

翰思艾泰生物醫藥科技(武漢)股份有限公司  
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.

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

Stock Code : 3378



Annual Report  
2025

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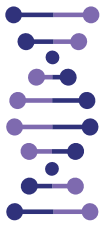


## CORPORATE PROFILE

Established in 2014, HanX Biopharmaceuticals (Wuhan) Co., Ltd. is an innovative biotechnology company dedicated to structural biology, translational medicine, and clinical development. The company strives to develop next-generation immunotherapies to provide global patients with affordable, safe, and effective medical solutions, addressing the challenges of major diseases. Guided by a mission and vision driven by innovation, HanX Biopharmaceuticals focuses on discovering, developing, and commercializing First-in-Class and Best-in-Class therapies for cancer and autoimmune diseases. The company is committed to meeting unmet medical needs worldwide, advancing disease prevention, control, and ultimately elimination, and contributing to global health initiatives.

The company's research and management team boasts extensive experience in new drug development, industrialization, and management within national key research institutions and multinational pharmaceutical companies. With operations spanning Wuhan, Hangzhou, Shanghai, Hong Kong, San Diego, and Australia, HanX Biopharmaceuticals has established a comprehensive management team covering drug discovery to clinical research. The company has also built globally patented platforms, including a high-affinity, long half-life antibody screening platform and an innovative Geographical Positioning Small molecule-Antibody (GPSmAb) platform for tumor targeting.

Currently, HanX Biopharmaceuticals has developed a proprietary innovative drug pipeline focused on oncology and immune diseases and is actively engaging in international collaborations to contribute to global health.



## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Dr. Zhang Faming (*Chairman of the Board*)  
Dr. Henry Qixiang Li (*Chief Executive Officer*)  
Mr. Liu Min  
Ms. Xiao Jieyu (re-designated on 8 February 2026)

### NON-EXECUTIVE DIRECTOR

Dr. Li Jian

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Bi Honggang  
Mr. Chen Qifeng  
Mr. Wong Sai Hung  
Dr. Zhang Qionguang

### SUPERVISORS

Dr. Ke Hang  
Ms. Sun Peng  
Ms. Chen Chen

### COMPANY SECRETARY

Mr. Li Kin Wai  
Mr. Zhang Hui (resigned on 8 February 2026)

## AUDIT COMMITTEE

Mr. Chen Qifeng (*Chairperson*)  
Mr. Wong Sai Hung  
Dr. Zhang Qionguang (appointed on 8 February 2026)  
Ms. Xiao Jieyu (resigned on 8 February 2026)

## REMUNERATION COMMITTEE

Mr. Wong Sai Hung (*Chairperson*)  
Dr. Henry Qixiang Li  
Dr. Bi Honggang

## NOMINATION COMMITTEE

Dr. Zhang Faming (*Chairperson*)  
Ms. Xiao Jieyu  
Dr. Bi Honggang  
Mr. Chen Qifeng  
Dr. Zhang Qionguang

## AUTHORISED REPRESENTATIVES

Dr. Zhang Faming  
Mr. Li Kin Wai

## CORPORATE INFORMATION

### AUDITOR

Ernst & Young  
*(Certified Public Accountants and Registered Public Interest  
Entity Auditor under the Accounting and Financial  
Reporting Council Ordinance)*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

### LEGAL ADVISORS

*As to Hong Kong law*  
Eric Chow & Co. in Association with  
Commerce & Finance Law Offices  
3401, Alexandra House  
18 Chater Road  
Central  
Hong Kong

*As to the PRC law*  
DeHeng Law Offices (Wuhan)  
26/F, Tower B  
Decheng International Trade Center  
No.1HuanleAve  
Wuhan, Hubei  
PRC

### COMPLIANCE ADVISER

Red Sun Capital Limited  
Room 2703, 27/F  
China Insurance Group Building  
141 Des Voeux Road Central  
Hong Kong

### REGISTERED OFFICE AND HEADQUARTERS IN THE PRC

Building A8, Phase II  
Bio-Innovation Park  
No. 1 Jiufeng 1st Road  
East Lake New Technology Development Zone  
Wuhan, Hubei  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F, Building 2W  
Science Park Avenue  
Hong Kong Science Park  
Shatin  
New Territories  
Hong Kong

### PRINCIPAL BANK

China Merchants Bank  
*(Wuhan Optics Valley Technology Branch)*  
No. 1, No. 475 Guanshan Avenue  
East Lake New Technology  
Development District  
Wuhan, Hubei  
PRC

### HONG KONG SHARE REGISTRAR

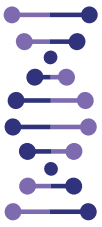
Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### STOCK CODE

3378

### COMPANY'S WEBSITE

[www.hanxbio.com](http://www.hanxbio.com)



## CHAIRMAN'S STATEMENT

### INNOVATION BREAKS BARRIERS, PERSEVERANCE OPENS NEW HORIZONS — HANXAIMTECH FORGES AHEAD AS A GLOBAL LEADER IN PRECISION THERAPEUTICS FOR ONCOLOGY AND AUTOIMMUNE DISEASES

Dear Shareholders, Partners, and Colleagues,

In 2025, the global biomedical industry entered a new stage marked by the deep integration of innovation and globalization. Technological advancements accelerated in areas such as immuno-oncology, antibody-drug conjugates (ADCs), and precision therapies for autoimmune diseases, while unmet clinical needs continued to escalate. The innovation model centered on first-in-class (FIC) therapies has become the core direction for industry development. Rooted in China with a global vision, HanxAimtech focuses on three key areas: immuno-oncology, ADCs, and autoimmune diseases. Guided by clinical value and driven by de novo innovation, the Company has achieved transformative progress in the capital market, R&D innovation, and global expansion. It has formally entered a new stage of development characterized by capitalization-driven growth and synergistic coordination across R&D, manufacturing, and commercialization.



## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors and management team of the Company, I would like to express our sincerest gratitude and respect to our shareholders, partners and industry experts for their steadfast support of the Company's development, as well as to our dedicated colleagues around the world for their unwavering commitment.

The year 2025 marked a pivotal milestone in HanxAimtech's corporate history. At capital level, the Company successfully listed on the Hong Kong Stock Exchange (Stock Code: 3378.HK), raising net proceeds of approximately HK\$496 million from the global offering and attracting renowned cornerstone investors. This has provided strong financial momentum for our R&D initiatives and global expansion. At R&D level, the Company maintained a high level of investment, with R&D expenses accounting for 61.8% of operating expenses in 2025. R&D investment in our core products exceeded RMB19 million. The Company has established a staged pipeline comprising "3 clinical stages + 1 IND approval stage + multiple preclinical stages", underscoring our competitive advantage in phased development.

Clinical development of our core products achieved globally leading progress, with preliminary validation of the value of our FIC assets. HX009, a PD-1/SIRP $\alpha$  bifunctional fusion protein, addresses the resistance challenges associated with traditional PD-1 monoclonal antibodies and has delivered clinically meaningful efficacy data in EBV-positive lymphoma and acral/mucosal advanced melanoma. HX044 successfully initiated concurrent patient enrollment in China and Australia, with preliminary safety and tolerability validated. Clinical research into its combination therapy with a PD-1

## CHAIRMAN'S STATEMENT

monoclonal antibody inhibitor has also been initiated. Our first ADC product, HX111, received IND approval from the NMPA, and multi-center clinical dose-escalation trials have commenced in both mainland China and Hong Kong, China, marking a key breakthrough in the ADC field. The Company has established a dual-pipeline landscape characterized by bispecific antibodies as the core focus, complemented by breakthroughs in ADC development.

Our two proprietary technology platforms, VersatiBody™ and autoRx40™, have begun to demonstrate their strategic value by establishing core innovation barriers and serving as the core engines for the discovery of FIC drug candidate. These platforms support the Company's strategic evolution toward becoming a platform-driven innovative pharmaceutical company. Meanwhile, our global clinical deployment has been fully implemented, with R&D, clinical, and regulatory hubs now established in Shanghai, Hong Kong, San Diego, and Australia. We have accumulated extensive experience in international multi-center clinical studies and established comprehensive global R&D and registration capabilities.

