,251
Cash and cash equivalents at the end of year	**322,708**	61,900

As at 31 December 2025, cash and cash equivalents were mainly denominated in Hong Kong dollars, Renminbi and United States dollars.

As at 31 December 2025, total funding available to use including cash and cash equivalents, pledged and restricted deposits and wealth management products is RMB351.5 million, compared to RMB141.4 million as at 31 December 2024.

	31 December 2025 RMB'000	31 December 2024 RMB'000
Cash and cash equivalents	**322,708**	61,900
Wealth management products (included in the financial assets at fair value through profit or loss)	**17,956**	13,523
Pledged and restricted deposits	**10,814**	66,002
Total funding available to use	**351,478**	141,425

The net increase in total funding available to use of approximately RMB210.1 million was mainly due to (i) the net proceeds from issue of shares of approximately RMB428.1 million; offset by (ii) the net repayment of bank borrowings of approximately RMB81.4 million, (iii) the net cash flows used in operating activities of approximately RMB70.5 million and (iv) spending on capital expenditures of approximately RMB25.3 million in the Reporting Period.

BANK BORROWINGS AND GEARING RATIO

As at 31 December 2025, the Group's outstanding borrowings of RMB326.8 million (31 December 2024: RMB419.3 million) were denominated in RMB and at the effective interest rates ranging from 3.00% to 3.90% (31 December 2024: 3.15% to 3.90%) per annum.

As at 31 December 2025, the amount of unutilised banking facilities of the Group is approximately RMB311.7 million.

The Group monitored capital using gearing ratio. Gearing ratio is calculated using interest-bearing bank borrowing less cash and cash equivalents divided by total equity and multiplied by 100%. As at 31 December 2025, the gearing ratio was 0.8% (31 December 2024: 185.3%).

Particulars of bank borrowings of the Group as at 31 December 2025, including details of the maturity profile of the borrowings are set out in note 22 to the consolidated financial statements.

LOSS PER SHARE

The basic and diluted loss per share are RMB0.09 for the year ended 31 December 2025 (2024: RMB0.17). Details of the calculations of basic and diluted loss per share are set out in note 13 to the consolidated financial statements.

PLEDGE OF ASSETS

As at 31 December 2025, the Group had mortgaged its land use right and construction in progress with a carrying value of RMB340.0 million (2024: RMB334.3 million), and did not pledge any of its deposits (2024: RMB45.0 million) for the purpose of securing bank loans. In accordance with the agreement with the bank, the maximum mortgage amount of land use right and construction in progress is RMB158.4 million.

CAPITAL COMMITMENTS

Particulars of capital commitments of the Group as at 31 December 2025 are set out in note 28 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no contingent liability (2024: Nil).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES OR ASSOCIATES

During the Reporting Period, there were no material acquisitions or disposals of subsidiaries or associates of the Company.

SIGNIFICANT INVESTMENT HELD AND DISPOSED

The Group did not have any significant investment which accounted for more than 5% of the Group's total assets as at 31 December 2025.

MATERIAL EVENTS – SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

2025 May Share Subscriptions

On 13 May 2025, the Company entered into twenty-six subscription agreements with twenty-six subscribers for the issuance of an aggregate of 112,810,817 new ordinary shares at a subscription price of HK$1.10 per share (the "**2025 May Share Subscriptions**"). The completion of the 2025 May Share Subscriptions took place on 29 May 2025 and raised net proceeds of approximately HK$123,956,911.

2025 July Share Subscriptions

On 22 July 2025, the Company entered into twenty-three subscription agreements with twenty-three subscribers for the issuance of an aggregate of 182,072,400 new ordinary shares at a subscription price of HK$2.03 per share (the "**2025 July Share Subscriptions**"). The Company completed the issue of 157,107,000 new shares on 15 August 2025 and 24,965,400 new shares on 29 August 2025, raised net proceeds of approximately HK$369,461,972.

Details of the 2025 May Share Subscriptions and 2025 July Share Subscriptions are disclosed under the section headed "USE OF PROCEEDS FROM NEW SHARES SUBSCRIPTIONS UNDER GENERAL MANDATE" in the Report of the Directors to this Annual Report.

CHANGE IN USE OF PROCEEDS

As reported in the announcement dated 23 March 2026, the Board resolved to change the use of unutilised net proceeds from 2025 July share subscriptions and 2023 share subscriptions. The change in use of proceeds was made to facilitate efficient allocation of financial resources and strengthen the future development of the Group. Further details are disclosed under paragraphs headed "USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE" in the Report of the Directors to this Annual Report.

BOARD OF DIRECTORS

Executive Director

Shui On LEUNG 梁瑞安, 66

Chairman of the Board, Chief Executive Officer, Member of Remuneration Committee and Chairman of Nomination Committee

Appointed to the Board: 27 April 2001
Joined the Group: April 2001

Dr. Leung was appointed as a Director and the chairman of our Board in April 2001 and subsequently appointed as our chief executive officer in January 2003 and subsequently designated as an executive Director in June 2019. He is primarily responsible for formulating overall strategic directions, overseeing scientific and clinical R&D activities and managing overall operations of our Group.

Dr. Leung has over 30 years of experience in the field of molecular immunology and therapeutic monoclonal antibodies. Dr. Leung has been a member of the first session of Biotech Advisory Panel of the Stock Exchange since April 2018. He is also a director of the Hong Kong Genome Institute. Dr. Leung has also been an adjunct professor of The Hong Kong University of Science and Technology since September 2018. Prior to joining our Company, Dr. Leung served as the managing director of The Hong Kong Institute of Biotechnology Limited, which is currently a biotechnology R&D arm of The Chinese University of Hong Kong, from September 2000 to August 2003. Dr. Leung was an adjunct professor of The Chinese University of Hong Kong from February 2001 to January 2004. From May 1991 to in or around August 2000, he held several positions in Immunomedics, Inc. ("**Immunomedics**"), a leading U.S. antibody-drug conjugate company, including an associate director of the molecular biology department and an executive director of the biology research department. During his term with Immunomedics, Dr. Leung was awarded grants by the U.S. Department of Health and Human Services multiple times for his research programs, including "Engineering a Unique Conjugation Site on AB Light Chain" and "A Humanised Antibody for Breast Cancer Treatment". In October 1996, Dr. Leung was appointed as an adjunct assistant member of the Centre for Molecular Medicine & Immunology at Garden State Cancer Centre. Dr. Leung was also engaged in postdoctoral research at Yale University, U.S.A. from July 1989 to June 1991.

Dr. Leung obtained his bachelor's and master's degrees in biochemistry as well as EMBA from The Chinese University of Hong Kong in 1984, 1986 and 2006, respectively. He earned his Ph.D. in molecular biology from the University of Oxford in Oxford, England in May 1989.

Dr. Leung is a director of certain subsidiaries of the Company. He is also a substantial shareholder (within the meaning of the SFO) of the Company.

Non-executive Directors

Haigang CHEN 陳海剛, 43

Appointed to the Board: 31 August 2017
Joined the Group: August 2017

Dr. Chen was appointed as a Director in August 2017 and subsequently designated as a non-executive Director in June 2019. Dr. Chen is primarily responsible for providing overall guidance on business and strategic development of our Group based on his work experience, professional background and expertise.

Dr. Chen has over 10 years of investment experience in the pharmaceutical industry. He has served as an investment director of Shanghai Yueyi Investment Centre (Limited Partnership) (上海月溢投資中心(有限合夥)), the co-general partner of Xingze Xinghe, one of our Pre-IPO Investors and our Shareholders, since September 2016. Prior to that, Dr. Chen served as an analyst at Beijing Shennong Investment Management Co., Ltd.* (北京神農投資管理股份有限公司) from December 2015 to August 2016. In September 2013, Dr. Chen started working at China International Capital Corporation Limited (中國國際金融股份有限公司), shares of which are listed on the Stock Exchange (stock code: 3908), and was holding the position of vice president of its research department when he left such employment in December 2015. From April 2011 to August 2013, Dr. Chen served as a senior manager at CITIC Securities Company Limited (中信証券股份有限公司), shares of which are listed on the Stock Exchange (stock code: 6030). From May 2010 to April 2011, Dr. Chen served as an analyst at Guizhou Huachuang Securities Broker Co., Ltd.* (華創證券有限責任公司).

Dr. Chen earned his Medical Doctor degree in clinical medicine from Peking Union Medical College (北京協和醫學院) in July 2009. He obtained the securities qualification certificate issued by the Securities Association of China in June 2015.

Dr. Chen is also a director of a subsidiary of the Company.

* *for identification purposes only*

BOARD OF DIRECTORS (Continued)

Non-executive Directors (Continued)

Xun DONG 董汛, 51

Appointed to the Board: 23 December 2019
Joined the Group: December 2019

Mr. Dong was appointed as a non-executive Director on 23 December 2019.

Mr. Dong has over 20 years of experience in the pharmaceutical industry. Between 1996 and 2004, Mr. Dong worked for Yunnan Baiyao Group Co., Ltd (雲南白藥集團股份有限公司) ("**Baiyao Group**"). The shares of Baiyao Group are listed on the Shenzhen Stock Exchange (stock code: 000538), and it is one of the ten Key Large Enterprises in Yunnan Province (雲南省十戶重點大型企業), one of Top 100 Enterprises in Yunnan Province (雲南省百強企業) and one of the first national innovative enterprises. Baiyao Group operates through four segments, namely pharmaceuticals, health products, Chinese medicine resources and pharmaceutical logistics, and is principally engaged in chemical raw material, chemico-pharmaceutical preparations, proprietary Chinese medicines, Chinese medicinal material and biologic products. During the said employment, he rose through the ranks and held the position of assistant department manager before his departure from Baiyao Group to further his education. He re-joined Baiyao Group in 2006 as a vice president of sales of the native medicine division, and has held various positions since then. Mr. Dong served as a director of Yunnan Institute of materia medica (formerly known as Yunnan Institute of medicine) from 2018 until January 2023. Mr. Dong currently serves as a general manager of Institute for Strategic Development of Baiyao Group.

Xiaosu WANG 王小素, 45

Appointed to the Board: 19 December 2024
Joined the Group: December 2024

Ms. Wang was appointed as a non-executive Director on 19 December 2024. Ms. Wang is primarily responsible for providing overall guidance on business and strategic development of our Group based on her work experience, professional background and expertise.

Ms. Wang is currently a securities affairs representative and a director of the office of the board of Hainan Haiyao Co., Ltd. (海南海藥股份有限公司) ("**Hainan Haiyao**"). Hainan Haiyao is a substantial shareholder of the Company and its shares are listed on the Shenzhen Stock Exchange (Stock Code: 000566). From June 2007 to February 2012, Ms. Wang served as a securities affairs representative of Shenzhen Infinova Technology Co., Ltd.* (深圳英飛拓科技股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002528).

Ms. Wang obtained a Bachelor of Laws degree from Zhongnan University of Economics and Law in 2003. She also obtained the qualification certificate for board secretaries granted by the Shenzhen Stock Exchange in 2012.

* *for identification purposes only*

BOARD OF DIRECTORS (Continued)

Non-executive Directors (Continued)

Jianmin ZHANG 張健民, 48

Appointed to the Board: 6 September 2023
Joined the Group: September 2023

Dr. Zhang was appointed as a non-executive Director on 6 September 2023. Dr. Zhang is primarily responsible for providing overall guidance on business and strategic development of the Group based on his work experience, professional background and expertise.

Dr. Zhang is currently the chief scientific officer and head of institute of innovative medicine of Hainan Haiyao. Hainan Haiyao is a substantial shareholder of the Company and its shares are listed on the Shenzhen Stock Exchange (Stock Code: 000566). From November 2019 to April 2023, Dr. Zhang served as a director of Medicinal Chemistry at Shanghai Jiyu Medical Technology Limited (上海濟煜醫藥科技有限公司). Prior to that, he served as a leader of medical research and development of innovative drug division at ApoPharma Inc. from September 2012 to August 2019 and served as a medical research and development scientist at Tranzyme Pharma, Inc. (now known as Ocera Therapeutics, Inc.) from May 2011 to September 2012.

Dr. Zhang obtained a master's degree in Polymer Chemistry and Physics from Wuhan University in 2002. In 2007, Dr. Zhang earned his Ph.D. in Chemistry from The University of Alberta and did his postdoctoral training in the University of British Columbia from November 2007 to March 2011.

Independent Non-executive Directors

George William Hunter CAUTHERLEY, 83

Member of Audit Committee (appointed on 23 March 2020 and effective from 1 April 2020)

Appointed to the Board: 23 December 2019
Joined the Group: December 2019

Mr. Cautherley was appointed as an independent non-executive Director on 23 December 2019.

Mr. Cautherley has over 55 years of experience of distributing a wide range of medical products and pharmaceuticals in Hong Kong, China and South East Asian countries and for the past 40 years through companies of which he has been CEO and substantive shareholder. For almost 20 years, his principal business groups have also been involved in manufacturing medical devices and pharmaceuticals in China. In addition to his core business interests, Mr. Cautherley has been an investor in a number of biotechnology start-up/early stage enterprises in Europe and Hong Kong and has served on the boards of several of these companies.

Mr. Cautherley was awarded an Honorary Doctorate of Business Administration by Edinburgh Napier University, United Kingdom and the holder of the award of Office of the British Empire conferred by Queens Elizabeth II of the United Kingdom.

BOARD OF DIRECTORS (Continued)

Independent Non-executive Directors (Continued)

Chi Ming LEE 李志明, 72
Member of Audit Committee and Chairman of Remuneration Committee
Appointed to the Board: 15 June 2021
Joined the Group: June 2021

Dr. Lee was appointed as an independent non-executive Director with effect from 15 June 2021. Dr. Lee is primarily responsible for supervising and providing independent judgment to our Board and ensuring a high standard of overall governance.

Dr. Lee has over 30 years of experience in academic and biopharmaceutical arena. Dr. Lee served as a director of the Office of Research and Knowledge Transfer Services at The Chinese University of Hong Kong from 2016 to 2020. Before the latest appointment mentioned above, Dr. Lee had held senior positions in various multinational pharmaceutical and biotechnology companies and academic institute between 1992 to 2013. His longest employment was with AstraZeneca with positions of an executive director of Translational Science in the areas of CNS and Pain Innovative Medicines in Sweden from 2011 to 2013, an executive director between 2007 to 2011 and a director from 2004 to 2007 of Translational Science in the areas of CNS and Pain Control Research Area in the USA, and the global product director in CNS therapy area from 2002 to 2004 in Sweden. Prior with AstraZeneca, Dr. Lee had worked at Bayer Corporation between 1993 and 1998 and served as an associate director of the Institute for Dementia Research. From 1992 to 1993, Dr. Lee served as a senior group leader of Exploratory Neurodegeneration at Abbott Laboratories. Dr. Lee also served as a senior lecturer at the Department of Biochemistry, Faculty of Medicine of The Chinese University of Hong Kong from 1982 to 1992. Dr. Lee has extensive experience in working at the interface of R&D, developing global drug discovery strategy, forming collaborative joint ventures, evaluating licensing opportunities and facilitating strategic alignment of the tasks and goals of the discovery and development functions.

Dr. Lee has been actively engaged in promoting scientific activities. He was an active member of the FNIH Biomarker Consortium Neuroscience Steering Committee, the European Innovative Medicine Initiative (IMI) on NEWMEDS and the Institute of Medicine (IOM) Neuroforum, which focus on biomarkers and translational R&D for CNS diseases.

Dr. Lee received his Ph.D. from Cambridge University and did his post-doctoral training at John Hopkins University.

Ping Cho Terence HON 韓炳祖, 66
Chairman of Audit Committee, Member of Remuneration Committee and Member of Nomination Committee
Appointed to the Board: 18 October 2019 (effective from 31 October 2019)
Joined the Group: October 2019

Mr. Hon was appointed as an independent non-executive Director with effect from 31 October 2019. Mr. Hon is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Hon has over 35 years of experience in accounting, treasury and financial management. Mr. Hon has served as an independent non-executive director of Xiabuxiabu Catering Management (China) Holdings Co., Ltd. (stock code: 520), 361 Degrees International Limited (stock code: 1361), and Daphne International Holdings Limited (stock code: 210), all of which are companies listed on the Stock Exchange. Mr. Hon was also an independent non-executive director of Jimu Group Limited (stock code: 8187), a company listed on the Growth Enterprise Market of the Stock Exchange from December 2017 to May 2021. He was previously the chief financial officer and company secretary of DTXS Silk Road Investment Holdings Company Limited (stock code: 620), a company listed on the Stock Exchange, from June 2016 (as chief financial officer) and November 2016 (as company secretary) until September 2018. Prior to that, Mr. Hon worked at a number of companies, including at Auto Italia Holdings Limited (stock code: 720) as chief financial officer and company secretary between December 2013 and April 2016, China Dongxiang (Group) Co., Ltd. (stock code: 3818) as chief financial officer between December 2010 and October 2012, Ka Wah Construction Materials (Hong Kong) Limited as chief financial officer between September 2008 and December 2010, TOM Group Limited (stock code: 2383) between June 2001 and February 2008 with his last position as the group finance director, and Ng Fung Hong Limited as a company secretary of the group between 1996 and 2001. Before moving to the commercial sector, Mr. Hon worked in an international accounting firm.

Mr. Hon is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He obtained a master's degree in business administration (financial services) from The Hong Kong Polytechnic University in November 2004.

BOARD OF DIRECTORS (Continued)

Independent Non-executive Directors (Continued)

Chi Sau Giselle LEE 李之秀, 54

Member of Audit Committee and Member of Nomination Committee

Appointed to the Board: 30 June 2025
Joined the Group: June 2025

Ms. Lee was appointed as an independent non-executive Director with effect from 30 June 2025. Ms. Lee is primarily responsible for supervising and providing independent judgment to our Board and ensuring a high standard of overall governance.

Ms. Lee has over 25 years of experience in asset management and financial services, with a distinguished career spanning roles in global financial institutions and advisory capacities. Ms. Lee currently serves as an independent director and advisor in several institutions, including PeRK Advisory as an associate advisor, Asia Frontier Capital as an independent director and Habitat for Humanity as a fundraising committee member, offering guidance and strategic oversight on financial services, business development and governance.

Ms. Lee is also the founder of GLOHS, an organic skincare and health brand in Hong Kong. Before founding her own brand, she held senior positions at top-tier investment firms, including Barings Asset Management as a managing director and head of Asia from 2013 to 2016, Man Group as an executive director and head of sales, North Asia, from 2004 to 2012, and Deutsche Asset Management as a director and the head of office from 1998 to 2003.

Ms. Lee obtained a Master of Science degree in Industrial Relations and Personnel Management from the London School of Economics and an Honours Bachelor of Arts degree in Economics from the University of Manchester.

Nan SHEN 申楠, 44

Member of Audit Committee and Member of Nomination Committee

Appointed to the Board: 30 June 2025
Joined the Group: June 2025

Mr. Shen was appointed as an independent non-executive Director with effect from 30 June 2025. Mr. Shen is primarily responsible for supervising and providing independent judgment to our Board and ensuring a high standard of overall governance.

Mr. Shen has over 20 years of experience in corporate finance, and venture investment. Mr. Shen has served as a managing director at Sedgwick Yard, a venture capital firm specializing in early-stage investments in novel biotechnologies stemming from prestigious academic institutions globally, since September 2018. Based in Beijing and London, he oversees the firm's strategic direction and investment activities. Prior to joining Sedgwick Yard, Mr. Shen worked in the investment banking divisions of several leading financial institutions, including Goldman Sachs and UBS, and primarily focused on financing and M&A transactions across the Greater China region and Asia-Pacific.

Mr. Shen holds a Bachelor of Arts (Honours) degree and a Master of Arts (Honours) degree in Economics from University of Cambridge, and a Master of Sciences (Honours) degree in Experimental & Translational Therapeutics from University of Oxford. Mr. Shen is licensed by the U.S. SEC (Series 7) and the Hong Kong Securities and Futures Commission (SFC).

SENIOR MANAGEMENT

Fang LIANG 梁芳, 45

Ms. Liang has served as the chief operating officer of our Company since March 2026, and is primarily responsible for the overall R&D and business operations and strategic direction of the Group.

Ms. Liang has more than 20 years of experience in drug discovery, development, healthcare investment and biotech leadership. Prior to joining our Group, Ms. Liang served as executive director and chief strategy officer responsible for investor relations, financing, portfolio strategy & business development of Shanghai Argo Biopharmaceutical Co., Ltd. from January 2023 to June 2025. Previously, she served as senior vice president at Loyal Valley Capital from December 2020 to December 2022, where she led investments in multiple prominent biotech companies (Shanghai Argo Biopharmaceutical Co., Ltd., MediLink Therapeutics (Suzhou) Co., Ltd., Nanjing Leads Biolabs Co., Ltd. and Hangzhou Sciwind Biosciences Co., Ltd.) and served as a non-executive board director for several portfolio companies. She also held senior management roles as vice president at GP Healthcare Capital from October 2018 to November 2020. Earlier in her career, Ms. Liang was an Associate Scientist at Novartis Institutes for Biomedical Research Co., Ltd from October 2008 to July 2017.

Ms. Liang holds an MBA from The University of Manchester and a Bachelor of Science in Chemistry from Lanzhou University.

Jianping HUA 華劍平, 44

Mr. Hua has served as the chief financial officer of our Company since January 2019 and is primarily responsible for overall financial operations, financing and investment activities of our Group.

Mr. Hua has over 20 years of experience in financial and investment matters. Prior to joining our Group, Mr. Hua served as a vice chief financial officer, member of the executive board of the president, vice president of medical technology management committee and deputy general manager of the finance department of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司, Shanghai Stock Exchange: 600196 and Stock Exchange: 2196) from February 2011 to January 2019. He also served as an executive director from March 2018 to January 2019, and as the chief financial officer from February 2014 to January 2019, of Sisram Medical Ltd (Stock Exchange: 1696). From August 2005 to February 2011, Mr. Hua served as a manager in the assurance department at PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd. (普華永道中天會計師事務所有限公司). Mr. Hua obtained his bachelor's degree in English from Shanghai University, China (上海大學) in July 2005.

Other senior management team

Our senior management also includes Dr. Shui On LEUNG, see "Board of Directors" above for biographical details of Dr. Shui On LEUNG.

MANAGEMENT

Guolin XU 徐國林, 42

Mr. Xu has been with the Company since June 2009 and currently serves as a director (clinical and regulatory affairs). He is primarily responsible for reporting, applying, and communicating regulatory registration matters, as well as clinical trial operations, progress monitoring, and communication.

Mr. Xu has over 15 years of experience in clinical operation management and regulatory registration affairs. Mr. Xu obtained a bachelor of science degree in biology from The Hong Kong University of Science and Technology in June 2005, and a master of philosophy degree in chemical pathology from The Chinese University of Hong Kong in February 2009. In July 2012, Mr. Xu obtained the drug registration qualification certificate registered and approved by the Guangdong Provincial Food and Drug Administration.

Yuande ZHANG 張元德, 45

Mr. Zhang joined our Company in February 2023 as a director (marketing) and is responsible for developing and executing overall products marketing strategies according to the Company's strategic planning and other duties.

Mr. Zhang has over 15 years of experience in market management. Prior to joining the Group, Mr. Zhang served as a senior sales representative at Smith & Nephew Medical Ltd. (施樂輝醫用產品有限公司) from September 2008 to February 2010, responsible for the regional products sales. From March 2010 to February 2013, he joined Qilu Pharmaceutical Co., Ltd. as a medical manager and product manager, responsible for the promotion of medical projects and marketing in the field of tumors. From March 2013 to February 2022, he served as a department manager of the central marketing department of Chia Tai-Tianqing Pharmaceutical Holdings Co. Ltd., responsible for market management of products in various fields such as autoimmunity and pain relief. Mr. Zhang obtained his bachelor degree in pharmacy from Shenyang Pharmaceutical University in June 2005 and master degree in biochemistry and molecular biology from Tarim University in June 2008.

Ka Wa Benny CHEUNG 張嘉華, 46

Dr. Cheung joined our Company in January 2010 as a research scientist, subsequently as a principal senior scientist from January 2015 to December 2021, and has served as a director (quality control) of our Company since January 2022. Dr. Cheung is primarily responsible for managing Quality Control Department in different sites, providing support for drug application dossier preparation and analytical method development. He is also responsible for all matters and procedures relating to patent and trademarks, such as filing applications.

Dr. Cheung has over 18 years of experience in the area of R&D of drugs. Prior to joining our Group, Dr. Cheung served as a technical officer and subsequently as a senior technical officer at the Department of Paediatrics and Adolescent Medicine at the University of Hong Kong from September 2007 to January 2010, respectively, in charge of overseeing R&D projects.

Dr. Cheung obtained his bachelor's degree in biochemistry, master's degree in immunology and Ph.D. in immunology from the University of Hong Kong in November 2001, December 2004 and November 2008, respectively.

COMPANY SECRETARY

Florence Wai Ki LAI 賴煒琪

Ms. Lai was appointed as our company secretary with effect from 8 October 2025. Ms. Lai is a corporate services partner of PwC Corporate Services Limited. Ms. Lai has over 15 years of professional experience in providing corporate compliance and advisory services to Hong Kong listed companies as well as multinationals, private and offshore entities. Ms. Lai is a member of the Hong Kong Institute of Certified Public Accountants. She holds a bachelor's degree in Accounting and Finance from the University of Warwick in the United Kingdom.

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

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

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

The Company has applied the principles and code provisions of the CG Code throughout the Reporting Period as the basis of the Company's corporate governance practices. The Board regularly reviews the Company's corporate governance practices and relevant policies to comply with the prevailing standards and requirements of good corporate governance. To comply with the increasingly stringent regulatory requirements, revision of the existing practices and policies, and introduction of appropriate new measures will be implemented as and when required.

During the year ended 31 December 2025, the Company has complied with all applicable code provisions as set out in the CG Code, except for code provision C.2.1 as explained under the paragraph "Chairman and Chief Executive Officer" below.

CORPORATE STRATEGY AND CULTURE

We promote the corporate culture of ELITES and continually reinforce our culture to align our purpose, values and strategy.

Excellence	We encourage our staff to excel themselves.
Learning	We believe "Innovation knows no boundary". We encourage our staff to keep abreast of professional knowledge and latest information/technology to align with our innovative thinking.
Innovation	We focus on R&D of first-in-class antibody for innovative treatment.
Talent	We treasure our staff and provide attractive remuneration packages and establish share incentives to attract and retain talents.
Efficiency	We drive to create an efficient working environment; we welcome open communication in workplace for effective collaboration.
Synergy	We understand the importance of synergy to attain and realise organisational goals and vision. To create synergy, we encourage high quality collaboration and co-ordination between diverse organisational elements in all areas, for example, between different team members and departments in their experience, strength and perspective.

CORPORATE STRATEGY AND CULTURE (continued)

With our ELITES culture and business strategy of the Company, we are able to continuously generate and preserve our value. Under the leadership of our management team, consisting of members with rich experience in scientific research and business management, we have established a business model that integrates elements from the entire industry chain encompassing R&D, clinical trials and production. Pursuant to this business model, we leverage our proven ability in novel drug discovery, clinical development and in-house manufacturing capabilities to enable multiple clinical trails and subsequent commercialisation. During the year ended 31 December 2025, our drug candidates had progressed steadily and we are moving forward to realise the commercialisation of our flagship product and be able to sustainably deliver our purpose in becoming a global leader in the innovation of therapeutics for immunological and other debilitating diseases and to preserve our value in benefiting the world and become a highly respected company. Details of our latest development and business operation are discussed under Management Discussion and Analysis section in this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

The Company has also adopted the Model Code as its written guidelines (the "**Employees Written Guidelines**") in respect of securities dealings by relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board 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.

The Board conducts regular evaluation in a form of board evaluation questionnaire on its performance and to ensure independent views and input are available to the Board. The Board has reviewed the implementation and effectiveness of such mechanism during the Reporting Period.

Board Skills Matrix

The Board possesses a diverse and complementary mix of skills, experience, and expertise strategically aligned with our mission as a global biopharmaceutical company dedicated to the research, development, manufacturing, and commercialisation of first-in-class monoclonal antibody-based biologics for immunological diseases. The matrix below details the key skills areas currently represented on the Board. This specific combination of competencies spanning leadership in biopharmaceutical operations, scientific assessment capabilities for our innovative pipeline, and strategic planning for global commercialization is fundamental to achieving our vision of becoming a global leader and fulfilling unmet medical needs. Further strengthened by rigorous governance oversight and international & China expertise reflective of our Hong Kong and PRC operational footprint, the Board's collective skill set provides robust guidance for our R&D-driven strategy, supports our values of innovation and integrity, and fosters a culture of disciplined execution and long-term value creation for all stakeholders.

BOARD OF DIRECTORS (continued)

Skills Area	Description	Importance (E/F) (Note 1)	Adequacy (Note 2)
Accounting, Banking & Financial Literacy/Business Acumen	Ability to read and comprehend corporate accounts, financial materials and financial reporting requirements	E	30%
Science	Ability to assess the scientific and regulatory viability of the company's pharmaceutical pipeline and products	E	40%
Governance, Sustainability & Risk Management	Ability to oversee the implementation and effectiveness of the corporate governance framework, including risk management, compliance systems, and internal controls	E	20%
Strategic Planning	Ability to identify strategic opportunities and threats, whilst developing and implementing plans to achieve corporate objectives	E	100%
International & China	Global experience in multiple global locations, exposed to a range of political, cultural, regulatory and business environment	E	100%
Biotech/Biopharm Operation	Experience in senior executive management in large biotech/biopharma including in-depth knowledge of the Group's strategy, markets, competitors, operational issues, technology and regulatory concern	E	80%

Notes:

1. The importance and relevance of the skills concerned to our business. Please refer to the defined keys below for illustration:

   "E" = essential skills that should currently be in the board's possession

   "F" = skills that should be acquired for future purposes/in light of anticipated emerging needs

2. The adequacy of existing levels of expertise for each skill qualification under the Skills Area, as measured against the Company's business needs and long-term objectives

BOARD OF DIRECTORS (continued)

Board Composition

The Board currently comprises ten Directors, consisting of one executive Director, four non-executive Directors and five independent non-executive Directors.

During the year ended 31 December 2025 and up to the date of this report, the composition of the Board comprises the following Directors:

Executive Directors

Dr. Shui On LEUNG *(Chairman and Chief Executive Officer)*
Mr. Shanchun WANG *(President (China)) (resigned on 9 June 2025)*

Non-executive Directors

Dr. Haigang CHEN
Mr. Xun DONG
Ms. Xiaosu WANG
Dr. Jianmin ZHANG

Independent Non-executive Directors

Mr. George William Hunter CAUTHERLEY
Mr. Ping Cho Terence HON
Dr. Chi Ming LEE
Ms. Chi Sau Giselle LEE *(appointed on 30 June 2025)*
Mr. Nan SHEN *(appointed on 30 June 2025)*
Mr. Dylan Carlo TINKER *(passed away on 29 May 2025)*

During the year ended 31 December 2025, changes to the composition to the Board were as follows:

— Mr. Shanchun WANG resigned as an executive Director of the Company with effect from 9 June 2025.

— Mr. Dylan Carlo TINKER, an independent non-executive Director of the Company, passed away on 29 May 2025.

— Ms. Chi Sau Giselle LEE was appointed as an independent non-executive Director of the Company with effect from 30 June 2025. Ms. Lee had obtained the legal advice referred to in Rule 3.09D on 25 June 2025 and had confirmed she understood her obligations as a Director.

— Mr. Nan SHEN was appointed as an independent non-executive Director of the Company with effect from 30 June 2025. Mr. Shen had obtained the legal advice referred to in Rule 3.09D on 25 June 2025 and had confirmed he understood his obligations as a Director.

The biographical information of the Directors is set out in the section headed “Directors and Management” on pages 30 to 36 of this annual report.

None of the members of the Board is related to one another.

BOARD OF DIRECTORS (continued)

Chairman and Chief Executive Officer

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

Dr. Shui On LEUNG ("**Dr. Leung**") is currently both the chairman and the chief executive officer of the Company.

The Board believes that Dr. Leung is the Director best suited, among all Directors, to identify strategic opportunities and focus in view of his extensive understanding of the Company's business as a founder and the chief executive officer. The Board further believes that the combined role of chairman and chief executive officer will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decisions to be made by the Board require approval by at least a majority of the Directors; (ii) Dr. Leung and other Directors are aware of and have undertaken to fulfill their fiduciary duties as Directors, which require, amongst other things, that they act for the benefit and in the best interests of the Company as a whole and will make decisions for the Company accordingly; (iii) the balance of power and authority is protected by the operations of the Board, which consists of an executive Director (Dr. Leung), four non-executive Directors and five independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategies and other key business, financial, and operational policies of the Company are made collectively after thorough discussions at both the Board and senior management levels. Therefore, the Board considers that it is in the best interests of the Group for Dr. Leung to take up both roles for business development and effective management, and the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances.

Independent Non-executive Directors

During the year ended 31 December 2025, 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 one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. Names of each of the independent non-executive Directors are disclosed in all corporate communication of the Company. An updated list of directors of the Company, identifying the roles and functions and the position of independent non-executive Directors is maintained on the websites of both the Company and of the Stock Exchange.

The Company has received written confirmation from each of the independent non-executive Directors confirming his/her independence as regards the factors set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent pursuant to Rule 3.13 of the Listing Rules.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years and subject to re-appointment, retirement by rotation and re-election in accordance with the Articles and the Listing Rules.

BOARD OF DIRECTORS (continued)

Appointment and Re-election of Directors

The non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of three years, subject to renewal after the expiry of the then current term. Dr. Shui On LEUNG, an executive Director of the Company, (entered into a service contract as executive Director) and Mr. Shanchun WANG, a former executive Director of the Company, (entered into a letter of appointment as executive Director) are appointed for a term of three years, subject to renewal after expiry of the then current term. Mr. Wang also entered into an employment contract as President (China). The letter of appointment to Mr. Wang as executive Director and his employment contract as President (China) was terminated on 9 June 2025 and 6 June 2025 respectively.

All the Directors of the Company are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but greater than one-third, shall retire from office by rotation. Every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years. The Articles also provide that any Director appointed by the Board to fill a casual vacancy or as an addition to the Board, shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

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 operational 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 judgement on corporate actions and operations.

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

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

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

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

BOARD OF DIRECTORS (continued)

Continuous Professional Development of Directors

The Company provides and arranges continuous professional development ("**CPD**") training to Directors to keep our Directors 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. The mode of training includes attending seminars conducted by external parties and reading materials selected by the Company.

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

The Directors are required to provide the Company with details of updates and supporting documents on the training that they attended during the reporting period. During the year ended 31 December 2025, Dr. Shui On LEUNG, Dr. Haigang CHEN, Mr. Xun DONG, Ms. Xiaosu WANG, Dr. Jianmin ZHANG, Mr. George William Hunter CAUTHERLEY, Mr. Ping Cho Terence HON, Dr. Chi Ming LEE, Ms. Chi Sau Giselle LEE and Mr. Nan SHEN, have participated in CPD as required by rules 3.09F and 3.09G of the Listing Rules, details of the CPDs received by the Directors are set out below:

Directors' Training by Topic

	Number of hour(s) for each topic (Mode) (Note 1)					
Director	**Topic 1**	**Topic 2**	**Topic 3**	**Topic 4**	**Topic 5**	**Total no. of hours**
Executive Directors						
Dr. Shui On LEUNG *(Chairman and Chief Executive Officer)*	1 (A, B)	1 (A, B)	1 (A, B)	1 (A, B)	3 (B)	7
Mr. Shanchun WANG *(President (China))* (Note 2)	N/A	N/A	N/A	N/A	N/A	N/A
Non-executive Directors						
Dr. Haigang CHEN	1 (A, B)	1 (A, B)	1 (A,B)	1 (A, B)	3 (B)	7
Mr. Xun DONG	1 (A, B)	1 (A, B)	1 (A,B)	1 (A, B)	3 (B)	7
Ms. Xiaosu WANG	1 (A, B)	1 (A, B)	1 (A,B)	1 (A, B)	3 (B)	7
Dr. Jianmin ZHANG	1 (A, B)	1 (A, B)	1 (A,B)	1 (A, B)	3 (B)	7
Independent Non-executive Directors						
Mr. George William Hunter CAUTHERLEY	1 (A, B)	1 (A, B)	1 (A, B)	1 (A, B)	3 (B)	7
Mr. Ping Cho Terence HON	1 (A, B)	1 (A, B)	1 (A, B)	1 (A, B)	3 (B)	7
Dr. Chi Ming LEE	1 (A, B)	1 (A, B)	1 (A, B)	1 (A, B)	3 (B)	7
Ms. Chi Sau Giselle LEE (Note 3)	1 (A, B)	1 (A, B)	1 (A, B)	1 (A, B)	3 (B)	7
Mr. Nan SHEN (Note 3)	1 (A, B)	1 (A, B)	1 (A, B)	1 (A, B)	3 (B)	7
Mr. Dylan Carlo TINKER (Note 4)	N/A	N/A	N/A	N/A	N/A	N/A

BOARD OF DIRECTORS (continued)

Notes:

1. Please refer to the table below for details of topics covered. The mode of training includes attending seminars conducted by external service providers (A, as indicated in the table above) and self-study by reading materials selected by the Company (B, as indicated in the table above).

2. Resigned on 9 June 2025

3. Appointed on 30 June 2025

4. Passed away on 29 May 2025

Table to Note 1: Details of topics covered for CPD

	Topics	Provider
1	Roles, functions and responsibilities of the board, its committees and its directors and board effectiveness	Deheng Law Offices (Hong Kong)
2	Issuers' obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties	Deheng Law Offices (Hong Kong)
3	Corporate governance and ESG matters (including developments on sustainability or climate-related risks and opportunities relevant to issuer and its business)	SW Institute of Knowledge Enhancement Limited
4	Risk management and internal controls	SW Institute of Knowledge Enhancement Limited
5	Updates on industry-specific developments, business trends and strategies relevant to the issuer	Various Analysis Report and News Update on Healthcare & Biotech Market

BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

During the year ended 31 December 2025, the Board conducted regular meetings and scheduled to meet at least four times at approximately quarterly intervals in accordance with the CG Code. Apart from regular Board meetings, the Chairman also held meeting annually with the independent non-executive Directors without the presence of other Directors.

The attendance records of the Directors at the Board meetings and the general meetings held during the year ended 31 December 2025 are as follows:

Name of Directors	**Attendance**	
	Board Meetings	*General Meeting*
Executive Directors		
Dr. Shui On LEUNG *(Chairman and Chief Executive Officer)*	10/10	1/1
Mr. Shanchun WANG *(President (China))* (Note 1)	3/3	0/0
Non-executive Directors		
Dr. Haigang CHEN	10/10	1/1
Mr. Xun DONG	6/10	1/1
Ms. Xiaosu WANG	9/10	1/1
Dr. Jianmin ZHANG	8/10	1/1
Independent Non-executive Directors		
Mr. George William Hunter CAUTHERLEY	10/10	1/1
Mr. Ping Cho Terence HON	10/10	1/1
Dr. Chi Ming LEE	10/10	1/1
Ms. Chi Sau Giselle LEE (Note 2)	5/5	0/0
Mr. Nan SHEN (Note 2)	5/5	0/0
Mr. Dylan Carlo TINKER (Note 3)	1/2	0/0

Notes:

1. Resigned on 9 June 2025
2. Appointed on 30 June 2025
3. Passed away on 29 May 2025

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination 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 Committee and Nomination Committee are available on the Company's website and the Stock Exchange's website and are available to Shareholders upon request. All three committees are provided with sufficient resources to perform their duties. Independent professional advice is available to the committees to perform their responsibilities at the Company's expenses, when necessary.

Audit Committee

The Audit Committee was established in 2019. The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The Audit Committee currently comprises the following members:

Independent Non-executive Directors:

Mr. Ping Cho Terence HON *(Chairman of the Committee)*
Mr. George William Hunter CAUTHERLEY *(Member)*
Dr. Chi Ming LEE *(Member)*
Ms. Chi Sau Giselle LEE *(Member)*
Mr. Nan SHEN *(Member)*

Mr. Dylan Carlo TINKER passed away and ceased to be an independent non-executive Director and member of the Audit Committee with effect from 29 May 2025.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditor, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

A summary of work performed by the Audit Committee during the year ended 31 December 2025 is set out as follows:

(i) reviewing the accounting principles and policies adopted by the Group;

(ii) reviewing the audited consolidated financial statements of the Group for the year ended 31 December 2024 and the interim results of the Group for the six months ended 30 June 2025;

(iii) reviewing any significant findings by the independent auditor during the financial audit and other audit issues;

(iv) recommending the Board on the re-appointment of external auditor at the 2025 annual general meeting; and

(v) monitoring and reviewing the effectiveness of the risk management and internal control systems including the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function as well as reviewing the effectiveness of the Company's internal audit function.

BOARD COMMITTEES (continued)

During the year ended 31 December 2025, four Audit Committee meetings were held, of which both of them were attended by the Company's external auditor regarding the review of the Company's financial report and accounts. The attendance records of the members of the Audit Committee during the year ended 31 December 2025 are as follows:

Name of members of the Audit Committee	Attendance
Mr. Ping Cho Terence HON *(Chairman of the Committee)*	4/4
Mr. George William Hunter CAUTHERLEY	4/4
Dr. Chi Ming LEE	4/4
Ms. Chi Sau Giselle LEE *(appointed on 30 June 2025)*	1/1
Mr. Nan SHEN *(appointed on 30 June 2025)*	1/1
Mr. Dylan Carlo TINKER *(passed away on 29 May 2025)*	2/2

Remuneration Committee

The Remuneration Committee was established in 2019. The terms of reference of the Remuneration Committee as amended on 20 March 2023 are of no less exacting terms than those set out in the CG Code.

The Remuneration Committee currently comprises the following members:

Executive Director:

Dr. Shui On LEUNG *(Member)*

Independent Non-executive Directors:

Dr. Chi Ming LEE *(Chairman of the Committee)*
Mr. Ping Cho Terence HON *(Member)*

The primary functions of the Remuneration Committee include reviewing and determining/making recommendations to the Board on the remuneration packages and the terms of service contracts of individual Directors and senior management, the remuneration policy and structure for all Directors and senior management, and establishing formal and transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. The remuneration of Directors and senior executives is determined with reference to their expertise and experience in the industry, the Board's corporate goals and objectives, and the performance of the Group as well as remuneration benchmarks from comparable companies and prevailing market conditions.

BOARD COMMITTEES (continued)

The Board has delegated its responsibility to the Remuneration Committee to determine the remuneration packages of individual executive directors and senior management.

A summary of work performed by the Remuneration Committee during the year ended 31 December 2025 is set out as follows:

(i) reviewing the Company's policy and structure for the remuneration of all Directors and senior management;

(ii) assessing the performance of the executive Directors and the senior management;

(iii) reviewing the remuneration packages of the individual Directors and the senior management and make recommendation to the Board of their remuneration and/or determine the remuneration of such individuals;

(iv) reviewing and making recommendation to the Board on the remuneration package for newly appointed directors;

(v) reviewing matters in relation to the 2022 Share Option Scheme (the "**Amended 2022 Share Option Scheme**"); and

(vi) reviewing and approving the grant of share options to a senior management pursuant to the Amended 2022 Share Option Scheme. The Remuneration Committee was of the view that clawback mechanism is not necessary for the grant under the Amended 2022 Share Option Scheme as the scheme rules have already provided for the lapse and cancellation of options in different scenarios and have provided enough protection to the Company's interests.

Details of the remuneration of the senior management by band are set out in notes 9 and 10 to the consolidated financial statements.