The period from 2026 to 2027 represents a strategically decisive phase for the Company, marked by the concentrated realization of clinical value and the transition from a clinical-stage pharmaceutical company to a full value-chain commercial pharmaceutical company. HanxAimtech will steadfastly adhere to its core principles rooted in science, centered on patients, and driven by innovation. We will accelerate progress toward our goal of becoming a global leader in precision therapies for oncology and autoimmune diseases in five key directions:

1. **Focus on clinical R&D breakthroughs**, we will fully allocate the proceeds from the listing to core products to drive the clinical advancement of HX009 and HX044, initiate human clinical trials for the HX111 ADC product in early 2026, and accelerate registration-enabling clinical trials for core products;
2. **Strengthen platform-driven development** by continuously iterating our two core technology platforms, we aim to complete the first IND submission for HX116 bispecific ADC in 2026, achieve clinical approval for molecules in the autoimmune field by 2027, and build a globally competitive pipeline matrix;
3. **Deepen collaborative innovation**, we will expand partnerships with leading industry, academic, research, and medical institutions to accelerate the translation of research outcomes and explore additional indications;
4. **Expand global footprint** by consolidating clinical development in China and Australia, we will advance registration and clinical studies in mainstream U.S. and European markets, and maximize pipeline and platform value through both independent commercialization and license-out models;
5. **Strengthen talent foundation**, we will recruit top global talent across R&D, clinical development, and commercialization, refine incentive mechanisms, and establish a sustainable innovation-driven talent system.

## CHAIRMAN'S STATEMENT

Innovate from the source, advance with perseverance. The capitalization achievements and R&D breakthroughs of 2025 represent the culmination of over a decade of HanxAimtech's dedicated commitment to precision therapeutics. Standing at this new juncture, empowered by our differentiated FIC pipeline, deep proprietary platform barriers, tiered product architecture, and global development capabilities, HanxAimtech will continue to overcome clinical challenges with innovative technologies and safeguard the health of patients worldwide through clinically valuable solutions.

We will uphold the principles of open innovation and win-win cooperation. With unwavering dedication to innovation and highly efficient execution, we will accelerate the clinical advancement and global expansion of our products, consistently create long-term value for our shareholders, deliver more effective and accessible treatment options to patients worldwide, and contribute to the global advancement of China's biomedical innovation.

We look forward to joining hands with all of you to embark on a new journey of global innovation in precision therapeutics and build a bright new future for HanxAimtech!

**Dr. Zhang Faming**

*Chairman*

**Hanx Biopharmaceuticals (Wuhan) Co., Ltd.**

27 April 2026



## FINANCIAL HIGHLIGHTS

|  | For year ended 31 December |           |          |          |          |
|--|----------------------------|-----------|----------|----------|----------|
|  | 2025                       | 2024      | 2023     | 2022     | 2021     |
|  | RMB'000                    | RMB'000   | RMB'000  | RMB'000  | RMB'000  |
| <b>Revenue</b>                         | —                          | —         | —        | —        | —        |
| Cost of sales                          | —                          | —         | —        | —        | —        |
| <b>Gross Profit</b>                    | —                          | —         | —        | —        | —        |
| Other net income and gains             | <b>16,616</b>              | 7,681     | 6,664    | 66,357   | 3,380    |
| Administrative expenses                | <b>(58,061)</b>            | (46,192)  | (17,220) | (16,850) | (6,398)  |
| Research and development expenses      | <b>(89,363)</b>            | (74,721)  | (46,663) | (58,684) | (33,245) |
| Other expenses                         | <b>(2,612)</b>             | (209)     | (33,924) | (210)    | (1,053)  |
| Finance costs                          | <b>(11,616)</b>            | (9,379)   | (2,280)  | (596)    | (1,219)  |
| <b>PROFIT/(LOSS) BEFORE TAX FROM</b>   |                            |           |          |          |          |
| <b>CONTINUING OPERATIONS</b>           | <b>(145,036)</b>           | (122,820) | (93,423) | (9,983)  | (38,535) |
| Income tax expense                     | <b>13,542</b>              | 5,898     | 8,263    | (14,850) | (6,690)  |
| <b>PROFIT/(LOSS) FOR THE YEAR FROM</b> |                            |           |          |          |          |
| <b>CONTINUING OPERATIONS</b>           | <b>(131,494)</b>           | (116,922) | (85,160) | (24,833) | (45,225) |
| <b>Profit for the year</b>             | <b>(131,494)</b>           | (116,922) | (85,160) | (24,833) | (45,225) |

|                                       | For year ended 31 December |         |         |         |         |
|---------------------------------------|----------------------------|---------|---------|---------|---------|
|                                       | 2025                       | 2024    | 2023    | 2022    | 2021    |
|                                       | RMB'000                    | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| <b>Assets, Liabilities and Equity</b> |                            |         |         |         |         |
| Total assets                          | <b>935,476</b>             | 501,471 | 586,240 | 555,679 | 559,221 |
| Total liabilities                     | <b>187,857</b>             | 284,867 | 266,659 | 135,725 | 140,246 |
| Total equity                          | <b>747,619</b>             | 216,604 | 319,581 | 419,954 | 418,975 |



## I. COMPANY OVERVIEW AND CORE STRATEGIC POSITIONING

Hanx Biopharmaceuticals (“**the Company**”) is a **clinical-stage innovative biopharmaceutical company** rooted in China with a global vision. Headquartered in Wuhan, the Company has established global R&D, clinical operations, and regulatory affairs presences in Shanghai, Hong Kong, San Diego, USA, and Australia, forming a comprehensive innovation system covering antibody drug discovery, clinical development, CMC industrialization, and international registration. With a core R&D focus on **First-in-Class (FIC)** assets, the Company concentrates on three major therapeutic areas: immuno-oncology (IO), antibody-drug conjugates (ADCs), and autoimmune diseases. Leveraging profound technical expertise in structural biology, translational medicine, oncology, and immunology, the Company develops innovative antibody therapeutics based on novel biological mechanisms and differentiated mechanisms of action (MOA), aiming to address unmet clinical needs globally.

The Company’s core competitiveness stems from its focus on unique biological principles and two proprietary biopharmaceutical innovation platforms developed in-house — **the VersatiBody™ multi-functional antibody platform and the autoRx40™ autoimmune therapeutic platform**. These platforms synergistically drive the efficient R&D and output of differentiated drug candidates. Simultaneously, through a dual wheel model of internal R&D and external strategic partnerships, the Company continuously enriches its product pipeline, accelerates clinical development, and amplifies the commercial value of its technology platforms. As of 31 December 2025, the Company has established a staged pipeline comprising “3 clinical stages + 1 IND approval stage + multiple preclinical stages”. Core assets such as immuno-oncology bispecific antibodies and the OX40-targeting ADC possess global FIC potential, laying a solid foundation for the Company’s long-term development. In 2025, the Company achieved multiple critical milestones in pipeline clinical advancement, technology platform iteration, and global expansion, preliminarily validating the clinical value of core assets and creating milestone value for shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

### II. 2025 CORE OPERATIONAL MILESTONES AND VALUE HIGHLIGHTS

2025 was a pivotal year for the Company's pipeline clinical advancement and the realization of technology platform value. The Company made progress in core product clinical development, pipeline building, technology platform iteration, and global clinical layout, with key milestones as follows:

- **Promising clinical data for core products:** The flagship product HX009 (PD-1/SIRP $\alpha$  bifunctional fusion protein) demonstrated **clinically meaningful preliminary efficacy data** in indications with unmet clinical needs such as EBV+ non-Hodgkin lymphoma and melanoma, validating the clinical value of the dual-targeting mechanism and laying the groundwork for subsequent pivotal clinical development;
- **Continuous pipeline improvement:** Three core drug candidates advanced into the clinical stage (HX009 and HX301 to Phase IIa, HX044 to Phase Ia). The Company's first FIC ADC product, HX111, received IND approval from the NMPA, marking a key step in entering the ADC field and forming a dual-pipeline landscape **led by bispecific antibodies and complemented by ADC breakthroughs**;
- **Implementation of global clinical strategy:** HX044 achieved concurrent patient enrollment in China and Australia, enrolling 8 patients across 3 centers in Australia and 18 patients across 4 centers in China, further enhancing capabilities for international clinical research and regulatory communication;
- **Validation of technology platform value:** The VersatiBody™ platform successfully produced two clinical-stage bifunctional antibodies, HX009 and HX044, and completed the preclinical design of multiple ADC and bispecific antibody molecules, fully demonstrating the platform's **molecular design efficiency and drugability optimization capabilities**;
- **Accelerated combination therapy layout:** Multiple products (HX009, HX301, HX044) received clinical approvals for combination therapies and initiated patient enrollment, targeting refractory indications such as biliary tract cancer, glioblastoma, and ICI-resistant solid tumors, opening up future commercial market space.