During the year ended 31 December 2025, one Remuneration Committee meeting was held. The attendance records of the members of the Remuneration Committee during the year ended 31 December 2025 are as follows:

Name of members of the Remuneration Committee	Attendance
Dr. Chi Ming LEE *(Chairman of the Committee)*	1/1
Mr. Ping Cho Terence HON	1/1
Dr. Shui On LEUNG	1/1

BOARD COMMITTEES (continued)

Nomination Committee

The Nomination Committee was established in 2019. The terms of reference of the Nomination Committee were amended on 30 June 2025 to comply with the code provisions B.3.1 and B.3.5 in the CG Code, and are on terms no less exacting than those set out in the CG Code.

The Nomination Committee currently comprises the following members:

Executive Director:

Dr. Shui On LEUNG *(Chairman of the Committee)*

Independent Non-executive Directors:

Mr. Ping Cho Terence HON *(Member)*
Ms. Chi Sau Giselle LEE *(Member)*
Mr. Nan SHEN *(Member)*

Mr. Dylan Carlo TINKER passed away and ceased to be an independent non-executive Director and member of the Nomination Committee with effect from 29 May 2025. Following the passing away of Mr. Tinker, the Nomination Committee comprised two members, one of which is an executive Director, and the Nomination Committee did not comprise a majority of independent non-executive Directors as required by Rule 3.27A of the Listing Rules. Upon the appointments of Ms. Chi Sau Giselle LEE and Mr. Nan SHEN, both as independent non-executive Directors and members of the Nomination Committee on 30 June 2025, the Company has re-complied with Rule 3.27A of the Listing Rules.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

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 discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

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

The Nomination Committee reviews the board diversity and skills matrix, as well as the significant external time commitments and any other factors or circumstances relevant to each of the Director's character, integrity, independence and experience as confirmed by each Director to assess their time commitment and contribution to the Board.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board. The Nomination Committee would also consider candidates on merit and against the objective criteria that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the procedures and criteria for the nomination of Directors, as appropriate, to ensure its effectiveness.

BOARD COMMITTEES (continued)

A summary of work performed by the Nomination Committee during the year ended 31 December 2025 is set out as follows:

(i) reviewing the structure, size and composition of the Board;

(ii) reviewing the skills matrix and performance evaluation results of the Board;

(iii) making recommendations to the Board on the re-appointment of Directors and succession planning for Directors;

(iv) assessing the independence of the independent non-executive Directors;

(v) reviewing and making recommendation to the Board on the appointment of independent non-executive Directors; and

(vi) reviewing and making recommendation to the Board on the adoption the Workforce Diversity Policy and the amendment of the Board Diversity Policy.

During the year ended 31 December 2025, one Nomination Committee meeting was held. The attendance records of the members of the Nomination Committee during the year ended 31 December 2025 are as follows:

Name of members of the Nomination Committee	Attendance
Dr. Shui On LEUNG *(Chairman of the Committee)*	1/1
Mr. Ping Cho Terence HON	1/1
Ms. Chi Sau Giselle LEE *(appointed on 30 June 2025)*	0/0
Mr. Nan SHEN *(appointed on 30 June 2025)*	0/0
Mr. Dylan Carlo TINKER *(passed away on 29 May 2025)*	1/1

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Board Diversity Policy was amended on 30 June 2025 to set measurable objectives to promote gender diversity in the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

Pursuant to the Board Diversity Policy, the Nomination Committee reports annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to achieving diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board has set measurable objectives to implement the Board Diversity Policy and reviews such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board has reviewed the implementation and effectiveness of the Board Diversity Policy during the Reporting Period. The Nomination Committee will periodically review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

BOARD COMMITTEES (continued)

The Board has achieved gender diversity as the current female to male ratio at Board level is 2:8.

As at 31 December 2025, female to male ratio at workforce levels (including our senior management) was 45:55. Further details in relation to the Group's workforce diversity is disclosed in our Environmental, Social and Governance Report.

Corporate Governance Functions

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

During the year ended 31 December 2025, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in the 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. Such risks include material risks relating to Environmental, Social and Governance ("**ESG**").

The Company has adopted and implemented comprehensive risk management and internal control policies in various aspects to achieve effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. The Audit Committee reviews the risk management and internal control system twice a year and assists the Board at least annually, in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems. Risks identified by management will be analysed on the basis of likelihood and impact, and will be properly followed up, mitigated and rectified by the Company and reported to the Board.

During the year ended 31 December 2025, the Company has engaged an independent consultant ("**Independent Consultant**") to carry out the analysis and independent review of the adequacy and effectiveness of the risk management and internal control systems of the Company and its subsidiaries. The review included making enquiries with appropriate management and key process owners and performing walkthrough tests to identify the major risks and significant deficiencies, and making recommendation for improving and strengthening the internal control system to the Audit Committee for approval. The management then conducts follow-up review at least on a quarterly basis on the effectiveness of any adopted measures for improving and strengthening the internal control system, and report back to the Audit Committee.

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

RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

Risk Management

- The Audit Committee will (i) oversee and manage the overall risks associated with our business operations, including reviewing and approving our risk management policy to ensure that it is consistent with our business strategies; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operations and our management's handling of such risks; (iv) reviewing our corporate risk in the light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management policies within the Company and the Group.

- Mr. Hua, the Chief Financial Officer of the Company, is responsible for (i) formulating and updating our risk management policy and target; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competences are in place in the Company; and (viii) reporting to the Audit Committee on our material risks.

- The Company has adopted various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure.

- The relevant departments in the Company, including the finance department, the legal department, and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to formalise risk management in our Company and set a common level of transparency and risk management performance, the relevant departments will gather information about the risks relating to their operation or function and conduct risk assessments.

It is believed that the Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management.

Internal Control

It is the responsibility of the Board to ensure that the Company maintains a sound and effective internal control system. During the Reporting Period, our engaged Independent Consultant performed certain agreed-upon procedures (the "**Internal Control Review**") in connection with the internal control during the period from 1 January 2025 to 31 December 2025 of our Company and our major operating subsidiaries in certain aspects, including financial reporting and disclosure controls, corporate level controls, information system control management and other procedures for our operations. In the year under review, no material issues on the Group's internal control system have been identified in the reviewed areas and reported to the Audit Committee. The Independent Consultant also performed follow-up review on the remedial actions undertaken by the management of the Group on the deficiencies identified during the course of the Internal Control Review conducted in 2025.

RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

During the year ended 31 December 2025, the Company has regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures the Company has implemented or planned to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation, such as protection of intellectual property, environmental protection and occupational health and safety. For more information, see "— IPRs Protection" and "— Health & Safety" to the Environmental, Social and Governance Report. We provide periodic training about these measures and procedures to our employees as part of our employee training program. We also constantly monitor the implementation of those measures and procedures.

- Our Directors (who are responsible for monitoring the corporate governance of the Company) with assistance from our legal advisors, periodically review our compliance status with all relevant laws and regulations.

- Our Audit Committee (i) makes recommendations to our Directors on the appointment and removal of external auditor; and (ii) reviews the financial statements and render advice in respect of financial reporting as well as oversee internal control procedures of our Group.

- We have arranged anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations.

- We plan to provide our Directors, senior management and relevant employees with continuing training programs and updates regarding the relevant PRC laws and regulations on a regular basis with a view to proactively identify any concerns and issues relating to any potential non-compliance.

- We intend to maintain strict anti-corruption policies among our sales personnel and distributors in our sales and marketing activities after we obtain marketing approvals for our drug candidates. We will also ensure that our sales and marketing personnel comply with applicable promotion and advertising requirements, which include restrictions on promoting drugs for unapproved uses or patient populations, and limitations on industry-sponsored scientific and educational activities.

The Board conducts a review of its risk management and internal control systems annually and, supported by the Audit Committee, reviewed the risk management and internal control systems, including the financial, operational, ESG and compliance controls, for the year ended 31 December 2025, 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.

The Company 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 in a timely manner in accordance with applicable laws and regulations. Senior executive managements are delegated with responsibilities to control and monitor the proper procedures for disclosing the inside information. Directors and employees are restricted from dealing in the Company's securities when they are in possession of unpublished inside information. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

The Company has established policies embedding the code of conducts for effective whistleblowing and anti-corruption systems. Under the policies, employees and stakeholders can report any serious concerns about suspected fraud, corruption, malpractice, misconduct or irregularity of the Group by email at whistleblower@sinomab.com. The aforesaid email can only be accessed by Senior Manager — Internal Audit Department or any person as designated by the Audit Committee.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S REMUNERATION

The remuneration paid or payable to the Company's external auditor, Ernst & Young, in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	**Fees paid and payable** *RMB'000*
Audit service	
Annual audit services	1,850
Non-audit service	–
Total	**1,850**

COMPANY SECRETARY

During the Reporting Period, Ms. Yuk Yin Ivy CHOW resigned and Ms. Florence Wai Ki LAI was appointed as the Company's company secretary on 8 October 2025. Ms. Lai is a corporate services partner of PwC Corporate Services Limited.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Dr. Shui On LEUNG, the Chief Executive Officer, has been designated as the primary contact person at the Company which would work and communicate with the Company's company secretary on the Company's corporate governance and secretarial and administrative matters.

For the year ended 31 December 2025, each of Ms. Chow and Ms. Lai has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels.

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

SHAREHOLDERS' RIGHTS (continued)

Convening a General Meeting

General meetings may be convened by the Directors on requisition of Shareholder(s) of the Company representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings or by such Shareholder(s) who made the requisition (as the case may be) pursuant to Sections 566 and 568 respectively of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "**Companies Ordinance**").

Shareholders should follow the requirements and procedures as set out in the Companies Ordinance and where applicable, the Articles, for convening a general meeting.

Putting Forward Proposals at Annual General Meetings and General Meetings

Pursuant to Section 615 of the Companies Ordinance, shareholders representing at least 2.5% of the total voting rights of all shareholders; or at least 50 shareholders (as the case may be) who have a right to vote at the relevant annual general meeting, may request to circulate a resolution to be moved at an annual general meeting.

Pursuant to Section 580 of the Companies Ordinance, shareholders can request the Company to circulate to shareholders entitled to receive notice of a general meeting, a statement of not more than 1,000 words with respect to a matter mentioned in a proposed resolution to be dealt with at that meeting or other business to be dealt with at that meeting, if such shareholders represent at least 2.5% of the total voting rights of all shareholders; or at least 50 shareholders (as the case may be) who have a relevant right to vote.

Shareholders should follow the requirements and procedures as set out in the Companies Ordinance and where applicable, the Articles, for circulation of statement for general meeting and resolution for annual general meeting.

The Company has arranged sufficient procedures to address questions from Shareholders in the general meetings.

Putting Forward Enquiries to the Board

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

Contact Details

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

Address:	Units 303 and 305-307, No. 15 Science Park West Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong (For the attention of the Board of Directors)
Fax:	(852) 3426 9433
Email:	message@sinomab.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

During the Reporting Period, the Company has not made any changes to the Articles. An up-to-date version of the Articles is available on the Company's website and the Stock Exchange's website.

Policies relating to Shareholders

The Company has in place a Shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. Shareholders can communicate with the Company via sending their enquiries to the Company's share registrar in relation to their shareholdings and attending the Company's shareholders' meetings. The Company also communicates with Shareholders via corporate communications, including but not limited to directors' report and annual accounts together with a copy of the auditor's report, interim report, notice of meeting, circular and proxy form. To solicit and understand views of Shareholders, the Company also provides "Send a message" function on its website and publishes press release. The full text of the Shareholders' communication policy is available on the website of the Company. The policy is regularly reviewed to ensure its effectiveness. The Board has reviewed the implementation of the policy during the Reporting Period. Considering that different channels have been implemented by the Company to communicate with its Shareholders, the Board confirmed the effectiveness of the policy during the Reporting Period.

Corporate Communications

Pursuant to Rule 2.07A of the Listing Rules in respect of the expansion of paperless listing regime and electronic dissemination of corporate communications that came into effect on 31 December 2023 and the Companies Ordinance, the Company has adopted electronic dissemination of corporate communications. The details of the arrangement are set out in Company website under "Investor Relations" section.

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the factors including but not limited to the operations, earnings, cash requirements and availability, capital expenditure, future development requirements, business conditions and strategies, interests of Shareholders, and any restrictions on payment of dividends, the Board may propose and/or declare dividends during a financial year and any final dividend for a financial year will be subject to Shareholders' approval.

There is no arrangement under which a Shareholder has waived or agreed to waive any dividend.

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

PRINCIPAL ACTIVITIES

We are the first Hong Kong-based listed biopharmaceutical company dedicated to the research, development, manufacturing and commercialisation of therapeutics for the treatment of immunological diseases, primarily monoclonal antibody ("**mAb**")-based biologics.

We have been dedicated to R&D since our inception, and have built a pipeline of mAb-based biologics and new chemical entities ("**NCE**") addressing indications against a plethora of immunological diseases. Under the leadership of our management team, consisting of members with rich experience in scientific research and business management, we have established a business model that integrates elements from the entire industry chain encompassing R&D, clinical trials and production.

Details of the principal activities of the Company's subsidiaries are set out in note 1 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

BUSINESS REVIEW AND RESULTS

A review of the business of the Group during the Reporting Period is provided in "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the "Financial Review" on pages 25 to 28 of this annual report.

The results of the Group for the Reporting Period are set out in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Comprehensive Income on pages 91 to 92 of this annual report.

In addition, relevant details of the Company's environment policies and performance and key relationships with employees, customers and suppliers will be reported in the separate Environmental, Social and Governance Report of the Company, which will be published together with this Annual Report. The Directors were not aware of any non-compliance with the relevant laws and regulations that have a significant impact on the Group during the Reporting Period.

DIVIDEND

No interim dividend was paid to the Shareholders during the year.

The Directors have resolved not to recommend the payment of a final dividend to the Shareholders for the year ended 31 December 2025 (2024: Nil).

ANNUAL GENERAL MEETING

The 2026 Annual General Meeting of the Company will be convened to be held on Friday, 12 June 2026. Relevant notice of the meeting will be contained in the circular of the Company relating to the re-election of Directors and the general mandates to issue and buy back Shares (the "**Circular**") to be published, together with this Annual Report on the websites of the Stock Exchange and the Company and to be despatched to the Shareholders in the manner as required by the Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS

The record date for determining the entitlement of the shareholders of the Company to attend, speak and vote at the AGM is Friday, 12 June 2026.

For the purpose of ascertaining Shareholders' entitlement to attend and vote at the 2026 Annual General Meeting, the register of members of the Company will be closed from Tuesday, 9 June 2026 to Friday, 12 June 2026, both days inclusive, during which period no transfers of Shares will be registered. In order to be entitled to attend, speak and vote at the 2026 Annual General Meeting, all transfers of Shares, duly accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Monday, 8 June 2026.

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE

2025 Share Subscriptions

During the year 2025, the Company has conducted two fund raising activities by subscriptions of new shares under general mandate, details were disclosed under 2025 July Share Subscriptions and 2025 May Share Subscriptions below.

2025 July Share Subscriptions

On 22 July 2025, the Company entered into twenty-three subscription agreements with twenty-three subscribers for the issuance of an aggregate of 182,072,400 new ordinary shares at a subscription price of HK$2.03 per share ("**2025 July Share Subscriptions**"). The Company completed an issue of 157,107,000 new shares on 15 August 2025 and 24,965,400 new shares on 29 August 2025, representing a net subscription price of approximately HK$2.03 per subscription share. The subscription price of HK$2.03 per share represents (i) a discount of approximately 16.12% to the closing price per Share of HK$2.42 as quoted on the Stock Exchange on 22 July 2025, being the date of the subscription agreements; (ii) a discount of approximately 18.80% to the average closing price per Share of HK$2.50 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreements; and (iii) a discount of approximately 9.38% to the average closing price per Share of HK$2.24 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the subscription agreements.

Each of the subscribers and its ultimate beneficial owner(s), are independent third parties of the Company. Each of the Subscribers is either an individual private investor or a company principally engaged in investment holding. The 2025 July Share Subscriptions were conditional upon the approval of the listing of, and permission to deal in, all the new shares being granted by the Listing Committee of the Stock Exchange, and such approval was given by the Stock Exchange in August 2025.

The Directors consider that the 2025 July Share Subscriptions represent a good opportunity for the Company to raise capital to support its continued growth and development, as well as to enhance financial flexibility of the Company. For details of the 2025 July Share Subscriptions, please refer to the announcements of the Company dated 22 July 2025, 15 August 2025 and 29 August 2025.

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE (continued)

2025 May Share Subscriptions

On 13 May 2025, the Company entered into twenty-six subscription agreements with twenty-six subscribers for the issuance of an aggregate of 112,810,817 new ordinary shares at a subscription price of HK$1.10 per share (the "**2025 May Share Subscriptions**"). The completion of the 2025 May Share Subscriptions took place in May 2025 and raised net proceeds of approximately HK$123,956,911, representing a net subscription price of approximately HK$1.10 per subscription share. The subscription price of HK$1.10 per share represents (i) a discount of approximately 11.29% to the closing price per Share of HK$1.240 as quoted on the Stock Exchange on 13 May 2025, being the date of the subscription agreements; and (ii) a discount of approximately 19.94% to the average closing price per Share of HK$1.374 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreements. Each of the subscribers and its ultimate beneficial owner(s), are independent third parties of the Company. All subscribers are individuals (including employees of the Company) with extensive investment experience in capital market and/or professional investors and/or professionals/scientists in biopharmaceutical industry procured by the Company. The 2025 May Share Subscriptions were conditional upon the approval of the listing of, and permission to deal in, all the new shares being granted by the Listing Committee of the Stock Exchange, and such approval was given by the Stock Exchange in May 2025.

The Directors consider that the 2025 May Share Subscriptions represent a good opportunity for the Company to raise capital to meet the Company's funding needs and strengthen the shareholding base of the Company.

For details of the 2025 May Share Subscriptions, please refer to the announcements of the Company dated 13 May 2025, 29 May 2025 and 15 August 2025.

Change in use of proceeds raised from 2025 July Share Subscriptions

Seeking opportunities to license out our pipeline assets is the Company's core strategy. Given the overwhelmingly positive feedback received from potential partners on our key product, SM17, we will prioritise and accelerate the development of SM17 for the treatment of atopic dermatitis. Therefore, the Company decides to reallocate HK$25.0 million from the use of net proceeds raised from the 2025 July Share Subscriptions from "(ii) For all clinical trials and new clinical development programmes for SM03" to "(i) For R&D and clinical programmes and potential global cooperations of SM17, especially for the subcutaneous bridging study and Phase 2 clinical study of atopic dermatitis in China, for the trial expense, related production cost and related employment cost".

Reference is made to the announcement of the Company dated 12 March 2026 in relation to the entering into of an agreement between SinoMab Biopharmaceutical (Haikou) Limited* (中抗生物製藥(海口)有限公司) and SinoMab BioScience (Shenzhen) Limited* (深圳賽樂敏生物科技有限公司) (together as Tenant), and Haikou Pharmaceutical Factory Co., Ltd. (海口市製藥廠有限公司) (as Landlord) to terminate a lease agreement for a property located at Haikou (the "**Termination**"). Subsequent to the Termination, the Company decides to reallocate HK$30.0 million from the use of net proceeds raised from the 2025 July Share Subscriptions from "(d) Rental expenses" under "(iv) For the Group's working capital, the expansion of internal capabilities and other general corporate purposes" to "(g) Other working capital purposes" under "(iv) For the Group's working capital, the expansion of internal capabilities and other general corporate purposes".

The Board considered the impact of the proposed change in the use of the proceeds on the Group's business and believes that, in view of the Group's operation and business development, the reallocation of the unutilised net proceeds raised from the 2025 July Share Subscriptions will facilitate efficient allocation of financial resources and strengthen the future development of the Group, and it is appropriate and in the interests of the Company and its shareholders as a whole.

To strive for better business performance of the Group, the Board will continuously assess the use of unutilised net proceeds and may revise or amend the plan for the use of the unutilised net proceeds where necessary in respond to the changing market conditions.

* *For identifications purposed only*

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE (continued)

Change in use of proceeds raised from 2025 July Share Subscriptions (continued)

The following table sets out the planned applications of the net proceeds from 2025 May Share Subscriptions and 2025 July Share Subscriptions and the actual usage up to 31 December 2025:

	Net proceeds from the 2025 May Share Subscriptions	Planned net proceeds from the 2025 July Share Subscriptions	Revised net proceeds from the 2025 July Share Subscriptions	Actual utilisation up to 31 December 2025	Unutilised net proceeds as at 31 December 2025	Expected timeline for full utilisation of the unutilised net proceeds[1]
	(approximate HKD in millions)					
(i) For R&D and clinical programmes and potential global cooperations of SM17, especially for the subcutaneous bridging study and Phase 2 clinical study of atopic dermatitis in China, for the trial expense, related production cost and related employment cost	55.781	None	25.000	21.668	59.113	by the end of 2027
(ii) For all clinical trials and new clinical development program for SM03	None	73.892	48.892	8.206	40.686	by the end of 2027
(iii) For pre-clinical research, clinical new drug candidates not currently in the Group's pipeline to diversify its product portfolio, as well as for investigational new drug (IND) enabling of new drug candidates, especially for preclinical studies, production cost and related employment cost, in particular:						
(a) To fund the development of SM18, one of the Company's drug candidates. The Company is currently in the process of CMC optimisation and toxicology studies for SM18 ("**IND Enabling Stage**").	24.791	None	None	0.926	23.865	by the end of 2026
(b) To fund the Phase 1 clinical study for SM18 after completion of its IND Enabling Stage.	None	15.000	15.000	–	15.000	by the end of 2027
(c) To fund the development of another drug candidate of the Company, SM32. The Company plans to commence SM32's IND Enabling Stage, including CMC optimisation and the long-term toxicity test in non-human primates, soon.	None	25.000	25.000	0.880	24.120	by the end of 2027
(d) To fund the Phase 1 clinical study for SM32 after completion of its IND Enabling Stage.	None	15.000	15.000	–	15.000	by the end of 2028

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE (continued)

Change in use of proceeds raised from 2025 July Share Subscriptions (continued)

	Net proceeds from the 2025 May Share Subscriptions	Planned net proceeds from the 2025 July Share Subscriptions	Revised net proceeds from the 2025 July Share Subscriptions	Actual utilisation up to 31 December 2025	Unutilised net proceeds as at 31 December 2025	Expected timeline for full utilisation of the unutilised net proceeds[1]
	(approximate HKD in millions)					
(e) To fund the development of at least two other drug candidates (for which patent applications have not yet been filed) through the IND Enabling Stage, with each candidate being allocated approximately HK$25 million.	None	55.839	55.839	12.983	42.856	by the end of 2027
(iv) For the Group's working capital, the expansion of internal capabilities and other general corporate purposes, including[2]:						
(a) Near-term operational cash flow needs for the year 2025	43.385	10.000	10.000	53.385	–	N/A
(b) Staff-related expenses, comprising (i) existing director's and non-clinical staff's remuneration (approximately HK$53.0 million) and (ii) incremental staff cost (approximately HK$16.0 million) due to the Company's expansion to further advance the Company's R&D projects	None	69.000	69.000	12.918	56.082	by the end of 2027
(c) Professional fees (i.e. annual listing-related, legal and audit costs)	None	14.000	14.000	4.438	9.562	by the end of 2027
(d) Rental expenses	None	44.000	14.000	2.908	11.092	by the end of 2027
(e) Patent-related expenses	None	20.000	20.000	1.815	18.185	by the end of 2027
(f) Various taxes and maintenance cost of the land and building in Suzhou	None	10.000	10.000	3.709	6.291	by the end of 2027
(g) Other working capital purposes	None	17.730	47.730	6.791	40.939	by the end of 2027
Total	123.957	369.461	369.461	130.627	362.791	

Notes:

(1) The expected timeline for utilisation of the unutilised net proceeds is based on the best estimation made by the Group and is subject to change based on the future development and events which may be outside the Group's control. Please note that these expectations are based on the most current information available and may be subject to revision as the Company's businesses develop and/or operations evolve.

(2) 50% (approximately HK$184.7 million) of the proceeds from the subscriptions will be used for the Company's working capital, the expansion of internal capabilities, and other general corporate purposes. The allocation is intended to strengthen the financial position of the Group and fund its working capital.

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE (continued)

2023 Share Subscriptions

On 14 December 2023, the Company entered into fifteen subscription agreements with fifteen subscribers for the issuance of an aggregate of 56,834,719 new ordinary shares at a subscription price of HK$1.29 per share (the "**2023 Subscriptions**"). The completion of the 2023 Subscriptions took place in January 2024 and raised net proceeds of approximately HK$73,181,794, representing a net subscription price of approximately HK$1.29 per subscription share. The Company completed an issue of 48,322,093 new ordinary shares for thirteen subscription agreements and 8,512,626 new ordinary shares for two subscription agreements on 12 January 2024 and 31 January 2024, respectively. The subscription price of HK$1.29 per share represents (i) a discount of approximately 18.35% to the closing price per Share of HK$1.58 as quoted on the Stock Exchange on 14 December 2023, being the date of the subscription agreements; (ii) a discount of approximately 16.77% to the average closing price per Share of HK$1.55 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreements; and (iii) a discount of approximately 9.15% to the average closing price per Share of HK$1.42 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the subscription agreements. Each of the subscribers and its ultimate beneficial owner(s), are independent third parties of the Company. All subscribers are individuals (including employees of the Company), corporations and/or professional investors procured by the Company. The 2023 Subscriptions were conditional upon the approval of the listing of, and permission to deal in, all the new shares being granted by the Listing Committee of the Stock Exchange, and such approval was given by the Stock Exchange in December 2023.

Change in use of proceeds raised from 2023 Subscriptions

As reported in the preceding Management Discussion and Analysis section, we are assessing the feasibility of transferring production to CDMOs. To align with our strategy of optimising resource allocation, enhancing operational flexibility, and primarily focusing on IND and clinical studies, the Company decides to reallocate (i) HK$5.1 million from "For marketing and commercialisation, including establishment of a sales and marketing team, post commercialisation medical activities and marketing and academic promotion activities for Suciraslimab," and (ii) HK$14.6 million from "For commercial production and post-launch site transfer for Suciraslimab" to "For the Group's working capital, the expansion of internal capabilities and other general corporate purposes".

The Board considered the impact of the proposed change in the use of the proceeds on the Group's business and believes that, in view of the Group's operation and business development, the reallocation of the unutilised net proceeds raised from the 2023 Subscriptions will facilitate efficient allocation of financial resources and strengthen the future development of the Group, and it is appropriate and in the interests of the Company and its shareholders as a whole. To strive for better business performance of the Group, the Board will continuously assess the use of unutilised net proceeds and may revise or amend the plan for the use of the unutilised net proceeds where necessary in respond to the changing market conditions.

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE (continued)

Change in use of proceeds raised from 2023 Share Subscriptions (continued)

The Directors consider that the 2023 Subscriptions represent a good opportunity for the Company to raise capital to meet the Company's funding needs and strengthen the shareholding base of the Company. References are made to the Company's announcements dated 14 December 2023, 12 January 2024, 31 January 2024, and 31 March 2025. Details of the planned applications of the net proceeds from the 2023 Subscriptions were disclosed in the Company's announcements dated 14 December 2023, 12 January 2024, 31 January 2024 and subsequently revised and disclosed in the Company's announcement dated 31 March 2025. The following table sets out the planned applications of the net proceeds and the actual usage up to 31 December 2025:

Use of proceeds	**Planned application** *(Note 1)* *(HK$ million)*	**Revised allocation** *(HK$ million)*	**Utilised amount of net proceeds during the Reporting Period** *(HK$ million)*	**Actual utilisation up to 31 December 2025** *(HK$ million)*	**Unutilised net proceeds as at 31 December 2025** *(HK$ million)*	**Expected timeline for full utilisation of the unutilised net proceeds** *(Note 2)*
For marketing and commercialisation, including establishment of a sales and marketing team, post commercialisation medical activities and marketing and academic promotion activities for Suciraslimab	25.6	20.5	18.5	20.5	–	N/A
For commercial production and post-launch site transfer for Suciraslimab	14.6	–	–	–	–	N/A
For BLA commercialisation application and extension study for Suciraslimab	11.0	11.0	9.9	11.0	–	N/A
For clinical studies for SM17 for the treatment of atopic dermatitis	22.0	22.0	15.1	22.0	–	N/A
For the Group's working capital, the expansion of internal capabilities and other general corporate purposes	–	19.7	–	–	19.7	By the end of 2026
Total	73.2	73.2	43.5	53.5	19.7	

Notes:

1. Planned applications as revised and disclosed in the Company's announcement dated 31 March 2025.

2. The expected timeline for utilisation of the unutilised net proceeds is based on the best estimation made by the Group and is subject to change based on the future development and events which may be outside the Group's control.

Such utilisation of the net proceeds was in accordance with the planned applications as set out in the above. The unutilised portion of the net proceeds will be applied in a manner consistent with the above planned applications.

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE (continued)

2022 Share Subscriptions

On 16 November 2022, the Company completed an issue of 28,680,000 new ordinary shares at a subscription price of HK$1.78 per share to two subscribers and raised net proceeds of approximately HK$50,890,400, representing a net subscription price of approximately HK$1.77 per subscription share (the "**2022 Subscriptions**"). The subscription price of HK$1.78 per share represents (i) the closing price per Share of HK$1.78 as quoted on the Stock Exchange on 2 November 2022, being the date of the subscription agreements; and (ii) a discount of approximately 0.56% to the average closing price per Share of HK$1.79 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreements. Each of the investors, namely Ms. Shun Kuen CHAN and Mr. Shanchun WANG subscribed 14,340,000 new ordinary shares. The 2022 Subscriptions were conditional upon the approval of the listing of, and permission to deal in, all the new shares being granted by the Listing Committee of the Stock Exchange, such approval was given by the Stock Exchange in November 2022.

The Directors consider that the 2022 Subscriptions represent a good opportunity for the Company to raise capital to meet the Company's funding needs and strengthen the shareholding base of the Company. References are made to the Company's announcements dated 2 November 2022, 7 November 2022, 16 November 2022 and 20 March 2023.

Details of the planned applications of the net proceeds from the 2022 Subscriptions were disclosed in the Company's announcement dated 7 November 2022 and subsequently revised and disclosed in the Company's announcement dated 20 March 2023. As at 30 June 2025, the net proceeds from 2022 Subscriptions has been fully utilised as intended. The following table sets forth the status of the use of the net proceeds as of 31 December 2025.

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE (continued)

Use of proceeds	Planned application *(HK$ million)*	Details of usage	Utilised amount of net proceeds during the Reporting Period *(HK$ million)*	Actual utilisation up to 31 December 2025 *(HK$ million)*	Unutilised net proceeds as at 31 December 2025 *(HK$ million)*	Expected timeline for full utilisation of the unutilised net proceeds
(i) For the R&D and commercialisation of our drug candidate	39.6	For the R&D and commercialisation of our core product, SM03, to fund clinical trials for SM03 including (i) ongoing and planned clinical trials in the PRC; and (ii) New Drug Application registration filings and the commercial launch of SM03.	6.3	39.6	–	N/A
(ii) Further advance the Company's R&D programmes, expand its R&D team, build its commercialisation team, develop its proprietary technology and enhance its full-spectrum platform	0.2	For R&D programmes of SN1011, especially for the Phase 2 clinical study for neuromyelitis optica spectrum disorder (NMOSD) in China, for the trial expense and related production cost.	–	0.2	–	N/A
	4.0	To fund the expansion of R&D team.	1.7	4.0	–	N/A
	2.0	To build the Company's commercialisation team, develop its proprietary technology and enhance the Company's full-spectrum platform.	–	2.0	–	N/A
(iii) For general working capital purpose	5.1	For the general working capital of the Group, including but not limited to staff employment cost and rental and property management fees.	0.6	5.1	–	N/A
Total	50.9		8.6	50.9	–	

Note:

1. SM03 refers to SM03 (Suciraslimab), the flagship product of the Company.

USE OF PROCEEDS FROM GLOBAL OFFERING

On 12 November 2019, Shares were listed on the Stock Exchange (the "**Listing**") and the Company raised net proceeds of HK$1,272.8 million ("**Net Proceeds**").

Reference is made to the Company's prospectus dated 31 October 2019 (the "**Prospectus**") and subsequent changes in use of proceeds as disclosed in the announcements dated 22 July 2020, 14 August 2020, 21 March 2022, 20 March 2023, 25 March 2024, 19 August 2024 and 31 March 2025. As at 30 June 2025, the Net Proceeds have been fully utilised as intended.

The following table sets forth the status of the Company's use of Net Proceeds as of 31 December 2025:

Use of proceeds	Revised allocation (Note 1) *(HK$ million)*	Utilised amount of Net Proceeds during the Reporting Period *(HK$ million)*	Actual utilisation up to 31 December 2025 *(HK$ million)*	Unutilised Net Proceeds as at 31 December 2025 *(HK$ million)*	Expected timeline for full utilisation of the unutilised Net Proceeds
For the R&D and commercialisation of our drug candidates					
For the R&D and commercialisation of our core product, SM03, to fund clinical trials for SM03 including (i) ongoing and planned clinical trials in the PRC; (ii) additional clinical trials to be initiated in the PRC for additional indications; (iii) clinical trials in Australia and the United States; and (iv) New Drug Application registration filings and the commercial launch of SM03	250.9	–	250.9	–	N/A
To fund pre-clinical research, clinical trials, production, preparation for registration filings and potential commercial launches of the other drug candidates in our pipeline	299.4	4.7	299.4	–	N/A
To further advance our R&D programmes, expand our R&D team, build our commercialisation team, develop our proprietary technology and enhance our full-spectrum platform	52.4	–	52.4	–	N/A
For the discovery and development of new drug candidates not currently in our pipeline to diversify our product portfolio	99.9	2.9	99.9	–	N/A
For the construction of our Suzhou production base primarily for the commercial-scale production of our core product SM03					
For the purchase of laboratory equipment, primarily for the R&D of SM03 and potentially for the R&D of other products in our pipeline	75.8	–	75.8	–	N/A
For the purchase of manufacturing equipment, primarily for the production of SM03	49.7	15.6	49.7	–	N/A
For the construction of the Suzhou production base					
For the construction of additional R&D facilities and purchase of laboratory equipment to aid the ongoing R&D of SM03 for the treatment of rheumatoid arthritis, systemic lupus erythematosus, non-Hodgkin's lymphoma and other potential indications, R&D of SM03 at commercialisation to enhance craftsmanship for large-scale production, as well as the development of other products in our pipeline	87.6	–	87.6	–	N/A
For the construction of an upstream production facility and downstream purification facility	23.2	–	23.2	–	N/A
For the purchase of land from the Suzhou Dushu Lake Higher Education Town and other expenses related to the expansion of our Suzhou production base	107.9	–	107.9	–	N/A
For our working capital, expanding internal capabilities and other general corporate purposes	187.2	20.4	187.2	–	N/A
Collaboration with D2M Group	38.8	–	38.8	–	N/A
Total	1,272.8	43.6	1,272.8	–	

Notes:

(1) Planned applications as revised and disclosed in the Company's announcements dated 22 July 2020, 14 August 2020, 21 March 2022, 20 March 2023, 25 March 2024 and 19 August 2024 and 31 March 2025.

(2) SM03 refers to SM03 (Suciraslimab), the flagship product of the Company.

R&D ACTIVITIES OF FLAGSHIP PRODUCT

Our flagship product SM03 (Suciraslimab) is a global first-in-class anti-CD22 mAb for the treatment of RA, immunological and neuro-immunological diseases such as SLE, SS, MCI, Alzheimer's disease, as well as indications in other therapeutic areas. Suciraslimab is expected to be our first commercially available drug candidate in RA. We demonstrated that Suciraslimab adopts a novel mechanism of action which differentiates itself from the current treatments available in the market. Our experimental evidence indicates that upon binding to CD22, Suciraslimab converts the configuration of CD22, changing it from a cis-binding configuration to a trans-binding configuration. Conversion of cis-binding CD22 to trans-binding CD22 allows the B cell to differentiate self from non-self and modulates B cells that trigger autoimmune attacks on autologous tissues, thereby alleviating symptoms in autoimmune diseases such as RA.

In July 2025, Suciraslimab achieved groundbreaking preclinical results from *in vivo* studies for the treatment of SLE, showing promise in a murine model for alleviating proteinuria and potentially lupus nephritis (LN). The novel mechanism of Suciraslimab confers three key competitive advantages by "B Cell Modulation Without Depletion", "Dual Mechanism and Dual Regulation" and "Organ Protection" in the treatment of SLE. The Company has initiated planning for a Phase 2 clinical programme for Suciraslimab in the treatment of SLE and is working to enable an IND application for using Suciraslimab for treating Alzheimer's disease.

The expenditure on the R&D activities of Suciraslimab primarily consisted of:

- third party contracting costs incurred under agreements with consultants, contract research organisations and clinical trial sites that conduct R&D activities on the Group's behalf;
- costs associated with purchases of raw materials;
- employee salaries and related benefit costs; and
- expenses associated with inspection and maintenance of facilities, depreciation and amortisation, travel expenses, insurance, utilities and other supplies.

During the Reporting Period, the Group incurred approximately RMB49.3 million on the R&D activities of Suciraslimab.

For details of our flagship product SM03 (Suciraslimab), please refer to "Management Discussion and Analysis" of this annual report.

Cautionary Statement required by Rule 18A.05 and 18A.08(3) of the Listing Rules: The Company cannot guarantee that it will be able to ultimately develop and market Suciraslimab successfully.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

R&D risk of new drugs

Classified as technical innovations, the R&D of new drugs is characterised by long R&D cycles, significant investment, high risks and a low success rate. From laboratory research to obtaining approval, new drugs have to go through a lengthy process linked by complicated stages, including pre-clinical studies, clinical trials, registration and marketing of new drugs and after-sales supervision. Any of the above stages is subject to the risk of failure.

The Company will strengthen its forward-looking strategic research, and determine the direction of new drug R&D according to the needs of clinical drug use. The Company will also formulate reasonable new drug technology solutions, continuously increase the investment in R&D of new drugs, and uphold the principle of prudence in launching R&D projects for new drugs. In particular, the Company implements phase-based assessments on product candidates in the course of R&D. If it is found that the expected result cannot be achieved, the subsequent R&D of such product candidates will be terminated at once, so as to minimise the R&D risk of new drugs.

Market competition risk

The R&D and commercialisation of new drugs is highly competitive. The Company's recent drug candidates and any new drugs that may be sought for R&D and commercialisation in the future will face competition from pharmaceutical companies and biotechnology companies around the world. The Company's commercial opportunity could be reduced or eliminated if our competitors develop and commercialise drugs that are safer, are more effective or have fewer side effects than the drugs we have developed. The Company's competitors may also obtain approval from the NMPA or FDA sooner than the Company obtaining approval for its drugs, such that the competitors may establish a strong market position before the Company is able to enter the market. The Company will maintain its market competitiveness with its rapid advancement in R&D and clinical trials of drugs, corroborant efficacy and stable production process.

Quality control risk of drugs

The quality and safety of drugs not only concern the health of drug users but also arouse wide public concern. Due to various factors, drugs are subject to quality control risks in all stages, including R&D, manufacturing, distribution and use. Therefore, risk control runs through the entire process of drug development, manufacturing, distribution and use. The Company will secure necessary resources, strengthen training in risk management, and improve various rules and regulations, so as to ensure strict compliance with the GMP standards and control the quality risk of drugs.

Risk of not making profit in short run

One of the most prominent characteristics of the biopharmaceutical industry is a long profit cycle. Generally, a biopharmaceutical enterprise at the R&D stage takes a longer time to reach profitability. As an early-stage biopharmaceutical enterprise, the Company is under a period of making significant R&D investment. With the further supplement of product pipelines, as well as rapid advancement in domestic and international clinical trials for drug candidates, the Company will continue to make significant R&D investment. Our future profit will depend on the marketing progress of drug candidates and the sale of marketed drugs. In addition, significant R&D investment, business promotion costs and operation costs create more uncertainties over making profits. Therefore, the Company is subject to the risk of not making a profit in the short run.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP (continued)

Risk of industry regulations and policies

In view of the various reforms in the medical industry, encouragement of innovation and reduction in drug prices by pharmaceutical enterprises have become an inevitable trend. The Company will adapt to changes in external policies and strive to enhance R&D, in order to respond to challenges through innovation. The Company will also adhere to legal compliance by adapting its business activities to changes in regulatory policies, thereby preventing policy risks.

In the face of industry and policy risks, the Company will adapt to changes in external policies by continuous improvement in capabilities of innovation and sustainable development, increased R&D investment, accelerated clinical trials and launching of innovative drugs, in order to respond to challenges through innovation. On this basis, the Company will further expand its production capacity and reduce the unit cost of its products, so as to address the trend of price reduction of drugs.

Foreign exchange risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

In response to the foreign exchange risk, the Company seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position to reduce the impact of the foreign exchange risk on the Company.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group has established a number of governance policies and embedded into our business processes. Those governance policies covers areas of internal control, corporate governance, code of conduct of Directors, Senior Management and Employees, environmental and social responsibilities, as well as stakeholder communication. Details of relevant policies are provided under the Corporate Governance Report of this report, the Environmental, Social and Governance Report and/or on the website of the Company. During the Reporting Period, the Group was not aware of any material non-compliance with any relevant laws and regulations that may have a significant impact on the Group concerning employment, occupational health and safety or labour standards, product responsibility, anti-corruption and environmental responsibility.

RELATIONSHIP WITH STAKEHOLDERS

Employees are the assets of the Group. The Group provides competitive remuneration package and a pleasant workplace environment to attract and motivate the employees.

The Group also understands the importance of maintaining a good relationship with various other stakeholders, including the Shareholders and the community. The Group actively listens to and responds to the demands of its stakeholders.

ENVIRONMENTAL POLICY

The Group deeply understands the importance of environmental protection and resource conservation. The Group advocates environmentally responsible values and behaviours and strives to implement an environmentally friendly operating model.

Our main operating model concerns daily office work, laboratory operations, and small-scale drug production (used for pre-clinical research and clinical trials). The resource consumption involved is mainly electricity, tap water, steam, and gasoline. We have established the Daily Management System for Energy Conservation and Emission Reduction (《節能減排日常管理制度》), which provides a systematic management basis for resource management in all operating links, and the Administration Department is responsible for promoting the effective implementation of the management system. At the same time, with the Human Resources Department as the main organisational department, we aim to strengthen energy-saving awareness among employees.

In addition, the Group places paramount importance on the compliance management of emissions, and have formulated Laboratory Waste Management Protocol (《實驗室廢棄物管理規程》), Hazardous Waste Management Protocol (《危險廢物管理規程》), and Three Waste (Waste Gas; Waste Water; Industrial Residue) Management Protocol (《三廢管理規程》) and other policies to standardise the implementation of emission regulations.

During the Reporting Period, the Group did not have any material violations of environmental laws and regulations of the PRC.

MAJOR CUSTOMERS AND SUPPLIERS

As at 31 December 2025, the Company has not commercialised its products and there was no customer.

The Group's largest supplier accounted for 14.9% of its total purchases, and the five largest suppliers accounted for 66.7% of its total purchases.

None of the Directors, their close associates or any Shareholder (which to the knowledge of the Directors own more than 5% of the number of Company's issued shares) had an interest in the five major suppliers or customers of the Group.

PROPERTY, PLANT AND EQUIPMENT

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

SUBSIDIARIES

Details of the subsidiaries of the Company as at 31 December 2025 are set out in note 1 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 23 to the consolidated financial statements.

RESERVES

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

DISTRIBUTABLE RESERVES

There was no distributable reserve as at 31 December 2025.

EQUITY-LINKED AGREEMENTS

(a) Subscriptions of new shares under general mandate

Save as disclosed in previous paragraphs headed "USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE" under this section to this annual report, the Company has not conducted any equity fund raising activities during the Reporting Period.