### III. CLINICAL PROGRESS AND CLINICAL VALUE ANALYSIS OF CORE PRODUCT PIPELINE

#### (I) HX009: PD-1/SIRP $\alpha$ Bifunctional Antibody Recombinant Fusion Protein (Core Product, Phase IIa)

HX009 is the Company's global FIC core asset. It is an innovative bifunctional anti-PD-1/SIRP $\alpha$  fusion protein that simultaneously binds to PD-1 and CD47 receptors on CD8+ effector T cells within the tumor microenvironment. This efficiently activates CD8+ effector T cells, addressing the resistance challenge of traditional PD-1 monoclonal antibodies, representing a significant direction for next-generation cancer immunotherapy. It is currently the Company's most advanced drug candidate.

#### *Key Clinical Progress in 2025*

- Monotherapy: Demonstrated interim positive data across multiple indications
  - Relapsed/refractory EBV+ non-Hodgkin lymphoma (NHL): The HX009-II-02 Phase Ib/II study has been completed. Among 17 evaluable patients, 4 achieved partial response (PR). There is currently no standard of care for this indication, and EBV+ NHL exhibits the biological characteristic of co-upregulated PD-L1/CD47, which highly matches HX009's mechanism of action, potentially filling the unmet clinical needs of this indication;
  - First-line advanced PD1 poor responsive acral/mucosal subtype melanoma: In cohort A of the HX009-I-01 Phase Ib study targeting non-cutaneous melanoma (acral/mucosal subtypes), which accounts for a high proportion (75–80%) in the Chinese population, 23 patients were enrolled. Among 19 evaluable patients, 4 achieved PR, significantly outperforming existing immune checkpoint inhibitors (which show only 15%/<10% response rates in acral/mucosal subtypes), demonstrating outstanding clinical value;
  - Relapsed/refractory melanoma post-PD-1 therapy: The enrollment for cohort B of the HX009-I-01 Phase Ib study has been completed. Among 18 evaluable patients, 4 achieved PR, offering a new treatment option for the unmet clinical needs of ICI resistance.
- Combination therapy: Expanding into refractory solid tumor indications.
  - Biliary tract cancer (BTC): Initiated the HX009-II-05 Phase I/IIa study in combination with the FAKi drug INX1008 for advanced BTC. Enrollment of 9 patients was completed in 2025, and the study is ongoing. BTC is a high-mortality, refractory tumor with limited treatment options, indicating significant clinical potential for the combination regimen.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Clinical Value and Subsequent Planning*

HX009's dual-targeting mechanism addresses the critical challenge of PD-1 resistance. Its preliminary efficacy validation in indications such as EBV + NHL with high incidence in Chinese populations **provides a potential differentiated clinical competitive advantage**. The Company will prioritize advancing pivotal clinical development for EBV + NHL; for other indications such as first-line acral/mucosal melanoma, further evaluation will be conducted after additional data maturity to determine the timing of advancement.

### **(II) HX044: CTLA-4/SIRP $\alpha$ Bifunctional Fusion Protein (Phase Ia)**

HX044 is a globally innovative CTLA-4/SIRP  $\alpha$  bifunctional fusion protein, representing a next-generation CTLA-4 targeted therapy. By simultaneously targeting CTLA-4 and CD47, it enhances the depletion of regulatory T-cells in the tumor microenvironment, thereby reducing immunosuppression and boosting anti-tumor activity. Its primary development direction is PD-1/ICI-resistant solid tumors, synergistically complementing HX009 in the immuno-oncology pipeline.

### *Key Clinical Progress in 2025*

- Monotherapy: Concurrent clinical advancement in China and Australia
  - In Australia: Received HREC approval in September 2024 and completed enrollment of 8 patients with advanced solid tumors across 3 research centers in 2025;
  - In China: Received IND approval from the NMPA on 24 January 2025, and completed enrollment of 18 patients with advanced solid tumors across 4 research centers during the year. The study is ongoing and has preliminarily validated the safety and tolerability of the drug.
- Combination therapy: Targeting core ICI-resistant indications
  - In September 2025, NMPA approval was obtained to initiate a clinical study of HX044 in combination with pucotenlimab (HX008, PD-1 monoclonal antibody) for advanced ICI-resistant solid tumors. Enrollment of 2 patients was completed during the year, providing a novel combination immunotherapy approach for resistant solid tumors.

### *Clinical Value and Subsequent Planning*

HX044 targets the **clinical pain point of ICI resistance**. Its dual-targeting mechanism offers significant differentiated advantages over traditional single-target drugs, forming a bispecific antibody pipeline tier of “PD-1/SIRP $\alpha$  + CTLA-4/SIRP $\alpha$ ” with HX009, establishing the Company’s technological barrier in the tumor immunotherapy bispecific antibody field. Subsequently, the Company will accelerate clinical safety and efficacy data collection for monotherapy while advancing the enrollment for combination therapy to validate the clinical value of the combination regimen.

### **(III) HX301: Multi-targeted Kinase Inhibitor (Phase IIa)**

HX301 is a novel oral multi-kinase inhibitor targeting four major oncogenic pathways, such as CSF1R, ARK5, CDK4/6, and FLT-3. By synergistically inhibiting multiple targets, it aims to overcome resistance mechanisms associated with single-target drugs. Its primary development direction is refractory solid tumors such as glioblastoma.

### *Key Clinical Progress in 2025*

- Monotherapy: Phase I data validation of clinical safety and dosage
  - The Phase I clinical study was completed in July 2024, and the results showed that at doses of 80mg and above, several patients with advanced solid tumors achieved stable disease (SD), with higher doses correlating with longer duration of SD, providing a solid dosage basis for subsequent combination therapy.
- Combination therapy: Focusing on the core glioblastoma indication
  - In August 2024, the NMPA approved the initiation of the Phase IIa study (HX301-II-01) of HX301 combined with temozolomide (TMZ) for the treatment of recurrent/refractory glioblastoma (GBM). The first patient was enrolled in January 2025, with a cumulative enrollment of 7 patients during the year. The study is ongoing. Glioblastoma is the most malignant brain tumor, with a recurrence rate approaching 100% and limited efficacy from current treatment options. HX301’s multi-target mechanism offers a new therapeutic approach for this indication.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (IV) HX111: OX40 Targeted ADC (IND Approval Stage)

HX111 is the Company's first ADC drug candidate and a globally innovative OX40 targeted ADC. By conjugating an OX40 monoclonal antibody with a cytotoxic drug, it achieves two important cancer treatment mechanisms: First, lymphoma with high OX40 expression for precise cytotoxic killing of cancer cells; second, depleting OX40-high-expressing regulatory T-cells in the solid tumor microenvironment to reduce immunosuppression and enhance anti-tumor activity. OX40 has low expression in normal tissues, offering superior targeting and safety profiles.

#### *Key Progress in 2025*

The Company completed all required preclinical studies for the HX111 IND application in 2025, submitted the IND application, and received NMPA approval by the end of the year, marking a **milestone product in the Company's entry into the ADC field**. The Company has now completed all preparations for clinical research and plans to initiate the Phase Ia first-in-human trial for lymphoma and solid tumors in early 2026.

#### *Clinical Value and Subsequent Planning*

ADCs represent a promising area in current oncology drug R&D, and OX40 is an innovative target within the ADC field. Traditional OX40 monoclonal antibodies have faced efficacy limitations. HX111 achieves a mechanism upgrade through ADC technology, becoming the world's first and only OX40-targeting ADC molecule. The approval of HX111 signifies the Company's strategic expansion from the bispecific antibody field into the ADC field, refining its antibody-based drug portfolio. Subsequently, the Company will accelerate clinical enrollment to validate the clinical value of its first ADC product and develop more ADC candidate molecules based on the VersatiBody™ platform.