(b) Share Options

The Company operates a share option scheme adopted at the extraordinary general meeting of the Company held on 26 October 2022 ("**2022 Share Option Scheme**"). Details of movements in the Company's 2022 Share Option Scheme are disclosed under the sub-section headed "SHARE INCENTIVES" to this section and note 25 to the consolidated financial statements.

Save as disclosed above, no equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

SHARE INCENTIVES

During the Reporting Period, the Company maintained two share incentive schemes, including Share Award Scheme and Share Option Scheme. The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue for the Reporting Period is 0.

The number of options and awards available for grant under the scheme mandate (including options and awards under the service provider sublimit) of all share schemes of the Company is 99,113,111 share options (including 10,917,551 share options under service provider sublimit) at the beginning of the Reporting Period and 52,527,249 share options (including 0 share options under service provider sublimit) at the end of the Reporting Period.

Share Award Scheme

A share award scheme as amended from time to time, (the "**Share Award Scheme**") was adopted by the Company on 4 February 2021 (the "**Adoption Date**"). The purposes of the Share Award Scheme are to incentivise our directors, senior management, employees and consultants for their contribution to our Group and to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of our Group by providing them with the opportunity to own equity interests in our Company and to promote the success of our Company's business.

SHARE INCENTIVES (continued)

Under the Share Award Scheme, the Board or an authorised person may select any eligible person and grant an award (the "**Award**") to the selected participants ("**Selected Participants**"). Any individual, being an employee or director of any member of the Group who the Board or an authorised person (as the case may be) considers, in its sole discretion, to have contributed or will contribute to the Group, are eligible person under the Share Award Scheme ("**Eligible Person**"). However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or an authorised person, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme and such individual shall therefore be excluded from the term Eligible Person. Computershare Hong Kong Trustees Limited (the "**Trustee**") has been appointed by the Company as the trustee for the Share Award Scheme. To satisfy an Award, the Company shall transfer to the trust the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price or through manual trades.

The Share Award Scheme will remain in force for a period of 10 years commencing on its Adoption Date until 3 February 2031, unless otherwise terminated under the terms of the Share Award Scheme. The remaining life the Share Award Scheme is 4 years 10 months.

The maximum number of Award Shares throughout the duration of the Share Award Scheme is 50,312,020 Shares, being 5% of the issued Shares of the Company as at the Adoption Date. The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme is 20,124,808 Shares, being 2% of the issued Shares of the Company as at the Adoption Date. Details of the Share Award Scheme are set out in the announcement of the Company dated 4 February 2021. The vesting schedule will be set out in the grant letter for each grant.

During the Reporting Period, 85,000 Awards were exercised and 3,000,000 Awards were granted by the Company pursuant to the Share Award Scheme. There were 11,075,500 Awards at the beginning and 8,075,500 Awards at the end of the Reporting Period available for grant under the Share Award Scheme. No Share was purchased by the Trustee from the market during the Reporting Period. As at the date of this report, the Company has 1,386,638,336 issued Shares and there are 8,075,500 Awards under the Share Award Scheme, being 0.58% of the issued Shares of the Company, available for grant.

Details of movement of Awards under the Share Award Scheme during the Reporting Period were as follows:

			Number of Awards							
Categories of Selected Participants	Date of Grant	Closing price per Share immediately before the date of Grant (HK$)	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised/ Lapsed/ Cancelled during the Reporting Period	Unvested as at 31 December 2025	Purchase price/Award (HK$)	Vested Dates/ Vesting Periods	Exercise Periods
Employees	16/11/2023	1.12	4,880,000	–	1,220,000	85,000 *(Note b)*	3,660,000	1.12	17/11/2025–17/11/2028 *(Note c)*	17/11/2025–16/11/2033
Employees	15/12/2025	1.49	–	1,000,000	–	–	–	1.49	16/12/2026–16/12/2029 *(Note d)*	16/12/2026–15/12/2035
Consultant	22/12/2025	1.48	–	2,000,000	–	–	–	1.48	23/12/2027–23/12/2030 *(Note e)*	23/12/2027–22/12/2035

SHARE INCENTIVES (continued)

Notes:

a. The fair value of the share awards granted, the weighted average closing price of the shares immediately before the date of which the share awards were vested during the year ended 31 December 2025, and the accounting policy and standard adopted are disclosed in notes 25(a) and 25(b) to the consolidated financial statements respectively.

b. 85,000 share awards were exercised during the Reporting Period.

c. The vesting of the share awards was subject to performance evaluation and contribution to the Group and the payment of HK$1.12 for each share award to the Company. The purchase price of HK$1.12 is the closing price of the Shares on the date of grant, and being the highest of the said closing price and the average closing price of the Shares for the five consecutive trading days prior to the date of grant.

d. The vesting of the share awards was subject to performance evaluation and contribution to the Group and the payment of HK$1.49 for each share award to the Company. The purchase price of HK$1.49 is the closing price of the Shares on the date of grant, and being the highest of the said closing price and the average closing price of the Shares for the five consecutive trading days prior to the date of grant.

e. The vesting of the share awards was subject to performance evaluation and contribution to the Group and the payment of HK$1.48 for each share award to the Company. The purchase price of HK$1.48 is the closing price of the Shares on the date of grant, and being the highest of the said closing price and the average closing price of the Shares for the five consecutive trading days prior to the date of grant.

f. As at the end of the Reporting Period, the Company had 1,386,638,336 issued Shares.

Share Option Scheme (amended on 14 June 2024)

A share option scheme was adopted by the Shareholders on 26 October 2022 (the "**Adoption Date**") ("**2022 Share Option Scheme**"). Pursuant to the 2022 Share Option Scheme, the Board may grant options to eligible participants to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein.

The purpose of the 2022 Share Option Scheme is to provide the participants with the opportunity to acquire proprietary interests in the Company, to provide incentives to the participants, and to recognise their contributions made and to be made to the growth and development of the Group and for such other purposes as the Board may approve from time to time.

Any employee (whether full-time or part-time), director, service provider of any member of the Group, is participant ("**Participant**") under the 2022 Share Option Scheme, provided that the Board may have absolute discretion to determine whether or not one falls within this category.

In order to give the Company flexibility to grant share options to the Participants under the 2022 Share Option Scheme as incentives and rewards for their contributions to the Group, the Company amended the 2022 Share Option Scheme so as to increase the scheme mandate limit and service provider sublimit (the "**Amendments**"). For the purpose of providing more flexibility for the Company to motivate the Participants for their future contributions to the Group and/or to reward them for their past contributions, and to maintain on-going relationship with them, the Company also refreshed the scheme mandate limit and service provider sublimit (the "**Refreshment**"). Both the Amendments and Refreshment were approved by the shareholders of the Company at the annual general meeting of the Company held on 14 June 2024 (the "**2024 AGM**").

SHARE INCENTIVES (continued)

Pursuant to the amended 2022 Share Option Scheme (the "**Amended 2022 Share Option Scheme**"), the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Amended 2022 Share Option Scheme and any other share schemes of the Company shall not in aggregate exceed 109,175,511, representing 10% of the total number of Shares in issue on the 2024 AGM date. Options previously granted under the 2022 Share Option Scheme and any other share schemes of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit (the "**Refreshed Scheme Mandate Limit**"). Within the Refreshed Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 10,917,551, representing 1% of the total number of Shares in issue on the 2024 AGM date (the "**Refreshed Service Provider Sublimit**"). The grantee shall pay HK$1.00 by way of consideration for the grant within the period stipulated in the offer letter. There were 99,113,111 share options (including 10,917,551 share options under Service Provider Sublimit) available for grant at the beginning of the Reporting Period and 52,527,249 share options (including 0 share options under Service Provider Sublimit) at the end of the Reporting Period. The total number of shares available for issue under the Amended 2022 Share Option Scheme is 121,536,711, representing 8.76% of the issued shares of the Company as at the date of this annual report. The total number of shares issued and to be issued upon exercise of the share options granted to each participant in any 12-month period shall not exceed 1% of the total number of shares in issue.

The options may by exercised during such period determined by the Board and specified in the offer letter to the grantee, which may be varied by the Board in accordance with the terms of the Amended 2022 Share Option Scheme, provided that it shall not under any circumstances exceed ten years from the date of grant of the relevant option. The remaining life of the Amended 2022 Share Option Scheme is 6 years 6 months. The vesting period of options granted under the Amended 2022 Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the Amended 2022 Share Option Scheme.

The Board may delegate all or part of the administration to the chief executive officer, a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board.

The exercise price of the options shall not less than the higher of (i) the closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average of the closing prices of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant. The Amended 2022 Share Option Scheme remains in force until 25 October 2032 unless otherwise terminated under the terms of the Amended 2022 Share Option Scheme.

SHARE INCENTIVES (continued)

Details of movement of options under the Amended 2022 Share Option Scheme during the Reporting Period were as follows:

			Number of share options							
Categories of Selected Participants	Date of Grant	Closing price per Share immediately before the date of Grant (HK$)	Outstanding as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised/ Lapsed/ Cancelled during the Reporting Period	Outstanding as at 31 December 2025	Exercise Price per Share (HK$)	Vesting Date/ Vesting Periods	Exercise Period
Employees	03/11/2022	1.78	15,093,600	–	–	–	15,093,600	1.79	04/11/2023	04/11/2023–02/11/2032
Employee *(Note a)*	03/11/2022	1.78	10,062,400	–	–	10,062,400 *(Notes a & e)*	–	1.79	04/11/2023	04/11/2023–02/11/2032
Employee *(Note a)*	06/11/2023	1.10	10,062,400	–	–	10,062,400 *(Notes a & e)*	–	1.102	07/11/2024	07/11/2024–06/11/2034
Employees	16/11/2023	1.12	10,290,000	–	1,532,000	2,960,000 *(Note b)*	7,330,000	1.120	17/11/2025–17/11/2028 *(Note d)*	17/11/2025–16/11/2033
Director *(Note d)*	11/11/2024	1.22	10,062,400	–	–	10,062,400 *(Note e)*	–	1.256	12/11/2025	12/11/2025–11/11/2035
Employees	24/07/2025	2.52	–	35,668,311	–	–	35,668,311	2.63	25/07/2027–25/07/2030	25/07/2027–24/07/2035
Service Providers	24/07/2025	2.52	–	10,917,551	–	–	10,917,551	2.63	25/07/2027–25/07/2030	25/07/2027–24/07/2035

Notes:

a. Each of 10,062,400 share options were granted to Mr. Shanchun WANG who was a senior management at the date of the grant during the year ended 31 December 2022 and 2023. Mr. Wang was appointed as an executive Director of the Company with effect from 7 February 2024 and resigned as an executive Director of the Company with effect from 9 June 2025.

b. 2,960,000 share options were lapsed during the Reporting Period.

c. The vesting of the share options was subject to performance evaluation and contribution to the Group.

d. 10,062,400 share options were granted to Mr. Shanchun WANG who was an executive Director and President (China) of the Company at the date of the grant.

e. Each of 10,062,400 share options were cancelled during the Reporting Period.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were:

Executive Directors

Dr. Shui On LEUNG *(Chairman and Chief Executive Officer)*
Mr. Shanchun WANG *(President (China)) (ceased to act as President (China) effective from 6 June 2025) (resigned as executive director effective from 9 June 2025)*

Non-executive Directors

Dr. Haigang CHEN
Mr. Xun DONG
Ms. Xiaosu WANG
Dr. Jianmin ZHANG

Independent Non-executive Directors

Mr. George William Hunter CAUTHERLEY
Mr. Ping Cho Terence HON
Dr. Chi Ming LEE
Ms. Chi Sau Giselle LEE *(appointed on 30 June 2025)*
Mr. Nan SHEN *(appointed on 30 June 2025)*
Mr. Dylan Carlo TINKER *(passed away on 29 May 2025)*

Details of the Directors' biographies are set out on pages 30 to 36 of this annual report.

During the year ended 31 December 2025, changes to the composition of the Board were as follow:

— Mr. Shanchun WANG resigned as an executive Director of the Company with effect from 9 June 2025.

— Ms. Chi Sau Giselle LEE was appointed as an independent non-executive Director of the Company with effect from 30 June 2025.

— Mr. Nan SHEN was appointed as an independent non-executive Director of the Company with effect from 30 June 2025.

Mr. Wang has confirmed that he has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

In accordance with Article 111(a) of the Articles, Dr. Chi Ming LEE and Dr. Jianmin ZHANG will retire from office by rotation at the 2026 Annual General Meeting. In addition, Ms. Chi Sau Giselle LEE and Mr. Nan SHEN who have been appointed by the Board after the 2025 annual general meeting shall hold office until the 2026 Annual General Meeting pursuant to Article 110 of the Articles and are eligible for re-election at the 2026 Annual General Meeting. All of the above Directors being eligible, have offered themselves for re-election at the 2026 Annual General Meeting. Details of these Directors, which are required to be disclosed pursuant to Rule 13.51(2) and 13.74 of the Listing Rules, will be set out in the circular.

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to the disclosure requirement under Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors for the year ended 31 December 2025 and up to the date of this annual report are set out as below:

Name of Director	Details of changes
Independent Non-executive Directors:	
Mr. George William Hunter CAUTHERLEY	*Note (i)*
Mr. Ping Cho Terence HON	*Note (i)*
Dr. Chi Ming LEE	*Note (i)*
Ms. Chi Sau Giselle LEE	*Note (i)*
Mr. Nan SHEN	*Note (i)*

Note:

(i) Each independent non-executive Director is entitled to Directors' fee in the amount of HK$315,000 per annum in acting as a Director of the Company with effect from 1 October 2025.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rules 13.51B of the Listing Rules. The updated biographical details of the Directors of the Company are set out in the preceding section headed "Directors and Management".

Service Agreement

Dr. Shui On LEUNG has entered into a service agreement with the Company on 18 October 2019 (i) for an initial fixed term of three years commencing from 12 November 2019 and (ii) subject to re-appointment and termination in accordance with the terms thereunder.

A letter of appointment was issued to Mr. Shanchun WANG for his appointment on 7 February 2024 as an executive director of the Company (i) for a term of three years with effect from the issue date; and (ii) subject to re-appointment and termination in accordance with the terms thereunder. Mr. Wang also entered an employment agreement with the Company in 2022 for his position of President (China) of the Company. The letter of appointment and the employment agreement to Mr. Wang were terminated on 9 June 2025 and 6 June 2025 respectively.

We have issued a letter of appointment to Dr. Haigang CHEN on 18 October 2019 (i) for an initial fixed term of three years commencing from 12 November 2019 and (ii) subject to re-appointment and termination of his letter of appointment. We have also issued a letter of appointment to Mr. Xun DONG on 23 December 2019, Dr. Jianmin ZHANG on 6 September 2023 and Ms. Xiaosu WANG on 19 December 2024 (i) for a term of three years with effect from the respective issue date, and (ii) subject to re-appointment and termination of their respective letter of appointment.

CHANGE IN INFORMATION OF DIRECTORS (continued)

Service Agreement (continued)

We have issued a letter of appointment to each of Mr. Ping Cho Terence HON and Mr. Dylan Carlo TINKER on 18 October 2019 (i) for an initial fixed term of three years commencing from 31 October 2019 and (ii) subject to re-appointment and termination of their respective letter of appointment. We have also issued a letter of appointment to each of Mr. George William Hunter CAUTHERLEY on 23 December 2019 and Dr. Chi Ming LEE on 15 June 2021, both are (i) for a term of three years commencing from the issue date and (ii) subject to re-appointment and termination of their respective letter of appointment. The letter of appointment to Mr. Tinker was terminated on 29 May 2025.

We have issued a letter of appointment to each of Ms. Chi Sau Giselle LEE and Mr. Nan SHEN on 30 June 2025 (i) for an initial term of three years commencing from 30 June 2025 and (ii) subject to re-appointment and termination of their respective letter of appointment.

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

Permitted Indemnity Provision

Pursuant to the Company's Articles, subject to the provisions of the Companies Ordinance, every Director, company secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto. Subject to the applicable laws and the Company's Articles, the Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

Directors' Rights to Acquire Shares or Debentures

None of the Directors or any of their respective associates was granted by the Company or its subsidiaries any right to acquire shares in, or debentures of, the Company or its subsidiaries, or had exercised any such right during the Reporting Period.

Competing Interest and Other Interest

None of the Directors or any entity connected with them has any material interest, either directly or indirectly, in any contract, transaction or arrangement of significance to the Group's business to which the Company, any of its holding companies, any of its subsidiaries, fellow subsidiaries was a party subsisted at the end of the year or at any time during the Reporting Period.

None of the Directors and their respective associates had an interest in a business which causes or may cause any significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as otherwise disclosed herein, none of the Directors of the Company nor a connected entity of the Directors had any beneficial interests, whether direct or indirect, in any significant transactions, arrangements or contracts to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party at the end of the Reporting Period or at any time during the year.

At no time during the year was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement whose objects are to enable a Director to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS
(continued)

Independence of Independent Non-executive Directors

The Company has received confirmation of independence from each of the independent non-executive Directors as regards to the factors set out in Rule 3.13 of the Listing Rules and the Company considers such Directors are independent pursuant to Rule 3.13 of the Listing Rules.

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.

Remuneration Policy

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

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and five highest paid individuals are set out in notes 9 and 10 to the consolidated financial statements.

DIRECTORS OF SUBSIDIARIES

A list of names of the directors who held office in the Company's subsidiaries during the Reporting Period and up to the date of this annual report is available on the Company's website (www.sinomab.com).

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

As at 31 December 2025, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were entered in the register pursuant to section 352 of the SFO, or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code were as follows:

Name of Director/ chief executive	Capacity/nature of interest[1]	Number of Shares	Approximate percentage of shareholding[2]
Dr. Shui On LEUNG[3]	Interest in a controlled corporation	129,729,200	9.36%

Notes:

(1) All interests stated are long positions.

(2) As at 31 December 2025, the Company had 1,386,638,336 issued Shares.

(3) As at 31 December 2025, these Shares were held by Skytech Technology, which is wholly owned by Dr. Leung.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

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

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

As at 31 December 2025, to the best knowledge of the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which had been disclosed to the Company and Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Capacity/nature of interest[1]	Number of Shares	Approximate percentage of shareholding[2]
Dr. Wenyi LIU[4]	Interest in a controlled corporation and interest of spouse	123,123,070	8.88%
Mr. Jing QIANG[5]	Beneficial interest, interest in a controlled corporation and interest of spouse	123,123,070	8.88%
Hainan Haiyao Co., Ltd. (海南海藥股份有限公司)[9]	Beneficial interest	158,882,115	11.46%
Apricot Capital (上海杏澤投資管理有限公司)[6][7][8]	Interest in a controlled corporation	113,124,270	8.16%
Shanghai Yueyi Investment Centre (Limited Partnership)* (上海月溢投資中心(有限合夥))[6][8]	Interest in a controlled corporation	113,124,270	8.16%
Skytech Technology[3]	Beneficial interest	129,729,200	9.36%
Ms. Sijia XU[10]	Beneficial interest	82,340,505	5.94%
Apricot Oversea Holdings Limited[6]	Beneficial interest	72,178,716	5.21%
West Biolake Holdings Limited[7]	Beneficial interest	34,921,604	2.52%
China Citic Bank Co., Ltd., Haikou Branch[9]	Person having a security interest in Shares	158,882,115	11.46%

Notes:

(1) All interests stated are long positions.

(2) As at 31 December 2025, the Company had 1,386,638,336 issued Shares.

(3) Skytech Technology is a company wholly owned by Dr. Shui On LEUNG.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

(4) As at 31 December 2025, 113,124,270 Shares were held by Apricot Capital (上海杏澤投資管理有限公司) and Shanghai Yueyi Investment Center (Limited Partnership) (上海月溢投資中心(有限合夥)) ("**Yueyi Investment**"), through Apricot Oversea Holdings Limited and West Biolake Holdings Limited, which are ultimately controlled by Dr. Wenyi Liu, a former non-executive Director whose resignation was effective 26 September 2024. Dr. Liu is deemed to be interested in these Shares for the purposes of the SFO. The interest in the other 9,998,800 Shares were held by Mr. Jing QIANG through his wholly owned Company, Grogene Technology Limited (格擎生物科技有限公司). Dr. Liu is the spouse of Mr. Qiang who is deemed to have an interest in the 9,998,800 Shares for the purposes of the SFO.

(5) As at 31 December 2025, 9,998,800 Shares were held by Mr. Jing QIANG through his wholly owned company, Grogene Technology Limited (格擎生物科技有限公司). The interest in the other 113,124,270 Shares were held by Apricot Capital (上海杏澤投資管理有限公司) and Yueyi Investment, through Apricot Oversea Holdings Limited, and West Biolake Holdings Limited, which are ultimately controlled by Dr. Wenyi LIU, a former non-executive Director. Mr. Qiang is the spouse of Dr. Liu who is deemed to be interested in these Shares for the purposes of the SFO.

(6) Apricot Oversea Holdings Limited is the overseas holding platform of Xingze Xinghe and Shanghai Jianyi Xinghe Startup Investment Center (Limited Partnership)* (上海健益興禾創業投資中心(有限合夥)) ("**Jianyi Xinghe**"). Apricot Capital (上海杏澤投資管理有限公司) is the general partner of Jianyi Xinghe. Apricot Capital and Yueyi Investment are the co-general partners of Xingze Xinghe. For the purpose of the SFO, Apricot Capital and Yueyi Investment are deemed to have an interest in the Shares held by Apricot Oversea Holding Limited.

(7) West Biolake Holdings Limited is the overseas holding platform of Xingze Xingzhan. Apricot Capital is the general partner of Xingze Xingzhan. For the purpose of the SFO, Apricot Capital is deemed to have an interest in the Shares held by West Biolake Holdings Limited.

(8) Save as Apricot Capital's deemed interest in West Biolake Holdings Limited and Apricot Oversea Holdings Limited pursuant to the SFO, Apricot Capital is the general partner of Xingze Xingzhan.

(9) Pursuant to a share charge where Hainan Haiyao Co., Ltd. (海南海藥股份有限公司) ("**Hainan Haiyao**") charged 158,882,115 Shares to China Citic Bank Co., Ltd., Haikou Branch ("**China Citic Bank**"), China Citic Bank had a security interest in 158,882,115 Shares which were beneficially owned by Hainan Haiyao.

(10) Pursuant to a share charge where Ms. Sijia XU charged 51,000,000 Shares to Hainan Rural Commercial Bank Co., Ltd. Haikou Sub-branch* (海南農村商業銀行股份有限公司海口支行), Haikou Rural Commercial Bank Co., Ltd. Haikou Sub-branch had a security interest in 51,000,000 Shares which were beneficially owned by Ms. Xu.

* *For identification purposes only*

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CONNECTED TRANSACTIONS

Continuing Connected Transactions under License Agreement

As disclosed in the announcement of the Company dated 17 September 2021 and the circular of the Company dated 24 November 2021 (the "**Circular**"), to better leverage the financial benefit of SN1011, a license agreement (the "**License Agreement**") was entered into on 16 September 2021 between the Company and Suzhou Sinovent Pharmaceutical Technology Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司) now known as Evopoint Biosciences Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司) ("**Suzhou Sinovent**") (together with the Company, as the "**Licensor**") and Everest Medicines II (HK) Limited (as the licensee, "**Everest HK**"), pursuant to which the Licensor shall grant an exclusive, sublicensable, royalty-bearing license of all patents, know-how, trademarks and technology relating to SN1011, a BTK inhibitor, in the field of treatment of renal diseases to Everest HK in worldwide. The term of the License Agreement shall be from the first business day after all the conditions precedent of the License Agreement are satisfied or otherwise waived by Everest HK in writing to the last date of royalty term which shall be up to year 2042.

Under the License Agreement, the Licensor would receive US$12 million in upfront (US$4 million as to the Company and US$8 million as to Suzhou Sinovent according to the payment method under the License Agreement) and up to US$549 million in total development and sales milestones (up to US$183 million as to the Company and up to US$366 million as to Suzhou Sinovent according to the said payment method), and royalties. The Company has followed the pricing policy disclosed in the Circular. The Company, pursuant to the Licence Agreement, received US$4 million upfront payment in 2021.

Suzhou Sinovent was a close associate of Mr. Jing QIANG and Dr. Wenyi LIU, both were non-executive Directors as at the date of the License Agreement and were therefore, the Company's connected person. Accordingly, the transactions under the License Agreement constituted connected transactions for the Company under Chapter 14A of the Listing Rules and were subject to the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Royalties under the License Agreement will constitute continuing connected transactions of the Company. Under Rule 14A.53 of the Listing Rules, a listed issuer is required to set a monetary annual cap for the continuing connected transactions. However, it is not practicable for the Company to estimate the maximum amount payable by Everest HK to the Licensor at time of the Circular or when it seeks independent Shareholders' approval at the extraordinary general meeting of the Company held on 14 December 2021 (the "**EGM**"). In addition, it would create undue uncertainty for Everest HK if the License Agreement and the transactions contemplated under it would be subject to further approval by the independent Shareholders of the Company after Everest HK have achieved net sales for a certain number of years. Therefore, as disclosed in the Circular, the Company applied to the Stock Exchange for, and the Stock Exchange granted the Company, a waiver under Rule 14A.53 of the Listing Rules from strict compliance with the monetary annual cap requirement. Since the License Agreement is longer than 3 years, the Company also appointed an independent financial adviser to explain why the License Agreement requires a period of longer than 3 years and to confirm that it is normal business practice for agreements of this type to be of such duration.

The entering into of the License Agreement was approved by the independent Shareholders of the Company at the EGM. The License Agreement became unconditional on 15 December 2021, being the first business day after all conditions precedent of the License Agreement have been satisfied.

Further details relating to the License Agreement were disclosed in the announcements of the Company dated 17 September 2021 and the Circular.

No continuing connected transactions has taken place during the Reporting Period.

As at the date of this annual report, Dr. Wenyi LIU held an approximately 8.88% interest in the Company. The resignations of Mr. Jing QIANG and Dr. Wenyi LIU as non-executive directors of the Company took effect on 30 November 2020 and 26 September 2024, respectively. Accordingly, Suzhou Sinovent is no longer a connected person to the Company as at the date of this annual report.

POTENTIAL NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As disclosed in the Prospectus and announcement of the Company dated 17 September 2021 and the circular of the Company dated 24 November 2021, as part of the arrangements under the BTK Transfer and Collaboration Agreement entered into between the Company and Suzhou Sinovent on 30 March 2019 (as supplemented by the supplemental agreement to the BTK Transfer and Collaboration Agreement dated 16 September 2021 ("**Supplemental Agreement**")), the Company and Suzhou Sinovent agreed the following revenue sharing arrangements:

Under the revenue sharing arrangement of the BTK Transfer and Collaboration Agreement, the Company agreed to pay Suzhou Sinovent the following fees which will be settled annually:

(i) In relation to any future sales of the product of the techniques and applications of BTK inhibitor (which was subsequently named SN1011) in terms of indications related to immunological diseases and all proprietary rights and interests attaching to it (the "Immunological Subject") in the PRC market

Payment to Suzhou Sinovent = 5% x Proceeds (after relevant taxation) from any future sales of the product of the Immunological Subject in the PRC market

(ii) In relation to any future sales of the product of the Immunological Subject in the overseas market

Payment to Suzhou Sinovent = 10% x Proceeds (after relevant taxation) from any future sales of the product of the Immunological Subject in the overseas market

Under the revenue sharing arrangement of the Supplemental Agreement which was approved on the extraordinary general meeting of the Company held on 14 December 2021 by its independent Shareholders, the Company and Suzhou Sinovent agreed to share the revenue as follow:

(iii) In the event the Company and Suzhou Sinovent together or separately license-out the BTK Rights (including any rights in respect the product of the Immunological Subject ("Immunological Rights") and the rights to all techniques and application of SN1011 in relation to other diseases ("Remaining IP Rights")):

Entitlement to Suzhou Sinovent = two-thirds (approximately 67%) of the proceeds arising from the license-out of the BTK Rights

Entitlement to the Company = one-third (approximately 33%) of the proceeds arising from the license-out of the BTK Rights

The revenue sharing arrangements under the BTK Transfer and Collaboration Agreement was determined after arm's length negotiations between the Company and Suzhou Sinovent, taking into account the fact that it is common practice to share future sales revenue and proceeds from transfer of a sub-licensing rights under comparable drug candidate transfer agreements, which in turn lowers the upfront fixed payment payable by the licensee in the Chinese biopharmaceutical market.

As disclosed in the announcement of the Company dated 17 September 2021 and the circular of the Company dated 24 November 2021, the Supplemental Agreement amended, among others, the revenue sharing arrangements under the BTK Transfer and Collaboration Agreement. The purpose of entering into of the Supplemental Agreement was to increase potential licensing-out opportunities for Immunological Rights and to gain financial benefit from license-out together with Suzhou Sinovent for the BTK Rights. Under the Supplemental Agreement, the revenue sharing arrangement between the Company and Suzhou Sinovent is not limited to the licensing-out of the Company's Immunological Rights but allows the Company to benefit from the revenue generated from the Remaining IP Rights (including but not limited to, in terms of indications related to oncological diseases) owned by Suzhou Sinovent. This is expected to generate substantial income to the Company.

Under Rule 14A.53 of the Listing Rules, a listed issuer is required to set a monetary annual cap for the continuing connected transactions. It is impracticable and extremely difficult for the Company to set monetary annual caps for the Revenue Sharing Arrangements under the BTK Transfer and Collaboration Agreement. Therefore, as disclosed in the Prospectus, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted the Company, a waiver under Rule 14A.53 of the Listing Rules from strict compliance with the momentary annual cap requirement.

In addition, the duration of the BTK Transfer and Collaboration Agreement is of an indefinite term. Under Rule 14A.52 of the Listing Rules, a listed issuer is required to set a contractual term not exceeding three years. It is impracticable and extremely difficult for the Company to set a contractual term not exceeding three years in respect of the Revenue Sharing Arrangements under the BTK Transfer and Collaboration Agreement. Therefore, as disclosed in the Prospectus, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted the Company, a waiver under Rule 14A.52 of the Listing Rules from strict compliance with the momentary annual cap requirement. For details of the basis for not setting annual caps for the revenue sharing arrangements and not setting a contractual term less than three years in respect of the revenue sharing arrangements under the BTK Transfer and Collaboration Agreement, please refer to the Prospectus.

The Company has also obtained a confirmation by way of a letter from the Stock Exchange that the Company's entering into the Supplemental Agreement will not affect the above mentioned waiver which were granted by the Stock Exchange to the Company, details as disclosed on pages 227 to 232 of the Prospectus (except for the waiver for the (3) Revenue Sharing Arrangements under the BTK Transfer and Collaboration Agreement — (iii) In the event that we transfer any rights to sub-license in respect of the product of the Subject in the overseas market (other than the PRC market) as disclosed in the Prospectus).

As the potential non-exempt continuing connected transactions contemplated under the BTK Transfer and Collaboration Agreement will be carried out on a continuing basis and will extend over a period of time, the Directors consider that strict compliance with the announcement and/or independent Shareholders' approval requirements under the Listing Rules would be impractical, unduly burdensome and would impose unnecessary administrative costs on the Company. Accordingly, the Company has applied for, and the Stock Exchange has granted the Company, a waiver from strict compliance with the announcement and/or independent Shareholders' approval requirements for three years in respect of such potential non-exempt continuing connected transactions contemplated under the BTK Transfer and Collaboration Agreement.

* *For identification purpose only*

As the highest applicable percentage ratio in respect of each of the caps as the Company currently expects is, on an annual basis, more than 5%, apart from the requirements for three-year contractual term, setting annual cap, announcement and/or independent Shareholders' approval, of which waivers have been granted, the Company will comply with the other applicable provisions under Chapter 14A of the Listing Rules in respect of the potential non-exempt continuing connected transactions contemplated under the BTK Transfer and Collaboration Agreement (as supplemented by the Supplemental Agreement) as and when necessary.

Further details relating to the Supplemental Agreement were disclosed in the announcement of the Company dated 17 September 2021 and the circular of the Company dated 24 November 2021.

No continuing connected transactions has taken place during the Reporting Period.

Suzhou Sinovent is a close associate of Dr. Wenyi LIU who controlled over 30% of the voting rights at the shareholdings meeting of Suzhou Sinovent and is a former non-executive Director of the Company whose resignation was effective 26 September 2024. As at the date of this annual report, Dr. Liu was interested in an approximately 8.88% interest in the Company. Accordingly, Suzhou Sinovent is no longer a connected person to the Company as at the date of this annual report.

RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group entered into certain transactions with "related parties" as defined under the applicable accounting standards. Related party transactions are disclosed in note 29 to the consolidated financial statements.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules (if applicable) in respect of the above related party transactions.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiries with each of the Directors, all the Directors confirmed that they had complied with such code of conduct throughout the year ended 31 December 2025.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. As at the date of this report, the Board comprises one executive Director, four non-executive Directors and five independent non-executive Directors. The Board has adopted the code provisions set out in the CG Code as its corporate governance code. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 37 to 56 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is a sufficiency of public float of the Company's securities as required under the Listing Rules as at the date of this annual report.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years (prepared in accordance with HKFRSs) are set out on page 3 of this annual report. This summary does not form part of the audited consolidated financial statements.

AUDIT COMMITTEE

During the Reporting Period, the Audit Committee consisted of five independent non-executive Directors, being Mr. Ping Cho Terence HON (Chairman), Mr. George William Hunter CAUTHERLEY, Dr. Chi Ming LEE, Ms. Chi Sau Giselle LEE and Mr. Nan SHEN. Ms. Chi Sau Giselle LEE and Mr. Nan SHEN were appointed as members of the Audit Committee with effect from 30 June 2025.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control and systems of the Group and overseeing the audit process and the relationship between the Company and its auditor.

The Audit Committee has reviewed alongside the management and external auditor the accounting principles and policies adopted by the Group and the audited consolidated financial statements for the Reporting Period.

AUDITOR

The financial statements for the year ended 31 December 2025 have been audited by Ernst & Young. Ernst & Young shall retire in the forthcoming AGM and, being eligible, will offer itself for re-appointment. A resolution to re-appoint Ernst & Young as auditor of the Company and to authorise the Directors to fix its remuneration will be proposed at the forthcoming AGM.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance Report of the Company for the year ended 31 December 2025 will be published on the same date as a separate report from this Annual Report in compliance with relevant requirements under the Environmental, Social and Governance Reporting Code in Appendix C2 in the Listing Rules.

By order of the Board of
SinoMab BioScience Limited
Dr. Shui On LEUNG
Executive Director, Chairman and Chief Executive Officer

23 March 2026

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To the members of SinoMab BioScience Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of SinoMab BioScience Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 91 to 157, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Risk of misstatement of research and development costs The Group incurred significant research and development ("**R&D**") costs of RMB81,624,000 as disclosed in the consolidated statement of profit or loss for the year ended 31 December 2025. Service fees paid to contract research organisations and clinical site management operators (collectively referred as "**Outsourced Service Providers**"), and co-development fees paid to R&D collaboration partners are included in the Group's R&D costs. The R&D activities with these Outsourced Service Providers and R&D collaboration partners are documented in agreements and are typically performed over an extended period. These expenses are charged to the consolidated statement of profit or loss based on the progress of the R&D projects. We identified the measurement of R&D costs as a key audit matter due to its significant amount and the risk of not recording R&D costs in the appropriate reporting period. The accounting policy and the disclosure for significant accounting judgement related to R&D costs are included in note 2.4 and note 3 of the consolidated financial statements.	We obtained an understanding of management's controls in relation to the process of R&D costs, and we evaluated the design of the controls. We, on a sampling basis, reviewed the key terms set out in the agreements with the Outsourced Service Providers and collaboration partners and evaluated the completion status of R&D projects based on inquiry with project managers, inspection of supporting documents and by obtaining external confirmations from the Outsourced Service Providers and collaboration partners. We evaluated the adequacy of the accrued R&D costs by comparing the subsequent milestone billings and payments with the accrued R&D costs to determine whether these costs were recorded in the appropriate reporting period.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the 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.

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, in accordance with section 405 of the Hong Kong Companies Ordinance, 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.

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

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

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

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose 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 Lo Hiu Chi (practising certificate number: P08233).

Ernst & Young
Certified Public Accountants
Hong Kong
23 March 2026

Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	–	2,026
Cost of sales		–	(1,483)
Gross profit		–	543
Other income and gains	5	**29,271**	7,621
Research and development costs		**(81,624)**	(94,753)
Administrative expenses		**(46,384)**	(67,716)
Other expenses	6	**(722)**	(22,175)
Finance costs	8	**(5,526)**	(8,661)
LOSS BEFORE TAX	7	**(104,985)**	(185,141)
Income tax expense	11	–	–
LOSS FOR THE YEAR		**(104,985)**	(185,141)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	13	**(0.09)**	(0.17)

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	2025 *RMB'000*	2024 *RMB'000*
LOSS FOR THE YEAR	**(104,985)**	(185,141)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation to the presentation currency	**(15,303)**	10,750
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(120,288)**	(174,391)

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*14*	**480,223**	484,108
Right-of-use assets	*15(a)*	**20,779**	66,614
Intangible assets	*16*	**354**	935
Deposits	*18*	**1,241**	801
Other non-current assets	*17*	**15,614**	15,305
Total non-current assets		**518,211**	567,763
CURRENT ASSETS			
Prepayments, deposits and other receivables	*18*	**7,666**	12,457
Financial assets at fair value through profit or loss	*19*	**48,713**	44,978
Pledged and restricted deposits	*20*	**10,814**	66,002
Cash and cash equivalents	*20*	**322,708**	61,900
Total current assets		**389,901**	185,337
CURRENT LIABILITIES			
Other payables and accruals	*21*	**61,740**	77,918
Lease liabilities	*15(b)*	**7,583**	12,941
Interest-bearing bank borrowings	*22*	**134,716**	112,639
Total current liabilities		**204,039**	203,498

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NET CURRENT ASSETS/(LIABILITIES)		**185,862**	(18,161)
TOTAL ASSETS LESS CURRENT LIABILITIES		**704,073**	549,602
NON-CURRENT LIABILITIES			
Lease liabilities	*15(b)*	**4,106**	50,044
Interest-bearing bank borrowings	*22*	**192,089**	306,647
Total non-current liabilities		**196,195**	356,691
Net assets		**507,878**	192,911
EQUITY			
Equity attributable to owners of the parent			
Share capital	*23*	**2,218,200**	1,790,094
Reserves	*24*	**(1,710,322)**	(1,597,183)
Total equity		**507,878**	192,911

Leung Shui On
Director

Hon Ping Cho Terence
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Notes	Share capital RMB'000	Shares held under Share Award Scheme* RMB'000	Share-based payment reserve* RMB'000	Capital reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
At 1 January 2025		**1,790,094**	**(52,616)**	**121,146**	**8,637**	**1,021**	**(1,675,371)**	**192,911**
Loss for the year		**–**	**–**	**–**	**–**	**–**	**(104,985)**	**(104,985)**
Other comprehensive loss for the year:								
Exchange differences on translation to the presentation currency		**–**	**–**	**–**	**–**	**(15,303)**	**–**	**(15,303)**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(15,303)**	**(104,985)**	**(120,288)**
Issue of shares	*23*	**428,106**	**–**	**–**	**–**	**–**	**–**	**428,106**
Share award vested		**–**	**280**	**(222)**	**–**	**–**	**–**	**58**
Equity-settled share-based payment expenses	*25*	**–**	**–**	**7,091**	**–**	**–**	**–**	**7,091**
At 31 December 2025		**2,218,200**	**(52,336)**	**128,015**	**8,637**	**(14,282)**	**(1,780,356)**	**507,878**

	Notes	Share capital RMB'000	Shares held under Share Award Scheme* RMB'000	Share-based payment reserve* RMB'000	Capital reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
At 1 January 2024		1,725,211	(52,616)	114,310	8,637	(9,729)	(1,490,230)	295,583
Loss for the year		–	–	–	–	–	(185,141)	(185,141)
Other comprehensive income for the year:								
Exchange differences on translation to the presentation currency		–	–	–	–	10,750	–	10,750
Total comprehensive loss for the year		–	–	–	–	10,750	(185,141)	(174,391)
Issue of shares	*23*	64,883	–	–	–	–	–	64,883
Equity-settled share-based payment expenses	*25*	–	–	6,836	–	–	–	6,836
At 31 December 2024		1,790,094	(52,616)	121,146	8,637	1,021	(1,675,371)	192,911

* These reserve accounts comprise the debit consolidated reserves of RMB1,710,322,000 (2024: RMB1,597,183,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(104,985)**	(185,141)
Adjustments for:			
Finance costs	*8*	**5,526**	8,661
Bank interest income	*5*	**(3,713)**	(5,881)
Loss on termination of purchase contracts		**–**	9,714
Gain on lease termination	*5*	**(7,409)**	–
Fair value gain on financial instruments at fair value through profit or loss	*5*	**(729)**	(496)
Depreciation of property, plant and equipment	*14*	**13,382**	14,860
Depreciation of right-of-use assets	*15(a)*	**13,118**	14,174
Amortisation of intangible assets	*16*	**845**	1,253
Equity-settled share-based payment expenses	*25*	**7,123**	6,816
		(76,842)	(136,040)
Decrease/(increase) in prepayments, deposits and other receivables		**6,986**	(2,350)
(Decrease)/increase in other payables and accruals		**(4,335)**	1,708
Cash used in operations		**(74,191)**	(136,682)
Interest received	*5*	**3,713**	5,881
Net cash flows used in operating activities		**(70,478)**	(130,801)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(24,716)**	(41,060)
Prepayments for purchases of property, plant and equipment		**(309)**	(105)
Purchases of intangible assets		**(275)**	(332)
Decrease/(increase) in pledged deposits		**44,993**	(39,993)
Purchases of financial assets at fair value through profit or loss		**(127,423)**	(257,500)
Redemption of financial assets at fair value through profit or loss		**123,490**	244,473
Proceeds from disposal of items of property, plant and equipment		**491**	35
Net cash flows from/(used in) investing activities		**16,251**	(94,482)

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares	*23*	**428,106**	54,845
Proceeds from exercising share award		**86**	–
New bank loans	*26(b)*	**30,195**	97,370
Repayment of bank loans	*26(b)*	**(111,600)**	(66,800)
Principal portion of lease payments	*26(b)*	**(11,218)**	(6,449)
Interest paid		**(6,181)**	(5,698)
Net cash flows from financing activities		**329,388**	73,268
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**275,161**	(152,015)
Cash and cash equivalents at the beginning of the year		**61,900**	203,664
Effect of foreign exchange rate changes, net		**(14,353)**	10,251
CASH AND CASH EQUIVALENTS AT END OF YEAR		**322,708**	61,900
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*20*	**200,928**	40,924
Non-pledged time deposits with original maturity of less than three months when acquired	*20*	**121,780**	20,976
Cash and cash equivalents as stated in the consolidated statement of cash flows		**322,708**	61,900

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at Units 303 and 305 to 307, No.15 Science Park West Avenue, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in the research and development of pharmaceutical products.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 November 2019.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
SinoMab BioScience (Shenzhen) Limited* (深圳賽樂敏生物科技有限公司) (note (a))	PRC/Mainland China	HKD 176,428,600	100%	–	Research and development of pharmaceutical products
SinoMab Biopharmaceutical (Haikou) Limited* (formerly known as SinoMab BioScience (Hainan) Limited) (中抗生物製藥(海口)有限公司) (formerly known as 海南賽樂敏生物科技有限公司) (notes (b))	PRC/Mainland China	RMB 50,000,000	–	100%	Research and development of pharmaceutical products
MediNexus Pharma (Suzhou) Limited (杏聯藥業(蘇州)有限公司) (note (a))	PRC/Mainland China	RMB 450,000,000	100%	–	Research and development of pharmaceutical products
MediNexus Pharma (Shanghai) Limited* (興聯藥業(上海)有限公司) (note (a))	PRC/Mainland China	RMB 7,000,000	100%	–	Research and development of pharmaceutical products
Ingenious Sino Limited	British Virgin Islands	USD1	100%	–	Investment holding
GCT INC.	The United States of America	USD645,000	100%	–	Research and development of pharmaceutical products
SinoMab Biotechnology (Suzhou) Limited* (中抗生物科技(蘇州)有限公司) (note (a))	PRC/Mainland China	RMB1,000,000	–	100%	Research and development of pharmaceutical products
SinoMab Biopharmaceutical (Nanjing) Limited* 中抗生物製藥(南京)有限公司 (note (a))	PRC/Mainland China	USD2,000,000	100%	–	Research and development of pharmaceutical products

Notes:

(a) These subsidiaries are registered as wholly-foreign-owned enterprises under People's Republic of China ("**PRC**") law.