**Warning: There is no assurance that we will ultimately be able to develop and market our Core Products or any of our pipeline products successfully.**

## IV. PROPRIETARY TECHNOLOGY PLATFORMS: INNOVATION ENGINES DRIVING CONTINUOUS PIPELINE OUTPUT

The Company's core technological strengths include its two proprietary in-house platforms — **the VersatiBody™ multi-functional antibody discovery platform and the autoRx40™ autoimmune therapeutic platform**. These dual platforms serve as the core R&D engines for the Company's FIC drug candidates, supporting the continuous innovation and efficient output of the Company's pipeline and constituting the vital source of the Company's long-term competitiveness.

### (I) VersatiBody™ Multi-Functional Antibody Production Platform

The VersatiBody™ platform is the Company's core technology platform for antibody drug development. It integrates multiple core technologies including structural biology, protein engineering, and antibody conjugation. It possesses key capabilities such as **bifunctional antibody/bispecific antibody design, protein structure modification, and ADC conjugation optimization**. This enables the tuning of specific antibody target biology and enhances the drugability optimization, affinity modulation, and target combination innovation of drug candidates, significantly improving the R&D efficiency and clinical success rate of antibody drugs.

In 2025, the platform's value was fully validated: it not only successfully generated two clinical-stage FIC bifunctional fusion proteins (HX009, HX044) but also completed the preclinical development of multiple ADC/bispecific molecules, including FIC PPC HX111 (OX40-ADC) and HX116 (PD-L1×VEGF BsAb-ADC). Notably, HX111 received IND approval, demonstrating the platform's high output efficiency. In the future, the Company will continue to iterate the VersatiBody™ platform's technological capabilities, focusing on innovative targets and mechanisms in the tumor and autoimmune field to develop more FIC-level bispecific antibody and ADC drug candidates.

### (II) autoRx40™ Autoimmune Therapeutic Platform

The autoRx40™ platform is the Company's proprietary technology platform for autoimmune diseases. Leveraging the Company's accumulated expertise in immune regulation, it focuses on innovative targets and mechanisms of action in inflammatory or autoimmune diseases to develop antibody drugs with FIC potential, opening up new long-term market prospects for the Company in autoimmune drug development.

In 2025, the Company continued to advance R&D on the autoRx40™ platform, completing the design of multiple candidate molecules in the field of autoimmune diseases, such as HX035, HX038 and HX138 (undisclosed target bispecific antibody and bispecific antibody ADC). These molecules target core immune regulatory targets in autoimmune diseases and possess differentiated mechanisms of action. Concurrently, the platform's immune regulation technology synergizes with the immuno-oncology platform, further enhancing the Company's comprehensive capabilities in antibody drug R&D.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (III) The Platform Strategy

The Company's **platform-based R&D model** differs from single-product biotech companies, offering three core advantages: First, technology platforms enable efficient iteration and output of drug candidates, significantly reducing R&D costs and improving R&D efficiency; Second, the dual platforms cover two promising areas of tumor and autoimmune, allowing exploration of broader clinical needs and opening up long-term growth potential; Third, the platform technologies have the potential for external collaboration and licensing, amplifying commercial value through technology output. Platform capabilities have become the Company's core moat, supporting its strategic upgrade from "single product R&D" to a "platform-based innovative pharmaceutical company."

## V. PIPELINE BUILDING AND FUTURE R&D PLANNING

As of 31 December 2025, the Company has established a tiered product pipeline of "3 clinical-stage candidates, 1 IND-approval candidate and multiple preclinical-stage candidates", covering three fields of immuno-oncology, ADC cancer therapy, and autoimmune diseases, forming a virtuous R&D structure characterized by "core product leadership, subsequent pipeline succession, and technology platform support".

### (I) Core Preclinical Pipeline Layout

|            |  |
|------------|--|
| ADC        | HX116 (PD-L1 × VEGF BsAb-ADC), HX138 (undisclosed target BsAb-ADC), HX129 (TRBV12 mAb-ADC) |
| Tumor      | HX017 (NKG2A mAb)  |
| Autoimmune | HX035, HX038   |

### (II) Core R&D Plans for 2026

- **Clinical-stage products:** Upon obtaining supportive clinical data and deciding to advance, the Company will engage with the CDE to seek agreement for conducting pivotal clinical trial. Once the agreement is reached, the Company will accelerate pivotal clinical development for HX009 in EBV+ NHL. The Company will continue advancing HX044's clinical progress and data collection, validating the efficacy of the combination regimen and completing Phase Ia clinical trial. The Company will immediately initiate human clinical trials for HX111 at the beginning of the year.
- **Preclinical products:** Actively advancing the development of multiple preclinical pipeline, including ADCs and bispecific antibodies.

### VI. STRATEGIC COLLABORATIONS AND GLOBAL OPERATIONS

Adhering to the philosophy of “open innovation and win-win cooperation”, while persisting with internal independent R&D, the Company actively seeks strategic partnerships with top-tier global pharmaceutical companies and research institutions. Through various forms such as in-licensing, co-development, and technology collaboration, it enriches the pipeline portfolio, accelerates clinical development, and shares market resources. Concurrently, by leveraging operational bases in Hong Kong, San Diego (USA), and Australia, the Company has built a **global system for clinical research, registration filing system**.

In 2025, the Company’s global clinical layout achieved substantial progress. Following HX009, HX044 also achieved concurrent enrollment across dual centers in China and Australia, accumulating valuable experience in international multi-center clinical trials. Concurrently, the Company engaged in discussions with multiple industry players regarding preclinical molecules and combination regimens, laying the groundwork for subsequent strategic collaborations. In the future, the Company will further deepen its global operational capabilities, focusing on advancing registration filings and clinical research for core products in the US, EU, Australia, and other regions, while actively seeking strategic partnerships with global pharmaceutical companies to maximize pipeline value through license-out, co-development, and other forms.

### VII. FUTURE OUTLOOK AND STRATEGIC OBJECTIVES

The period of 2026–2027 represents a strategically decisive phase for the Company’s **concentrated realization of clinical value and comprehensive value reassessment of innovative pipeline**, marking a critical milestone for leapfrog development. The Company will steadfastly adhere to its core principles rooted in science, centered on patients, and driven by innovation. With unwavering strategic focus, the Company will concentrate on the clinical advancement of core products, accelerate technology platform iteration and ecosystem output, continuously deepen global footprint and strategic collaborations, and unwaveringly drive the Company’s historic transformation from a clinical-stage innovative pharmaceutical company to a full-value-chain commercial pharmaceutical company.

Looking ahead, the Company aspires to become a **benchmark and leading innovative biopharmaceutical enterprise globally in the fields of immuno-oncology and autoimmune diseases**. Through continuous breakthrough of core technologies and cutting-edge products, it provides global patients with more effective and accessible innovative treatment options, creating stable, sustainable, and high-growth value returns for shareholders based on a long-termist philosophy. In the future, the Company will proceed with a clear strategic path, focusing on four core directions:

- **Systematic innovative pipeline development:** Leveraging the two core technology platforms to continuously incubate FIC-level heavyweight drug candidates, building a multi-layered, multi-dimensional, and globally competitive product pipeline matrix in immuno-oncology, ADC, and autoimmune fields;

## MANAGEMENT DISCUSSION AND ANALYSIS

- **Continuous fortification of core technological barriers:** Continuously increasing R&D investment to iteratively upgrade the two core technology platforms of VersatiBody™ and autoRx40™, firmly occupy the technological high ground in antibody drug R&D, and solidify the Company's core competitiveness for long-term development;
- **Commercialization push for core products:** Fully promoting the pivotal clinical process for core products such as HX009. Prudently pursue out-licensing of pipeline assets to gradually realize R&D value. Advance product commercialization and marketing efforts as planned to generate relatively stable operating cash flow, enabling the Company's long-term development;
- **Global value realization:** Steadily advancing registration and commercialization of core products in major global markets such as the US, EU, and Australia, establishing a commercialization system with global coverage. Concurrently, maximizing the long-term commercial value of the pipeline and platforms through deep strategic collaborations and global technology licensing.

### FINANCIAL REVIEW

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

#### Other income and gains

|   | For the year ended |         |
|---|--------------------|---------|
|   | 31 December        |         |
|   | 2025               | 2024    |
|   | RMB'000            | RMB'000 |
| Bank interest income  | 163                | 1,618   |
| Government grants   | 92                 | 2,199   |
| Interest income from structured deposits and wealth management products           | 193                | 1,306   |
| Fair value gain on contingent consideration arising from disposal of an associate | 13,979             | 1,615   |
| Foreign exchange gains, net   | —                  | 943     |
| Others  | 2,189              | —       |
| Total   | 16,616             | 7,681   |

The Group's other income and gains increased by 115.6% from approximately RMB7.7 million as at 31 December 2024 to approximately RMB16.6 million during the Reporting Period, primarily due to the gain or loss on change in fair value arising from changes in the valuation of receivable contingent consideration.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Research and development costs

During the Reporting Period and for the year ended 31 December 2024, our research and development costs consisted of (i) technical service expenses; (ii) labor expenses; (iii) consulting service expenses; (iv) Employee Stock Option Plan & Restricted Stock Unit (ESOP & RSU); (v) clinical expenses; (vi) testing expenses; (vii) material consumption expenses; (viii) depreciation and amortization expenses; (ix) travel expenses; (x) office expenses; (xi) ethics review expenses; and (xii) others. The details are set out in the table below:

|  | For the year ended |               |
|--|--------------------|---------------|
|  | 31 December        |               |
|  | 2025               | 2024          |
|  | RMB'000            | RMB'000       |
| Technical service expenses             | 39,205             | 22,605        |
| Labor expenses                         | 21,345             | 20,228        |
| Consulting service expenses            | 566                | 786           |
| ESOP & RSU                             | 6,150              | 4,118         |
| Clinical expenses                      | 3,865              | 6,148         |
| Testing expenses                       | 5,662              | 11,200        |
| Material consumption expenses          | 8,493              | 4,980         |
| Depreciation and amortization expenses | 1,922              | 1,952         |
| Travel expenses                        | 680                | 752           |
| Office expenses                        | 257                | 306           |
| Ethics review expenses                 | 100                | 141           |
| Others                                 | 1,118              | 1,505         |
| <b>Total</b>                           | <b>89,363</b>      | <b>74,721</b> |

The Group's research and development costs increased by 19.7% from approximately RMB74.7 million for the year ended 31 December 2024 to approximately RMB89.4 million during the Reporting Period, primarily due to the increase in technical service expenses resulting from increased research and development investment in pipelines in 2025. Our research and development costs incurred on the Core Product HX009 increased by 30.7% from approximately RMB19.4 million for the year ended 31 December 2024 to approximately RMB22.1 million for the Reporting Period, primarily due to the advancement of clinical progress, the procurement of corresponding materials increased, amounting to approximately RMB3.10 million.

### Administrative expense (exclude: Listing expense)

During the Reporting Period and for the year ended 31 December 2024, our administrative expenses were approximately RMB44.4 million and approximately RMB35.5 million, respectively, including (i) employee remuneration expenses; (ii) rental expenses; (iii) depreciation expenses; (iv) office expenses; (v) share-based payments; (vi) professional service expenses; (vii) travel expenses; (viii) business reception expenses; and (ix) others.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's administrative expenses increased by 25.2% from approximately RMB35.5 million for the year ended 31 December 2024 to approximately RMB44.4 million during the Reporting Period, primarily due to the increase in professional service expenses and labor expenses in 2025.

### Listing expenses

During the Reporting Period and for the year ended 31 December 2024, the Group's listing expenses increased by 27.4% from approximately RMB10.7 million for the year ended 31 December 2024 to approximately RMB13.7 million during the Reporting Period, primarily due to the increase in amount resulting from the full recognition of various listing intermediary fees upon the Company's successful completion of its initial public offering on 23 December 2025.

### Finance costs

During the Reporting Period and for the year ended 31 December 2024, the Group's finance costs increased by 23.4% from approximately RMB9.4 million for the year ended 31 December 2024 to approximately RMB11.6 million during the Reporting Period, primarily due to the increase in interest from redemption liabilities and interest on bank borrowings in 2025. The interest from redemption liabilities ceased to accrue from the listing date following the Company's successful completion of its initial public offering on 23 December 2025.

### Loss for the year

Our loss for the year increased from approximately RMB116.9 million for the year ended 31 December 2024 to approximately RMB131.5 million during the Reporting Period.

### Liquidity and financial resources

As of 31 December 2025, the Group's total cash and cash equivalents amounted to approximately RMB614.4 million, representing an increase of 281% compared to approximately RMB161.2 million as of 31 December 2024.

As of 31 December 2025, the Group's current assets amounted to approximately RMB691.8 million; while the Group's current liabilities were approximately RMB95.1 million, which included interest-bearing bank borrowings of approximately RMB30.0 million.

### Gearing ratio

The gearing ratio (calculated as total liabilities divided by total assets, multiplied by 100%) decreased from approximately 56.8% as at 31 December 2024 to 20.0% as at 31 December 2025.

# BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT



## Executive Directors

**Dr. Zhang Faming (張發明)**, aged 61, is our Chairman and an executive Director. He first joined our Group in 2017. He was first appointed as a Director and the Chairman on 1 March 2024. He was re-designated as an executive Director on 22 August 2024. Dr. Zhang is responsible for the overall strategic planning, business and science development of our Group. Besides, he has been appointed as a director of Hangzhou Hanx since 30 March 2017 and the director of HanxAimtech since 23 August 2023.

Dr. Zhang has over 30 years of extensive research and development experience in the pharmaceutical and biotechnology industry. Before establishing our Group, Dr. Zhang began his career in the US. From March 1990 to March 1992, Dr. Zhang worked as a postdoctoral fellow, and from March 1992 to September 1994, Dr. Zhang was re-designated as a research fellow at the University of Texas Southwestern Medical Center. During this period, Dr. Zhang was responsible for conducting research in biochemistry related to insulin signal transduction. From September 1994 to May 2005, Dr. Zhang worked as a senior scientist in protein optimization station group and later was promoted to a manager at global statistics and information sciences department at Eli Lilly & Company, where he was responsible for drug development. From May 2005 to June 2007, Dr. Zhang worked as an associate professor at Indiana University, where he was responsible for delivering lectures and conducting research in cancer and diabetes field. From June 2007 to September 2009, Dr. Zhang worked as a co-founder and president of Crown Bioscience (Beijing) Co., Ltd.\* (中美冠科生物技術(北京)有限公司), a subsidiary of Crown Bioscience Inc., where he was responsible for leading drug development team. As confirmed by our Board, Dr. Zhang does not have any interest in Crown Bioscience Inc. In December 2009, Dr. Zhang established Waterstone Pharmaceuticals, where he served as the chairman of the board of directors since then and the general manager since December 2020, responsible for general operation. For further details of Waterstone Pharmaceuticals, please refer to the paragraph headed "Relationship with our Controlling Shareholders — Our Relationship with Waterstone Pharmaceuticals" in the Prospectus. From October 2011 to September 2014, Dr. Zhang worked as an adjunct professor at the School of Pharmaceutical Sciences of Wuhan University (武漢大學藥學院), where he was responsible for teaching, delivering lectures, and supervising students' internship or experiments. In November 2017, Dr. Zhang through CZ Biotechnology acquired our Company and has led the overall strategic planning, business and science development of our Company since then. In addition, he is currently appointed as a Director and manager of CZ Biotechnology, a director of Shanghai Linhua Biomedical Technology Co., Ltd., an executive director of Hubei Province Tianmen Huatong Chemical Co., Ltd., and an executive director and manager of Wuhan Huashitong Pharmaceutical Research Co., Ltd.