(b) The subsidiary is registered as a domestic enterprise under PRC law.

* *For identification purposes only*

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss 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 where otherwise indicated.

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

2. ACCOUNTING POLICIES (continued)

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 for the first time for the current year's financial statements.

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

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

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

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

2. ACCOUNTING POLICIES (continued)

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

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

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

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

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

2. ACCOUNTING POLICIES (continued)

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

Amendments to HKAS 21 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 HKAS 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 HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

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

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

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

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its equity investments 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.

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 financial assets), 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 the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

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.

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

Depreciation is calculated on the straight-line basis 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:

Production and R&D equipment	14% to 30%
Office equipment	9% to 20%
Motor vehicles	18% to 20%
Leasehold improvements	Over the shorter of the lease terms and 20%

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 the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. 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.

Research and development costs

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

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

Leases

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

Group as a lessee

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less 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	30 years
Buildings and equipment	1.5 to 20 years

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

(b) Lease liabilities

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

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

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

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

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 HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost, 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. 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:

Financial assets at amortised cost (debt instruments)

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

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

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

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.

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.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

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.

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

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

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

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

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

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, or payables, as appropriate.

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

Subsequent measurement of financial liabilities at amortised cost (other payables and borrowings)

After initial recognition, 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 the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

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.

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 the statement of profit or loss.

Income tax

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

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

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.

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contract with customer

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

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

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Other income

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

Shares held under share award scheme

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

The Company operates a share award scheme and a share option scheme. 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 for grants under a share option scheme is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 25 to the financial statements.

The cost of equity-settled transactions with employees for grants under a restricted share unit scheme and/or a share award scheme is measured by reference to the fair value at the date at which they are granted. The fair value is determined at the closing price of the shares at the grant date, less considerations received from the grantees (if any), further details of which are given in note 25 to the financial statements.

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 the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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

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.

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

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to 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.

Foreign currencies

These financial statements are presented in RMB as the major operations of the Group are within the Mainland China. The functional currency of the Company is the HKD and the functional currency of the subsidiaries established in Mainland China is RMB, which is the currency of the primary economic environment in which those entities operate. 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 the statement of 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).

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

The functional currencies of the Company and overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of the Company and overseas subsidiaries 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.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of companies established out of Mainland China are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of companies established out of Mainland China which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

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 costs

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

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

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 non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (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.

Useful lives and residual values of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, the expected usage of the asset, the expected physical wear and tear, the repair and maintenance of the asset and the legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way.

Additional depreciation is recognised if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from the previous estimation. Useful lives and residual values are reviewed at the end of each reporting period based on changes in circumstances.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from an external customer

	2025 RMB'000	2024 RMB'000
Mainland China	–	2,026

The revenue information above is based on the location of the customer.

(b) Non-current assets

	2025 RMB'000	2024 RMB'000
Mainland China	**509,777**	555,989
Hong Kong	**7,193**	10,973
Total non-current assets	**516,970**	566,962

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contract with a customer	–	2,026

Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Type of goods		
Sales of capsules	–	2,026
Geographical market		
Mainland China	–	2,026
Timing of revenue recognition		
Goods transferred at a point in time	–	2,026

Notes:

(i) The Company entered into a capsule sales agreement to sell the capsule which is the Bruton's tyrosine kinase ("**BTK**") inhibitor in 2022. During the year of 2024, the Company supplied capsules and recognised the corresponding revenue and costs separately.

(ii) The performance obligation is satisfied upon delivery of the capsule products.

5. REVENUE, OTHER INCOME AND GAINS (continued)

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Other income and gains		
Foreign exchange gain	**11,392**	–
Gain on lease termination	**7,409**	–
Government grants	**4,693**	571
Bank interest income	**3,713**	5,881
Fair value gain on financial instruments at fair value through profit or loss	**729**	496
Gain on disposal of items of property, plant and equipment	**–**	83
Others	**1,335**	590
Total other income and gains	**29,271**	7,621

The government grants mainly represent grants received from the local governments for supporting research activities, clinical trials and employment. There were no unfulfilled conditions or contingences relating to these grants received during the year.

6. OTHER EXPENSES

	2025 RMB'000	2024 RMB'000
Loss on disposal of items of property, plant and of equipment	**92**	–
Loss on termination of purchase contracts	**–**	12,579
Foreign exchange loss	**–**	9,471
Others	**630**	125
Total other expenses	**722**	22,175

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Notes	2025 RMB'000	2024 RMB'000
Cost of capsules sold		–	1,483
Laboratory consumable and experiment costs		40,852	42,289
Depreciation of property, plant and equipment	14	13,382	14,860
Depreciation of right-of-use assets	15(a)	13,118	14,174
Amortisation of intangible assets	16	845	1,253
Auditor's remuneration		1,850	1,850
Lease payments not included in the measurement of lease liabilities	15(c)	362	171
Employee benefit expenses (excluding directors' and chief executive's remuneration (note 9)):			
Wages and salaries		29,026	53,477
Equity-settled share-based payment expenses		5,512	6,816
Pension scheme contributions (defined contribution scheme)*		2,965	6,287
Staff welfare expenses		181	351
Total		37,684	66,931

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

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Note	2025 RMB'000	2024 RMB'000
Interest on bank loans		**12,614**	16,408
Interest on lease liabilities	*15(b)*	**1,127**	2,792
Total interest expenses on financial liabilities not at fair value through profit or loss		**13,741**	19,200
Less: Interest capitalised		**(8,215)**	(10,539)
Total		**5,526**	8,661

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

	2025 RMB'000	2024 RMB'000
Fees	**756**	1,152
Other emoluments:		
Salaries, allowances and benefits in kind	**4,586**	8,681
(Reversal of)/charge of equity-settled share-based payment expenses	**(824)**	5,143
Pension scheme contributions	**20**	60
Subtotal	**3,782**	13,884
Total	**4,538**	15,036

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive directors

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

	2025 RMB'000	2024 RMB'000
Mr. Dylan Carlo TINKER (i)	–	288
Mr. Ping Cho Terence HON	180	288
Mr. George William Hunter CAUTHERLEY	180	288
Dr. Chi Ming LEE	180	288
Ms. Chi Sau Giselle LEE (ii)	108	–
Mr. Nan SHEN (ii)	108	–
Total	756	1,152

(i) Mr. Dylan Carlo TINKER passed away on 29 May 2025 and no longer held the position of independent non-executive directors.

(ii) Ms. Chi Sau Giselle LEE and Mr. Nan SHEN were appointed as independent non-executive directors on 30 June 2025.

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

(b) Executive directors and non-executive directors

2025	Fees RMB'000	Equity-settled share-based payment expenses RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors:					
Dr. Shui On LEUNG (iii)	–	–	3,505	–	3,505
Mr. Shanchun WANG (iv)	–	(824)	1,081	20	277
Total	–	(824)	4,586	20	3,782
Non-executive directors:					
Dr. Haigang CHEN	–	–	–	–	–
Dr. Jianmin ZHANG	–	–	–	–	–
Mr. Xun DONG	–	–	–	–	–
Ms. Xiaosu Wang (vii)	–	–	–	–	–
Total	–	–	–	–	–

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

2024	Fees *RMB'000*	Equity-settled share-based payment expenses *RMB'000*	Salaries, allowances and benefits in kind *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Executive directors:					
Dr. Shui On LEUNG (iii)	–	–	4,608	12	4,620
Mr. Shanchun WANG (iv)	–	5,143	4,073	48	9,264
Total	–	5,143	8,681	60	13,884
Non-executive directors:					
Dr. Haigang CHEN	–	–	–	–	–
Dr. Wenyi LIU (v)	–	–	–	–	–
Dr. Jianmin ZHANG	–	–	–	–	–
Mr. Xun DONG	–	–	–	–	–
Mr. Lei SHI (vi)	–	–	–	–	–
Ms. Xiaosu Wang (vii)	–	–	–	–	–
Total	–	–	–	–	–

(iii) Dr. Shui On LEUNG was appointed as an executive director of the Company with effect from 12 September 2011. Dr. Shui On LEUNG was also the chief executive of the Company during the year.

(iv) Mr. Shanchun WANG was appointed as an executive director of the Company with effect from 7 February 2024 and resigned on 9 June 2025.

(v) Dr. Wenyi LIU was appointed as a non-executive director of the Company with effect from 31 August 2017 and resigned on 26 September 2024.

(vi) Mr. Lei SHI was appointed as a non-executive director of the Company with effect from 17 December 2021 and resigned on 19 December 2024.

(vii) Ms. Xiaosu WANG was appointed as a non-executive director of the Company with effect from 19 December 2024.

Dr. Shui On LEUNG waived his salaries of RMB1,745,000 (2024: RMB631,000) for the year ended 31 December 2025. Mr. Shanchun WANG waived his salaries of RMB926,000 (2024: RMB556,000) for the year ended 31 December 2025. No other director waived any emoluments for both years.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2024: two) director, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining four (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	**4,251**	5,025
Equity-settled share-based payment expenses	**1,161**	335
Pension scheme contributions	**140**	49
Total	**5,552**	5,409

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
Nil to HKD1,000,000	**1**	–
HKD1,000,001 to HKD1,500,000	**1**	1
HKD1,500,001 to HKD2,000,000	**1**	–
HKD2,000,001 to HKD2,500,000	**1**	1
HKD2,500,001 to HKD3,000,000	**–**	1
Total	**4**	3

During the year, no emoluments were paid by the Group to any of the five highest paid individuals (including directors and employees) as compensation for loss of office (2024: HKD274,000).

11. INCOME TAX

No Hong Kong profits tax has been made as the Company did not generate any assessable profit during the year (2024: Nil).

Under the Enterprise Income Tax Law of the People's Republic of China (the "**EIT Law**") and Implementation Regulation of the EIT Law, the estimated tax rate of the Group's subsidiaries in Mainland China is 25% during the years presented in the consolidated financial statements. No Enterprise Income tax under EIT Law was provided for as there was no estimated assessable profit of the Group's subsidiaries in Mainland China during the years presented in the consolidated financial statements.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

2025

	Hong Kong *RMB'000*	Mainland China *RMB'000*	Others *RMB'000*	Total *RMB'000*
Loss before tax	**(44,166)**	**(60,801)**	**(18)**	**(104,985)**
Tax at the statutory tax rate	**(7,287)**	**(15,200)**	**(2)**	**(22,489)**
Income not subject to tax	**(532)**	**–**	**–**	**(532)**
Expenses not deductible for tax	**654**	**156**	**–**	**810**
Temporary difference not recognised	**184**	**(566)**	**–**	**(382)**
Tax losses not recognised	**6,981**	**15,610**	**2**	**22,593**
Tax charge at the Group's effective rate	**–**	**–**	**–**	**–**

11. INCOME TAX (continued)

2024

	Hong Kong *RMB'000*	Mainland China *RMB'000*	Others *RMB'000*	Total *RMB'000*
Loss before tax	(63,085)	(122,044)	(12)	(185,141)
Tax at the statutory tax rate	(10,409)	(30,511)	(1)	(40,921)
Income not subject to tax	(803)	–	–	(803)
Expenses not deductible for tax	3,394	88	–	3,482
Temporary difference not recognised	126	174	–	300
Tax losses not recognised	7,692	30,249	1	37,942
Tax charge at the Group's effective rate	–	–	–	–

The Group had accumulated tax losses arising in Hong Kong of HKD619,049,000 and HKD542,346,000 as at 31 December 2025 and 2024, respectively, subject to the agreement by Inland Revenue Department, that were available indefinitely to offset against future taxable profits arising in Hong Kong.

The Group had accumulated tax losses arising in Mainland China of RMB974,090,000 and RMB1,001,524,000 as at 31 December 2025 and 2024, respectively, subject to the agreement by relevant tax authorities, that will expire in one to five years for offsetting against future taxable profits arising in Mainland China.

Deferred taxation had not been recognised on the unused tax losses and deductible temporary differences due to the unpredictability of future profit streams.

12. DIVIDENDS

No dividend was paid or declared by the Company during the years ended 31 December 2025 and 2024.

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

The calculation of the basic loss per share is based on the consolidated loss for the year attributable to ordinary equity holders of the parent of RMB104,985,000 (2024: RMB185,141,000), and the weighted average number of ordinary shares of 1,227,203,051 (2024: 1,073,649,559) outstanding during the year, as adjusted to exclude the shares held under the share award scheme of the Company.

No adjustment has been made to the basic loss per share amount presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted loss per share are based on:

	2025	2024
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**104,985**	185,141

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year	**1,227,203,051**	1,073,649,559

There were 15,870,500 shares held under Share Award Scheme as of 31 December 2025 (2024: 15,955,500).

14. PROPERTY, PLANT AND EQUIPMENT

	Production and R&D equipment RMB'000	Office equipment 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	**57,460**	**9,219**	**518**	**28,479**	**453,074**	**548,750**
Accumulated depreciation	**(34,853)**	**(5,959)**	**(518)**	**(23,312)**	**–**	**(64,642)**
Net carrying amount	**22,607**	**3,260**	**–**	**5,167**	**453,074**	**484,108**
At 1 January 2025, net of accumulated depreciation	**22,607**	**3,260**	**–**	**5,167**	**453,074**	**484,108**
Additions	**17**	**112**	**–**	**–**	**9,812**	**9,941**
Disposals	**(398)**	**(1)**	**–**	**–**	**–**	**(399)**
Depreciation provided during the year	**(8,176)**	**(1,260)**	**–**	**(3,946)**	**–**	**(13,382)**
Exchange realignment	**(25)**	**(20)**	**–**	**–**	**–**	**(45)**
At 31 December 2025, net of accumulated depreciation	**14,025**	**2,091**	**–**	**1,221**	**462,886**	**480,223**
At 31 December 2025:						
Cost	**49,175**	**8,966**	**518**	**28,347**	**462,886**	**549,892**
Accumulated depreciation	**(35,150)**	**(6,875)**	**(518)**	**(27,126)**	**–**	**(69,669)**
Net carrying amount	**14,025**	**2,091**	**–**	**1,221**	**462,886**	**480,223**
31 December 2024						
At 1 January 2024						
Cost	56,603	8,935	860	28,365	419,140	513,903
Accumulated depreciation	(26,294)	(4,444)	(764)	(18,487)	–	(49,989)
Net carrying amount	30,309	4,491	96	9,878	419,140	463,914
At 1 January 2024, net of accumulated depreciation	30,309	4,491	96	9,878	419,140	463,914
Additions	744	266	–	–	34,030	35,040
Disposals	–	(9)	(26)	–	–	(35)
Depreciation provided during the year	(8,566)	(1,510)	(71)	(4,713)	–	(14,860)
Transfer from construction in progress	96	–	–	–	(96)	–
Exchange realignment	24	22	1	2	–	49
At 31 December 2024, net of accumulated depreciation	22,607	3,260	–	5,167	453,074	484,108
At 31 December 2024:						
Cost	57,460	9,219	518	28,479	453,074	548,750
Accumulated depreciation	(34,853)	(5,959)	(518)	(23,312)	–	(64,642)
Net carrying amount	22,607	3,260	–	5,167	453,074	484,108

15. LEASES

The Group as a lessee

The Group has lease contracts for land, buildings and equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owner with lease period of 30 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 1.5 and 20 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value.

(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:

	Note	Land use rights RMB'000	Buildings and equipment RMB'000	Total RMB'000
As at 1 January 2024		14,411	58,449	72,860
Additions		–	7,918	7,918
Depreciation charge		(545)	(13,629)	(14,174)
Exchange realignment		–	10	10
As at 31 December 2024 and 1 January 2025		13,866	52,748	66,614
Additions		–	3,246	3,246
Depreciation charge		(546)	(12,572)	(13,118)
Lease termination	*(i)*	–	(35,783)	(35,783)
Exchange realignment		–	(180)	(180)
As at 31 December 2025		**13,320**	**7,459**	**20,779**

Note:

(i) The lease termination is about the derecognition of right-of-use assets of Haikou leased building.

15. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**62,985**	59,413
New leases	**3,246**	7,918
Lease termination	**(43,192)**	–
Accretion of interest recognised during the year	**1,127**	2,792
Payments	**(12,323)**	(7,155)
Foreign exchange movement	**(154)**	17
Carrying amount at 31 December	**11,689**	62,985
Analysed into:		
Current portion	**7,583**	12,941
Non-current portion	**4,106**	50,044

The maturity analysis of lease liabilities is disclosed in note 32 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets	**13,118**	14,174
Interest on lease liabilities	**1,127**	2,792
Gain on lease termination	**(7,409)**	–
Expense relating to short-term leases	**322**	139
Expense relating to leases of low-value assets	**40**	32
Total amount recognised in profit or loss	**7,198**	17,137

(d) The total cash outflow for leases is disclosed in note 26(c) to the financial statements.

16. INTANGIBLE ASSETS

	2025 RMB'000 Office software	2024 RMB'000 Office software
Cost at 1 January, net of accumulated amortisation	**935**	1,844
Additions	**275**	329
Amortisation provided during the year	**(845)**	(1,253)
Exchange realignment	**(11)**	15
At 31 December	**354**	935
At 31 December:		
Cost	**3,881**	4,336
Accumulated amortisation	**(3,527)**	(3,401)
Net carrying amount	**354**	935

17. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments for purchases of property, plant and equipment	**15,614**	15,305

Other non-current assets represent prepayments for purchases of property, plant and equipment mainly in relation to the construction of Suzhou production base primarily for the commercial-scale production.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Deposits and other receivables	**7,074**	4,695
Prepayments	**1,833**	8,563
Total	**8,907**	13,258
Portion classified as non-current:		
Deposits	**(1,241)**	(801)
Current portion	**7,666**	12,457

The financial assets included in the above balances relate to deposits and receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	2025 RMB'000	2024 RMB'000
Unlisted investment, at fair value		**30,757**	31,455
Wealth management products	*(i)*	**17,956**	13,523
Total		**48,713**	44,978

Note:

(i) The wealth management products were mandatorily classified as financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest. The Group has estimated the fair value of the wealth management products based on fair value provided by the financial institution.

20. CASH AND CASH EQUIVALENTS AND PLEDGED AND RESTRICTED DEPOSITS

	Notes	2025 RMB'000	2024 RMB'000
Cash and bank balances		**200,928**	40,924
Time deposits		**121,780**	20,976
Cash and cash equivalents	*(i)*	**322,708**	61,900
Restricted for special purpose	*(ii)*	**10,814**	21,009
Pledged for bank loans	*22(b)*	**–**	44,993
Pledged and restricted deposits		**10,814**	66,002
Denominated in:			
HKD		**216,900**	1,472
RMB		**63,213**	55,183
USD		**53,409**	71,117
AUD		**–**	130
Cash and cash equivalents and pledged and restricted deposits		**333,522**	127,902

Notes:

(i) The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

(ii) As at 31 December 2025, bank balances restricted for special purpose amounted to, in aggregate, RMB10,814,000 (2024: RMB21,009,000) which was designated for the use of a construction project by a subsidiary of the Group in accordance with the relevant facility agreements. The Group management monitors closely the use of the fund to meet its ongoing construction expenditure.

21. OTHER PAYABLES AND ACCRUALS

	Note	2025 RMB'000	2024 RMB'000
Other payables and accrued expenses	(i)	**30,357**	33,899
Costs of construction and purchase of equipment payables		**29,103**	40,946
Payroll payable		**2,040**	2,807
Taxes other than corporate income tax		**240**	266
Total		**61,740**	77,918

Note:

(i) Other payables and accrued expenses are non-interest-bearing and repayable on demand, or within one year.

22. INTEREST-BEARING BANK BORROWINGS

	2025 RMB'000	2024 RMB'000
Non-current		
Unsecured bank borrowings	**73,805**	138,363
Secured bank borrowing	**118,284**	168,284
Total — non-current	**192,089**	306,647
Current		
Unsecured bank borrowings	**84,545**	41,624
Secured bank borrowings	**50,171**	71,015
Total — current	**134,716**	112,639
Total	**326,805**	419,286

22. INTEREST-BEARING BANK BORROWINGS (continued)

	2025 RMB'000	2024 RMB'000
Bank borrowings repayable analysed into:		
Within one year	**134,716**	112,639
In the second year	**92,550**	114,558
In the third to fifth years, inclusive	**99,539**	192,089
Total	**326,805**	419,286

Notes:

(a) The Group's overdraft facilities amounting to RMB697,555,000 (2024: RMB768,713,000), of which RMB385,839,000 (2024: RMB446,797,000) had been utilised as at the end of the reporting period.

(b) Certain of the Group's bank borrowings are secured by:

(i) Mortgages over the Group's land use right and construction in progress, which had a net carrying value at the end of the reporting period of approximately RMB340,016,000 (2024: RMB334,261,000); and

(ii) The Group does not pledge any of its deposits as at 31 December 2025 (2024: RMB44,993,000).

(c) All borrowings are denominated in RMB.

(d) The effective interest rates of the bank borrowings as at 31 December 2025 ranged from 3.00% to 3.90% (31 December 2024: 3.15% to 3.90%) per annum.

23. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
1,386,638,336 (2024: 1,091,755,119) ordinary shares	**2,218,200**	1,790,094

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2024, 31 December 2024 and 1 January 2025	1,091,755,119	1,790,094
New shares issued	294,883,217	428,106
At 31 December 2025	**1,386,638,336**	**2,218,200**

Note:

On 13 May 2025, the Company entered into twenty-six subscription agreements with twenty-six subscribers for the issuance of an aggregate of 112,810,817 new ordinary shares at a subscription price of HKD1.10 per share. The Company completed an issue of 112,810,817 new ordinary shares for twenty-six subscription agreements on 29 May 2025. On 22 July 2025, the Company entered into twenty-three subscription agreements with twenty-three subscribers for the issuance of an aggregate of 182,072,400 new ordinary shares at a subscription price of HKD2.03 per share. The Company completed an issue of 182,072,400 new ordinary shares for twenty-three subscription agreements on 29 August 2025. The total net proceeds amounting to approximately RMB428,106,000 were settled.

An aggregate of 294,883,217 shares, represents (i) approximately 27.01% of the issued share capital of the Company immediately before the completion of the share subscription; and (ii) approximately 21.27% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares.

24. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statements of changes in equity on the financial statements.

25. EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE

(a) Share Award Scheme

A share award scheme (the "**Share Award Scheme**") as amended from time to time was adopted by the Company on 4 February 2021 (the "**Adoption Date**"). The purposes of the Share Award Scheme are to incentivise directors, senior management, employees and consultants for their contribution to the Group and to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company and to promote the success of the Company's business.

Under the Share Award Scheme, the board of directors or an authorised person may select any eligible person and grant an award (the "**Award**") to the selected participants ("**Selected Participants**"), and such award shall be subject to the terms as specified in the Share Award Scheme.

The Share Award Scheme will remain in force for a period of 10 years commencing on its Adoption Date until 3 February 2031, unless otherwise terminated under the terms of the Share Award Scheme.

The maximum number of award shares throughout the duration of the Share Award Scheme is 50,312,020 shares, being 5% of the issued shares of the Company as at the Adoption Date. The maximum number of shares which may be awarded to a Selected Participant under the Share Award Scheme is 20,124,808, being 2% of the issued shares of the Company as at the Adoption Date.

Computershare Hong Kong Trustees Limited (the "**Trustee**") has been appointed by the Company as the trustee for the Share Award Scheme. To satisfy an Award, the Company shall transfer to the trust the necessary funds and instruct the Trustee to acquire shares through on-market transactions at the prevailing market price or through manual trades. The number of shares purchased was 18,095,500. On 17 May 2021, the share purchase payment was completed, with a purchase consideration of RMB59,673,039.

During the year, a total of 3,000,000 awards (2024: Nil) were granted to the employees by the Company pursuant to the Share Award Scheme.

25. EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE (continued)

(a) Share Award Scheme (continued)

(i) No award was vested during the year (2024: Nil).

During the year, the Company did not recognise equity-settled share-based payment expense (2024: Nil) for the share awards under the Share Award Scheme.

(ii) During the year, the Company granted 3,000,000 share options under the Share Award Scheme (2024: Nil). Among the 3,000,000 awards granted during the year, 1,000,000 Awards are share options which will be unlocked averagely in four years since December 2026, and 2,000,000 Awards are share options which will be unlocked averagely in four years since December 2027. The following share options were outstanding under the Share Award Scheme during the years ended 31 December 2025.

	Weighted average exercise price *HK$ per share*	Number of options *'000*	Exercise period
At 1 January 2024, 31 December 2024 and 1 January 2025	**1.12**	**4,880**	**–**
Granted during the year	**1.48**	**3,000**	**16 December 2026 to 15 December 2035 and 23 December 2027 to 22 December 2035**
Exercised during the year	**1.12**	**(85)**	
At December 2025	**1.26**	**7,795**	**–**

Among 85,000 share options were exercised, and no share options were forfeit or expired during the year ended 31 December 2025 (2024: Nil).

The fair value of the share options granted under the Shared Award Scheme during 2025 was HKD2,783,420 (HKD0.93 each). During the year, the Company recognised an equity-settled share-based payment expense of RMB678,207 (2024: RMB538,803) for options granted under the Share Award Scheme.

25. EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE (continued)

(b) Share Option Scheme

A share option scheme was adopted by the shareholders of the Company on 26 October 2022 (the "**Adoption Date**") ("**2022 Share Option Scheme**"). Pursuant to the 2022 Share Option Scheme, the board of directors may grant options to eligible participants to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein.

The purpose of the 2022 Share Option Scheme is to provide the participants with the opportunity to acquire proprietary interests in the Company, to provide incentives to the participants, and to recognise their contributions made and to be made to the growth and development of the Group and for such other purposes as the board of directors may approve from time to time.

Any employees (whether full-time or part-time), directors, or service providers of any member of the Group, are participants ("**Participants**") under the 2022 Share Option Scheme, provided that the board of directors may have absolute discretion to determine whether or not one falls within this category.

The 2022 Share Option Scheme remains in force until 25 October 2032 unless otherwise terminated under the terms of the 2022 Share Option Scheme.

In order to give the Company flexibility to grant share options to the Participants under the 2022 Share Option Scheme as incentives and rewards for their contributions to the Group, the Company amended the 2022 Share Option Scheme so as to increase the scheme mandate limit and service provider sublimit (the "**Amendments**"). For the purpose of providing more flexibility for the Company to motivate the Participants for their future contributions to the Group and/or to reward them for their past contributions, and to maintain on-going relationship with them, the Company also refreshed the scheme mandate limit and service provider sublimit (the "**Refreshment**"). Both the Amendments and Refreshment were approved by the shareholders of the Company at the annual general meeting of the Company held on 14 June 2024 (the "**2024 AGM**").

Pursuant to the amended 2022 Share Option Scheme (the "**Amended 2022 Share Option Scheme**"), the maximum number of shares which may be issued upon exercise of all share options to be granted under the Amended 2022 Share Option Scheme and any grants made under any other schemes of the Company shall not exceed 109,175,511, representing 10% of the total number of shares in issue on the date of the 2024 AGM. Options previously granted under the 2022 Share Option Scheme and any other share schemes of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit (the "**Refreshed Scheme Mandate Limit**").

Within the Refreshed Scheme Mandate Limit, the total number of shares which may be issued upon exercise of all options to be granted to service providers shall not exceed 10,917,551 shares, representing 1% of the total number of shares in issue on the 2024 AGM date (the "**Refreshed Service Provider Sublimit**").

There were 533,620 share options (including 533,620 share options under Service Provider Sublimit) available for grant at the beginning of the reporting period and 99,113,111 share options (including 10,917,551 share options under the Refreshed Service Provider Sublimit) available for grant at the end of the reporting period. The total number of shares available for issue under the Amended 2022 Share Option Scheme is 99,113,111, representing 7.15% of the issued shares of the Company as at the date of this annual report. The total number of shares issued and to be issued upon exercise of the share options granted to each participant in any 12-month period shall not exceed 1% of the total number of shares in issue.

25. EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE (continued)

(b) Share Option Scheme (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates under the Amended 2022 Share Option Scheme, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options must be made on a trading day and shall remain open for acceptance by each eligible participant concerned for a period of not less than 10 business days from the date of the offer. An option shall be deemed to have been accepted by the grantee and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within the period stipulated above.

The exercise period of share options granted is determinable by the board of directors or the chief executive officer of the Company, or any other authorised person(s), commencing from the date of the offer and ending on a date which is not later than expiry date required in the offer letter of the share options or the expiry date of the Amended 2022 Share Option Scheme, if earlier.

The exercise price of the options shall not less than the highest of (i) the closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average of the closing prices of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the 2022 Share Option Scheme during the years ended 31 December 2025 and 2024:

	2025		2024	
	Weighted average exercise price ***HK$ per share***	**Number of options** ***'000***	Weighted average exercise price *HK$ per share*	Number of options *'000*
As at 1 January	**1.44**	**55,570**	1.45	49,778
Granted during the year	**2.63**	**46,586**	1.256	10,062
Forfeited during the year	**1.23**	**(13,022)**	1.12	(4,270)
At 31 December	**2.10**	**89,134**	1.44	55,570

25. EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE (continued)

(b) Share Option Scheme (continued)

No share options were exercised or expired during the years ended 31 December 2025 and 2024. The exercise price and exercise period of the share options outstanding as at the end of the reporting period are as follows:

2025 **Number of options** ***'000***	Exercise price *HK$ per share*	Exercise period
25,156	1.79	4 November 2023 to 2 November 2032
10,062	1.102	7 November 2024 to 6 November 2034
7,330	1.12	17 November 2025 to 16 November 2033
46,586	2.63	25 July 2027 to 24 July 2035
89,134		

2024 Number of options *'000*	Exercise price *HK$ per share*	Exercise period
25,156	1.79	4 November 2023 to 2 November 2032
10,062	1.102	7 November 2024 to 6 November 2034
10,290	1.12	17 November 2025 to 16 November 2033
10,062	1.256	12 November 2025 to 11 November 2035
55,570		

The fair value of the share options granted to service providers during the year was HK$19,924,704 (HK$1.83 each). The fair value of the share options granted to employees during the year was HK$50,465,516 (HK$1.41 each) (2024: HK$5,978,770, HK$0.59 each). During the year ended 31 December 2025, the Group recognised share option expense of RMB6,445,000 (2024: RMB6,277,000).

25. EQUITY-SETTLED SHARE-BASED PAYMENT EXPENSE (continued)

(b) Share Option Scheme (continued)

The fair value of equity-settled share options granted under the Amended 2022 Share Option Scheme during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2025	2024
Dividend yield (%)	–	–
Expected volatility (%)	58.68	55.98
Historical volatility (%)	58.68	55.98
Risk-free interest rate (%)	3.14	3.45
Expected life of options (year)	10.00	10.00
Closing price of the shares on the grant date (HK$)	2.63	1.20
Post-vesting forfeiture rate (%)	7.14–32.47, N/A	9.52
Early exercise multiple	2.20–2.80, N/A	2.80

The expected life of the options is based on the rule of the Amended 2022 Share Option Scheme and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 89,134,262 share options outstanding under the 2022 Share Option Scheme.

26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB3,246,000 (2024: RMB7,918,000) and RMB3,246,000 (2024: RMB7,918,000), respectively, in respect of lease arrangements for office premises.

During the year, the Group had non-cash termination to right-of-use assets and lease liabilities of RMB35,783,000 (2024: Nil) and RMB43,192,000 (2024: Nil), respectively.

(b) Changes in liabilities arising from financing activities

	Bank borrowings *RMB'000*	**Lease liabilities** *RMB'000*
At 1 January 2025	**419,286**	**62,985**
Changes from financing cash flows	**(86,481)**	**(12,323)**
Interest paid classified as investing cash flows	**(8,419)**	**–**
Lease termination	**–**	**(43,192)**
New leases	**–**	**3,246**
Foreign exchange movements	**–**	**(154)**
Interest expense	**12,614**	**1,127**
Bank balances restricted for special purpose	**(10,195)**	**–**
At 31 December 2025	**326,805**	**11,689**

	Bank borrowings *RMB'000*	Lease liabilities *RMB'000*	Deposits received for subscriptions of new shares *RMB'000*
At 1 January 2024	391,395	59,413	10,038
Changes from financing cash flows	25,578	(7,155)	54,845
Interest paid classified as investing cash flows	(10,665)	–	–
New leases	–	7,918	–
Foreign exchange movements	–	17	–
Interest expense	16,408	2,792	–
Bank balances restricted for special purpose	(3,430)	–	–
Issue of shares	–	–	(64,883)
At 31 December 2024	419,286	62,985	–

26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	**362**	139
Within financing activities	**12,323**	7,155
	12,685	7,294

27. PLEDGE OF ASSET

Details of the Group's asset pledged for the Group's interest-bearing bank loan are included in note 22 to the financial statements.

28. COMMITMENTS

The Group had the following contractual commitments at the end of each reporting period:

	2025 RMB'000	2024 RMB'000
Buildings, plant and machinery	**50,106**	50,625

29. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties:

	Note	2025 RMB'000	2024 RMB'000
Other payables and accruals:			
Haikou Pharmaceutical Factory Co., Ltd.		–	56
Prepayments:			
Haikou Pharmaceutical Factory Co., Ltd.		–	382
Lease liabilities:			
Haikou Pharmaceutical Factory Co., Ltd.	(i)	3,917	54,676

Note:

(i) The Company is in a lease agreement with Haikou Pharmaceutical Factory Co., Ltd. ("**Haikou Pharmaceutical**") to lease equipment and a manufacturing building for a term of 10 years commencing from 1 January 2016 to 31 December 2025, with annual rental of RMB9,400,000 since 2022. The Company is in a lease agreement with Haikou Pharmaceutical to lease a property located at No.6 Building for a term of 20 years commencing from 1 April 2021 to 31 March 2041, with annual rental of RMB3,393,000.

Having considered the Company's strategy to optimise resource allocation and enhance operational flexibility, the parties have engaged in discussions regarding the early termination of the lease agreement and mutually agreed to terminate the lease of No.6 Building.

The transactions under these two lease agreements constituted one-off connected transactions as defined under Chapter 14A of the Listing Rules to the Company and have complied relevant requirements under Chapter 14A.

(b) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	5,296	10,834
Equity-settled share-based payment expenses	422	5,345
Pension scheme contributions	31	77
Total compensation paid to key management personnel	5,749	16,256

Further details of directors' and the chief executive's emoluments are included in note 9 to the financial statements.

30. 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:

As at 31 December 2025

Financial assets

	Financial asset at fair value through profit or loss *RMB'000*	Financial assets at amortised cost *RMB'000*	Total *RMB'000*
Cash and cash equivalents	–	322,708	322,708
Financial assets at fair value through profit or loss	48,713	–	48,713
Pledged and restricted deposits	–	10,814	10,814
Financial assets included in prepayments, deposits and other receivables	–	2,267	2,267
Total	48,713	335,789	384,502

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals	57,475
Interest-bearing bank borrowings	326,805
Total	384,280

30. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

As at 31 December 2024

Financial assets

	Financial asset at fair value through profit or loss *RMB'000*	Financial assets at amortised cost *RMB'000*	Total *RMB'000*
Cash and cash equivalents	–	61,900	61,900
Financial assets at fair value through profit or loss	44,978	–	44,978
Pledged and restricted deposits	–	66,002	66,002
Financial assets included in prepayments, deposits and other receivables	–	728	728
Total	44,978	128,630	173,608

Financial liabilities

	Financial liabilities at amortised cost *RMB'000*
Financial liabilities included in other payables and accruals	72,808
Interest-bearing bank borrowings	419,286
Total	492,094

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values.

The Group's finance department headed by chief financial officer 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 valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial assets included in prepayments, deposits and other receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group invests in various wealth management products issued by an enterprise in Hong Kong. The Group has estimated the fair value of these wealth management products based on fair values provided by financial institutions.

As at 31 December 2025, the Group had an unlisted equity investment, which was reclassified as financial asset at fair value through profit or loss. The Group estimated the fair value of the unlisted investment based on recent transaction price of series A funding. The carrying amount of the financial asset at fair value through profit or loss is the same as its fair value.

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS
(continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) ***RMB'000***	**Significant observable inputs (Level 2)** ***RMB'000***	**Significant unobservable inputs (Level 3)** ***RMB'000***	**Total** ***RMB'000***
Financial asset at fair value through profit or loss	**–**	**48,713**	**–**	**48,713**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
Financial asset at fair value through profit or loss	–	44,978	–	44,978

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2024: Nil).

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group principal financial instruments comprise interest-bearing bank borrowings, cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as financial assets included in prepayments, deposits and other receivables and financial liabilities included in other payables and accruals and lease liabilities, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The following table demonstrates the sensitivity at the end of reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (arising from foreign currency denominated financial instruments) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency %	Increase/ (decrease) in loss before tax *RMB'000*	Increase/ (decrease) in equity *RMB'000*
31 December 2025			
If RMB weakens against USD	**5**	**2,953**	**632**
If RMB strengthens against USD	**(5)**	**(2,953)**	**(632)**
31 December 2024			
If RMB weakens against USD	5	3,552	607
If RMB strengthens against USD	(5)	(3,552)	(607)

Interest rate risk

The Group's interest-rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk.

As at 31 December 2025, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, the loss before tax for the year ended 31 December 2025 would have been RMB126,000 (2024: RMB283,000) higher/lower, mainly as a result of higher/lower interest expense on borrowings.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

2025

	On demand or within 1 year *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Lease liabilities	**8,167**	**6,338**	**–**	**14,505**
Interest-bearing bank borrowings	**144,050**	**200,072**	**–**	**344,122**
Financial liabilities included in other payables and accruals	**57,475**	**–**	**–**	**57,475**
Total	**209,692**	**206,410**	**–**	**416,102**

2024

	On demand or within 1 year *RMB'000*	1 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Lease liabilities	15,345	27,189	37,318	79,852
Interest-bearing bank borrowings	125,504	325,052	–	450,556
Financial liabilities included in other payables and accruals	72,808	–	–	72,808
Total	213,657	352,241	37,318	603,216

32. 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 and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. 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 31 December 2024.

33. EVENTS AFTER THE REPORTING PERIOD

The Group has no other significant events after the reporting period up to the approval date of these financial statements.

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the Reporting Period is as follows:

	2025 *RMB'000*	2024 *RMB'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**1,437**	2,176
Right-of-use assets	**4,573**	7,481
Investments in subsidiaries *(note i)*	**679,437**	654,581
Intangible assets	**224**	515
Deposits	**959**	801
Total non-current assets	**686,630**	665,554
CURRENT ASSETS		
Prepayments, deposits and other receivables	**525,926**	424,762
Financial assets at fair value through profit or loss	**17,956**	–
Pledged and restricted deposit	**–**	44,993
Cash and cash equivalents	**242,013**	22,652
Total current assets	**785,895**	492,407
CURRENT LIABILITIES		
Other payables and accruals	**10,537**	9,255
Interest-bearing bank borrowings	**–**	40,795
Lease liabilities	**2,606**	2,544
Total current liabilities	**13,143**	52,594
NET CURRENT ASSETS	**772,752**	439,813
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,459,382**	1,105,367
NON-CURRENT LIABILITIES		
Lease liabilities	**2,267**	5,025
Total non-current liabilities	**2,267**	5,025
Net assets	**1,457,115**	1,100,342
EQUITY		
Equity attributable to owners of the parent		
Share capital	**2,218,200**	1,790,094
Reserves *(note ii)*	**(761,085)**	(689,752)
Total equity	**1,457,115**	1,100,342

Leung Shui On
Director

Hon Ping Cho Terence
Director

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Notes:

(i) The investments in subsidiaries in the Company's statements of financial position represent:

	2025 RMB'000	2024 RMB'000
Investments, at cost	698,979	654,581
Less: Impairment	(19,542)	–
Total	679,437	654,581

(ii) A summary of the Company's reserves is as follows:

	Shares held under Share Award Scheme RMB'000	Share-based payment reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	(52,616)	114,310	(12,727)	(692,753)	(643,786)
Loss for the year	–	–	–	(63,084)	(63,084)
Exchange differences on translation to the presentation currency	–	–	10,282	–	10,282
Total comprehensive loss for the year	–	–	10,282	(63,084)	(52,802)
Equity-settled share-based payment expenses	–	6,836	–	–	6,836
At 31 December 2024 and 1 January 2025	(52,616)	121,146	(2,445)	(755,837)	(689,752)
Loss for the year	–	–	–	(64,060)	(64,060)
Exchange differences on translation to the presentation currency	–	–	(14,422)	–	(14,422)
Total comprehensive loss for the year	–	–	(14,422)	(64,060)	(78,482)
Share award vested	280	(222)	–	–	58
Equity-settled share-based payment expenses	–	7,091	–	–	7,091
At 31 December 2025	(52,336)	128,015	(16,867)	(819,897)	(761,085)

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 23 March 2026.

Definitions

"AGM" or "2026 Annual General Meeting"	2026 annual general meeting of the Company to be held on Friday, 12 June 2026
"Articles"	the second amended and restated articles of association of the Company, as amended from time to time
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors and for the purposes of the Scheme, "**Board**" means the board of Directors or a duly authorised committee of the Board
"BTK Transfer and Collaboration Agreement"	a technology transfer and collaboration agreement entered into between the Company and Suzhou Sinovent on 30 March 2019
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company" or "our Company"	SinoMab BioScience Limited (中國抗體製藥有限公司), a company incorporated in Hong Kong on 27 April 2001 with limited liability
"connected person"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"FDA"	the United States Food and Drug Administration
"GMP"	Good Manufacturing Practice
"Group" or "our Group"	the Company and its subsidiaries
"HKFRSs"	the Hong Kong Financial Reporting Standards
"HK$" or "HKD" or "Hong Kong Dollars"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"NMPA"	National Medical Products Administration of the PRC
"Nomination Committee"	the nomination committee of the Company
"PCT"	Patent Cooperation Treaty
"PRC" or "China"	the People's Republic of China
"Pre-IPO Investor(s)"	the investor(s) undertaking the pre-IPO investments in the Company
"Prospectus"	the prospectus of the Company dated 31 October 2019
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the year ended 31 December 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Skytech Technology"	Skytech Technology Limited, a limited company incorporated in the British Virgin Islands on 2 January 2001 and wholly-owned by Dr. Shui On LEUNG

Definitions

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiaries"	the Company's subsidiaries and "subsidiaries" has the meaning ascribed to it under section 2 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
"Suzhou Sinovent"	Suzhou Sinovent Pharmaceutical Technology Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司) now known as Evopoint Biosciences Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司), a connected person of the Company
"U.S." or "U.S.A." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"we", "our" or "us"	the Company or the Group as the context requires
"Xingze Xinghe"	Shanghai Xingze Xinghe Startup Investment Centre (Limited Partnership)* (上海杏澤興禾創業投資中心(有限合夥)), formerly known as Shanghai Xingze Xinghe Investment Management Centre (Limited Partnership)* (上海杏澤興禾投資管理中心(有限合夥)), a limited partnership established in the PRC on 8 January 2016
"Xingze Xingzhan"	Shanghai Xingze Xingzhan Enterprise Management Centre (Limited Partnership)* (上海杏澤興瞻企業管理中心(有限合夥)), a limited partnership established in the PRC on 16 October 2018
"%"	per cent

* *For identification purpose only*