Dr. Zhang graduated from Wuhan University with a bachelor's degree in physical chemistry in July 1984 and a master's degree in polymer chemistry in August 1987. He further obtained a doctoral degree in biochemistry from the Institute of Biophysics, Chinese Academy of Sciences (中國科學院生物物理研究所) in July 1990 and a master of business administration degree from Indiana University Kelley School of Business in August 2003.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As an experience scientist, Dr. Zhang has been recognized as a holder of the following honorary titles:

| Time of Grant | Certificates  | Issuing Authority  |
|---------------|---|--|
| March 2013    | 2012 Wuhan Top Ten Entrepreneurs*<br>(2012年度武漢市十佳創業人物)                                      | Wuhan People's Government*<br>(武漢市人民政府)  |
| August 2012   | 2011 Top Ten Science and Technology Entrepreneurial Talents of Hubei*<br>(2011年度湖北十佳科技創業人才) | Hubei Provincial Department of Science and Technology*<br>(湖北省科學技術廳)                         |
| June 2011     | Certificate of Project 3551 Talent Plan*<br>(3551人才計劃榮譽證書)                                  | Wuhan East Lake New Technology Development Area Administrative Committee*<br>(武漢東湖新技術開發區管委會) |

**Dr. Henry Qixiang Li (李其翔)**, aged 65, is our chief executive officer, chief scientific officer, general manager, and executive Director. He joined our Group as chief executive officer and chief scientific officer in January 2022. He was appointed as a Director on 1 March 2024 and was re-designated as an executive Director on 22 August 2024. He is responsible for the overall strategic planning, development of new medicine and daily operation management of our Group.

Dr. Li has approximately 20 years of extensive medical research and development experience in the US. Prior to joining our Group, Dr. Li worked as a postdoctoral scholar at the University of California, Los Angeles from February 1991 to June 1996 with a research focus on medicine-hematology-oncology. From February 2010 to April 2011, he worked as the director of research and development of Kylin Therapeutics, Inc., and was responsible for drug discovery. From April 2011 to December 2021, he worked as the chief scientific officer in Crown Bioscience Inc., where he was responsible for leading cancer-related research and development.

Dr. Li graduated from the University of Science and Technology of China with a bachelor's degree in biology in early 1982. He further obtained a master's degree in basic medical sciences from Shanghai Medical College of Fudan University (復旦大學上海醫學院) (formerly known as Shanghai Medical University (上海醫科大學)), in August 1985, and a doctoral degree in molecular biology and biochemistry from University of California, Irvine in March 1991.

**Mr. Liu Min (劉敏)**, aged 62, is our chief operating officer, vice general manager, and executive Director. He joined our Group as the general manager of Hangzhou Hanx in July 2020. He was appointed as a Director on 11 December 2022 and was re-designated as an executive Director on 22 August 2024. Besides, he has been appointed as a director of Hangzhou Hanx since 19 November 2020, the general manager and the executive director of Wuhan Hanxiong since 21 April 2021 and the manager and executive director of Beijing Hanx since 23 November 2023. He is responsible for the operation management and department coordination of our Group.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Prior to joining our Group, he worked as commercial representative of Zhengzhou Branch of C-BONS Industrial (Wuhan) Co., Ltd.\* (絲寶實業發展(武漢)有限公司) and was responsible for the establishment of market network and sales from June 1998 to May 2000. From November 2004 to November 2009, he worked as the manager of the Shanghai Branch of Hubei C-BONS Co., Ltd.\* (湖北絲寶股份有限公司) and was responsible for the establishment of market network and sales. From July 2012 to June 2020, he worked as the deputy general manager of Waterstone Pharmaceuticals, and was responsible for the operation management of the company.

Mr. Liu graduated from Hubei Open University (湖北開放大學), formerly known as Hubei Radio and Television University\* (湖北廣播電視大學), specializing in business enterprise management in July 1989. He further obtained a certificate of completion on EMBA President Seminar on Business Administration\* (EMBA總裁研修班) from Huazhong University of Science and Technology (華中科技大學) in December 2010.

**Ms. Xiao Jieyu (肖婕妤)**, aged 42, is our executive Director. She joined our Group and was appointed as a Director on 1 March 2024 and was re-designated as a non-executive Director on 22 August 2024. She was further re-designated as our executive Director on 8 February 2026. She is responsible for providing guidance on investment strategies and governance to our Group. She was appointed Chief Financial Officer and the secretary of our Board on 8 February 2026.

Ms. Xiao has extensive experience in corporate finance industry. Prior to joining our Group, she worked as a senior investment manager at Wuhan Optics Valley Venture Capital Private Equity Fund Management Co., Ltd.\* (武漢光谷創投私募基金管理有限公司) from June 2012 to June 2015 and was responsible for investment and corporate finance works. From February 2016 to October 2016, she worked as a deputy manager at Hubei Branch of Huayuan Securities Co., Ltd.\* (華源證券股份有限公司) (formerly known as Jiuzhou Securities Co., Ltd.\* (九州證券股份有限公司)) and was responsible for investment banking, investment and financing works. From November 2016 to October 2019, she worked as an investment director at Hubei Changjiang Hezhi Equity Investment Fund Management Co., Ltd.\* (湖北省長江合志股權投資基金管理股份有限公司) and was responsible for investment banking and corporate finance works. From May 2021 to August 2025, she worked as a deputy general manager of Wuhan East Lake High Tech Investment Management Co., Ltd.\* (武漢東湖高新股權投資管理有限公司) and was responsible for investment and financing related matters. From July 2021 to July 2022, she worked as a director of Pugao Medical Technology (Nanjing) Co., Ltd.\* (譜高醫療科技(南京)有限公司) and was responsible for providing guidance on investment strategies and corporate governance. Furthermore, she has also been appointed as a director of Wuhan Bintong Biotechnology Co., Ltd.\* (武漢濱通生物技術有限公司) and is responsible for providing guidance on investment strategies and corporate governance since June 2021. She worked as a director of Chengdu Jinweike Biotechnology Co., Ltd.\* (成都金唯科生技有限公司) and is responsible for providing guidance on investment strategies and corporate governance from January 2022 to December 2025. Ms. Xiao has also been appointed as a director of Wuhan Bank-Biotechnology Co., Ltd.\* (武漢班科生物技術有限公司) and is responsible for providing guidance on investment strategies and corporate governance since August 2022.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Xiao graduated from the Huazhong Agricultural University\* (華中農業大學) with a bachelor's degree in plant protection in June 2005. She further obtained a master's degree in pharmacognosy from China State Institute of Pharmaceutical Industry (formerly known as Shanghai Institute of Pharmaceutical Industry\* (上海醫藥工業研究院)) in June 2008. She also received the Certification of Fund Practice Qualification\* (基金業從業證書) from the Asset Management Association of China (中國證券投資基金業協會) in June 2017.

### Non-executive Director

**Dr. Li Jian (李健)**, aged 67, is our non-executive Director. He joined our Group and was appointed as a Director on 4 March 2024 and was re-designated as a non-executive Director on 22 August 2024. He is responsible for providing guidance on investment strategies and governance to our Group.

Dr. Li Jian has around over 16 years of extensive medical research and development experience in the US and China. Dr. Li Jian began his career in the US. From June 2008 to November 2011, Dr. Li Jian worked as a partner in Nanotarget Limited Liability Company, and was responsible for company operation. From February 2009 to October 2011, Dr. Li Jian worked as a portfolio advisor at database and licensing department of HUYA Bioscience International LLC (滬亞生物國際有限責任公司), and was responsible for the evaluation of cross-border licensing projects for new drugs. Subsequently, Dr. Li Jian started working in China. From November 2011 to April 2017, Dr. Li Jian worked as a scouting & partnering director at Sanofi (China) Investment Co., Ltd. Shanghai Branch\* (賽諾菲(中國)投資有限公司上海分公司), and was responsible for strategy and business development. From May 2017 to October 2020, Dr. Li Jian worked as a vice president for business development and a consultant in Chengdu HitGen Drug Development Co., Ltd.\* (成都先導藥物開發股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688222), and was responsible for business development. From February 2021 to Present, Dr. Li Jian worked as partner at Beijing Lapam Investment Management Consulting Center (General Partnership)\* (北京龍磐投資管理諮詢中心(普通合夥)), and was responsible for biotech investment.

Dr. Li Jian graduated from the Shandong University (山東大學) with a bachelor's degree in microbiology in July 1982. He further obtained a master's degree in agromicrobiology from China Agricultural University (中國農業大學) (formerly known as Beijing Agricultural University\* (北京農業大學)) in October 1985, and a doctoral degree in natural sciences from University of Cologne in February 1990.

### Independent Non-executive Directors

**Dr. Bi Honggang (畢紅綱)**, aged 67, was appointed as our independent non-executive Director on 8 October 2024 with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

Dr. Bi has over 39 years of extensive medical research and development experience in Canada, the US and China. From 1984 to August 2005, Dr. Bi has worked in different research institute and pharmaceutical companies, including Institute of Material Medical of Chinese Academy of Medical Sciences, SmithKline Beecham P.L.C. (currently known as GlaxoSmithKline P.L.C.) and Pfizer Global Research and Development, and was responsible for conducting and leading various medical researches. From August 2005 to August 2007, Dr. Bi worked as the chief executive officer in Frontage

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Laboratories, Inc. During this period, he was responsible for general operation. From August 2007 to April 2020, Dr. Bi worked as a corporate vice president at Covance Inc., and was responsible for general operation. From May 2020 to November 2023, Dr. Bi worked as senior vice president and head of Asia-Pacific, at Labcorp Pharmaceutical Research and Development (Shanghai) Co., Ltd.\* (徠博科醫藥研發(上海)有限公司), and was responsible for general operation.

Dr. Bi graduated from the College of Pharmacy of Zhejiang University (浙江大學), formerly known as Zhejiang Medical University\* (浙江醫科大學), with a bachelor's degree in medicine in April 1982. He then obtained the doctor of philosophy degree from McGill University in June 1992.

**Mr. Chen Qifeng (陳奇峰)**, aged 45, was appointed as our independent non-executive Director on 8 October 2024 with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

Mr. Chen has over 16 years of experience in accounting. From October 2004 to October 2009, Mr. Chen worked as senior associate at Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥)), Wuhan Branch and was responsible for audit work. From January 2011 to November 2013, Mr. Chen worked as an audit manager at Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)), and was responsible for audit works. From February 2014 to August 2019, Mr. Chen worked as a finance controller at General Electric High Voltage Equipment (Wuhan) Co., Ltd.\* (通用電氣高壓設備(武漢)有限公司) (formerly known as Shanghai Electric Alstom (Wuhan) Transformers Co., Ltd.\* (上海電氣阿爾斯通(武漢)變壓器有限公司) and Alstom High Voltage Electric Equipment (Wuhan) Co., Ltd.\* (阿爾斯通高壓電氣設備(武漢)有限公司)), and was responsible for financial management. From August 2019 to April 2022, Mr. Chen worked as financial director at Meihao Property Group Co., Ltd.\* (美好置業集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000667), and was responsible for financial management.

Mr. Chen graduated from the Zhongnan University of Economics and Law (中南財經政法大學) with a bachelor's degree in accounting in June 2001 through on-line learning, and a master's degree in Accounting in December 2013. Besides, Mr. Chen is a Certified Management Accountant since November 2018, and has become a non-practicing member of the Chinese Institute of Certified Public Accountant since September 2021. Mr. Chen has also held the title of Senior Accountant\* (高級會計師) since November 2023.

**Mr. Wong Sai Hung (王世雄)**, aged 51, was appointed as our independent non-executive Director on 8 October 2024 with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

From March 2001 to December 2007, Mr. Wong worked as an audit manager at Moore Stephens CPA Limited (大華馬施雲會計師事務所有限公司), and was responsible for audit works. From November 2009 to April 2010, Mr. Wong worked as a trainee solicitor at Vivien Chan & Co., and was responsible for handling trademark and patent related cases. From January 2011 to November 2013, Mr. Wong worked at Jun He Law Offices, with his last position as assistant solicitor and was responsible for handling initial public offering projects in Hong Kong. From November 2013 to March 2019, Mr. Wong worked as a managing associate in Addleshaw Goddard (Hong Kong) LLP (安勝格道(香港)有限法律責任合夥律師行), and was responsible for handling initial public offering projects in Hong Kong. From March 2019 to September 2021, Mr. Wong worked as a senior associate at Norton Rose Fulbright (Services) Limited, and was responsible for handling initial public offering projects in Hong Kong. From October 2021 to October 2024, Mr. Wong worked as a partner at CFN Lawyers, and was responsible for handling initial public offering projects in the US.

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Mr. Wong graduated from the University of Toronto with a bachelor's degree in commerce in November 1998. He further obtained a bachelor's degree in laws from City University of Hong Kong in July 2006. He then obtained the Postgraduate Certificate in Laws from The University of Hong Kong in June 2008. Mr. Wong has been a financial risk manager of the Global Association of Risk Professionals in December 2002, and a certified public accountant of the Hong Kong Institute of Certified Public Accountants since July 2005. He has been a holder of the Chartered Financial Analyst (CFA) qualification and a member of CFA Institute in October 2003. Mr. Wong was also admitted as a solicitor of the High Court of Hong Kong in 2010. Mr. Wong was appointed as an independent non-executive Director of Future Development Holdings Limited (stock code: 1259) on 29 December 2023.

**Dr. Zhang Qiongguang (張瓊光)**, aged 50, was appointed as our independent nonexecutive Director on 8 October 2024 with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

From July 1996 to December 2011, Dr. Zhang Qiongguang has worked in various pharmaceutical-related job positions, including supervisor of the Hubei Province Xiaochang County First People's Hospital\* (湖北省孝昌縣第一人民醫院藥劑科), developer and project manager of the subsidiaries of Jianmin Pharmaceutical Group Co., Ltd. (健民藥業集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600976) responsible for new drug discovery, and deputy general manager of quality in Wuhan Jianheng Pharmaceutical Co., Ltd.\* (武漢市健恒藥業有限公司) responsible for conducting research and development activities on traditional Chinese medicine targeting diabetes and other diseases and drafting relevant materials for patent applications. From May 2013 to June 2017, Dr. Zhang Qiongguang worked as a reviewer and inspector at Hubei Food and Drug Administration Technical Assessment and Verification Center\* (湖北省食品藥品監督管理局技術審評核查中心). From June 2017 to September 2022, Dr. Zhang Qiongguang worked as an inspector at Center for Food and Drug Inspection of National Medical Products Administration (國家藥品監督管理局食品藥品審核查驗中心). From September 2022 to December 2023, Dr. Zhang Qiongguang worked as a senior vice president in Beijing ABZYMO Biosciences Co., Ltd.\* (北京安百勝生物科技有限公司), a subsidiary of Jiangsu Recbio Technology Co., Ltd. (江蘇瑞科生物技術股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2179). Besides, Dr. Zhang Qiongguang has been: (i) from October 2022 to September 2025, a part-time professor of College of Life Science and Health of Wuhan University of Science and Technology\* (武漢科技大學生命科學與健康學院) and (ii) from January 2024 to December 2024, a consultant of Beijing ABZYMO Biosciences Co., Ltd.\* (北京安百勝生物科技有限公司), a subsidiary of Jiangsu Recbio Technology Co., Ltd.

Dr. Zhang Qiongguang graduated from the Hubei University of Chinese Medicine (湖北中醫藥大學), formerly known as Hubei Chinese Medicine College\* (湖北中醫學院), with a junior college diploma in Chinese Medicine in June 1996. He further obtained a master's degree in Chinese Medicine Pharmacology from the Hubei University of Chinese Medicine in June 2003. He then obtained a doctoral degree in pathogen biology from the Wuhan University (武漢大學) in June 2015. Dr. Zhang Qiongguang has become a Senior Engineer\* (高級工程師) since October 2011, and has become a Senior Chief Engineer since September 2024.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### Supervisory Committee

Our Supervisory Committee consists of three members, including two Supervisors appointed by shareholders' meetings and one employee representative Supervisor, elected at employee representative meetings. Our Supervisory Committee is responsible for supervising the performance of duty of our Board and the senior management of our Company and overseeing the financial, internal control and risk conditions of our Company. The Supervisors serve a term of three years and may be re-elected for successive reappointments. As of the date of this annual report, our Supervisory Committee is composed of Dr. Ke, Ms. Sun and Ms. Chen. Dr. Ke is the chairman of our Supervisory Committee.

**Dr. Ke Hang (柯航)**, aged 37, is our Supervisor. He was appointed as a Supervisor on 11 December 2022, and re-designated as the Chairman of Supervisory Committee since 8 October 2024. Besides, he has also been appointed as the supervisor of Hangzhou Hanx from 19 November 2020 to 31 March 2025. He was also appointed as the manager and legal representative of Hangzhou Hanx on 11 April 2025. He is responsible for supervising our Board and management.

Dr. Ke first joined our Group in April 2017 and worked at Hangzhou Hanx since then, being responsible for protein purification techniques and related works. Since April 2024, he has been appointed as the senior director of research and development department of Hangzhou Hanx and is responsible for preclinical research and development and project management.

Dr. Ke graduated from the Wuhan University with a bachelor's degree in life sciences and technology in June 2010. He further obtained a doctoral degree in plant biology from Aix-Marseille University (艾克斯-馬賽大學) in February 2017. He was recognized as a high-level talent in Hangzhou City Zhejiang Province\* (浙江省杭州市高層次人才) by Hangzhou Human Resources and Social Security Bureau\* (杭州市人力資源和社會保障局) in June 2022. Also, Dr. Ke is listed in the 11th batch of 3551 Optics Valley Talent Scheme\* (3551光谷人才計劃) by Wuhan East Lake New Technology Development Area Administrative Committee\* (武漢東湖新技術開發區管理委員會) in December 2018.

**Ms. Sun Peng (孫鵬)**, aged 49, is our Supervisor. She was appointed as a Supervisor on 8 October 2024. She is responsible for supervising our Board and management.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Sun joined our Group in June 2023 and worked as a vice president of clinical development of our Company since then, and is responsible for managing the clinical development team in China. Prior to joining our Group, Ms. Sun has over 15 years of experience in medical research and development. From August 2008 to May 2010, Ms. Sun worked as a medical affairs physician in GlaxoSmithKline (China) Investment Co., Ltd.\* (葛蘭素史克(中國)投資有限公司), a wholly-owned subsidiary of GSK plc, which is a company listed on the London Stock Exchange (stock code: GSK) and was responsible for clinical research. From July 2010 to September 2011, Ms. Sun worked as a medical expert in immunology and infectious diseases in Beijing Novartis Pharmaceuticals Co., Ltd.\* (北京諾華製藥有限公司), a wholly-owned subsidiary of Novartis AG, which is a company listed on the Swiss Stock Exchange (stock code: NOVN), and was responsible for clinical research. From September 2011 to November 2016, Ms. Sun worked as a disease area specialist in clinical research in Bristol-Myers Squibb (China) Investment Co., Ltd.\* (百時美施貴寶(中國)投資有限公司), a subsidiary of Bristol Myers Squibb Co., which is a company listed on the New York Stock Exchange (stock code: BMY), and was responsible for clinical research. From December 2016 to August 2018, Ms. Sun worked as an associate director of clinical research in MSD R&D (China) Co., Ltd.\* (默沙東研發(中國)有限公司), an indirect wholly-owned subsidiary of Merck & Co., Inc., which is a company listed on the New York Stock Exchange (stock code: MRK), and was responsible for new drug clinical development and research. From September 2018 to March 2020, Ms. Sun worked as a director of clinical sciences in Shanghai Simcere Pharmaceutical Co., Ltd.\* (上海先聲藥業有限公司), an indirect wholly-owned subsidiary of Simcere Pharmaceutical Group Limited (先聲藥業集團有限公司), which is a company listed on the Main Board of the Stock Exchange (stock code: 2096), and was responsible for designing clinical research and development strategies and plans. From March 2020 to June 2021, Ms. Sun worked as a medical director in Eucure (Beijing) Biopharma Co, Ltd.\* (祐和醫藥科技(北京)有限公司), a wholly-owned subsidiary of Biocytogen Pharmaceuticals (Beijing) Co., Ltd.\* (百奧賽圖(北京)醫藥科技股份有限公司), which is a company listed on the Main Board of the Stock Exchange (stock code: 2315) and was responsible for new drug clinical development and research. From June 2021 to June 2023, Ms. Sun worked as a medical executive director in Shanghai KeChow Pharma, Inc.\* (上海科州藥物研發有限公司), and was responsible for new drug clinical development and research.

Ms. Sun graduated from the Shandong First Medical University (山東第一醫科大學) (formerly known as Taishan Medical College\* (泰山醫學院)) with a bachelor's degree in clinical medicine in July 1998. She further obtained a master's degree in pharmacology from Jinan University (暨南大學) in June 2003.

**Ms. Chen Chen (陳晨)**, aged 28, is our Supervisor. She was appointed as an employee representative Supervisor on 8 October 2024. Besides, she has also been appointed as the supervisor of Beijing Hanx since 23 November 2023. She was appointed as the supervisor of Hangzhou Hanx on 31 March 2025. She is responsible for supervising our Board and management.

Ms. Chen joined our Group in September 2020. From September 2020 to September 2024, Ms. Chen worked as an assistant of general manager of Hangzhou Hanx, and she was promoted to human resource manager in September 2023, during this period she was responsible for our Hangzhou Hanx's human resources and administrative work. Since September 2024, Ms. Chen has been re-designated as the senior human resource manager and assistant of general manager of the Company, and responsible for the human resources and administrative work of our Group.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Chen graduated from Wuhan Sports University (武漢體育學院) with a bachelor's degree in education majoring in martial arts and national traditional sports on 30 June 2020.

### Senior Management

Our members of senior management are responsible for the day-to-day management of our business and the relevant details are as follows:

**Ms. Zhang Lei (張磊)**, aged 61, is the chief medical officer, and vice general manager of our Group. She first joined our Group as chief medical officer in January 2022. She is responsible for the management of clinical research and development and participating in formulation of the strategic layout of our Group.

Ms. Zhang has over 23 years of experience in research and development of new medicines. Prior to joining our Group, from February 1998 to August 2004, she worked as a senior clinical development associate in Eli Lilly and Company. From August 2004 to November 2008, she worked as the oncology associate director clinical research physician of Novartis Pharmaceuticals Corporation, a subsidiary of Novartis AG, a company duly listed on both the SWX Swiss Exchange (stock code: NOVN) and the New York Stock Exchange (stock code: NVS), and was responsible for the clinical development of multiple indications. From November 2008 to December 2018, she worked as the executive medical director, program lead clinical research and development at Celgene Corporation, and was responsible for leading clinical research and new drug discovery. From January 2019 to January 2020, she worked as the chief medical officer at Denovo Biopharma LLC, and was responsible for the management of the clinical team and pipeline of the Company.

Ms. Zhang graduated with a bachelor's degree in medicine from the Capital Medical University (首都醫科大學), formerly known as Capital Medical College\* (首都醫學院) in August 1986. She further obtained a master's degree in biochemistry from the Virginia Commonwealth University Medical College of Virginia in December 1994.

**Dr. Weimin Tang (唐偉敏)**, aged 60, is the chief business officer of our Company. He first joined our Company as chief business officer in September 2025. He is responsible for formulating and advancing corporate strategies and driving global growth through cross-border transactions of our Group.

Dr. Tang has over 20 years of leadership experience in the global pharmaceutical and biotechnology industry. Prior to joining our Group, he worked in senior management positions at Bristol-Myers Squibb\* (百時美施貴寶), Aventis Pharmaceutical\* (currently known as Sanofi Pharmaceutical) (賽諾菲(藥業)), Johnson & Johnson\* (強生有限公司) for a number of years, and he also worked at Pfizer Investment Co., Ltd.\* (輝瑞投資有限公司) (formerly known as American Cyanamid Co.). From April 2018 to April 2024, Dr. Tang worked as chief business officer at I-Mab Biopharma Co., Ltd.\* (天境生物股份有限公司), a company listed on the NASDAQ Global Market (stock code: IMAB), where he was responsible for formulating and executing global business strategies as well as facilitating strategic partnerships with international pharmaceutical companies and research institutions.

## BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Dr. Tang graduated with a bachelor's degree in plant pathology from Zhejiang Agricultural University, which is presently known as Zhejiang University\* (浙江大學) in July 1986. He obtained a master's degree in microbiology from the Institute of Microbiology, Chinese Academy of Sciences\* (中國科學院微生物研究所) in February 1990, and later a doctoral degree in molecular biology from Rutgers University in the United States in 1997.

### Company Secretary

**Mr. Li Kin Wai (李健威先生)** is the company secretary of our Company. Mr. Li is a senior manager of Corporate Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. He has over 10 years of experience in the corporate secretarial field. Mr. Li is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.



The Board hereby presents this corporate governance report (the “**Corporate Governance Report**”) in the Company’s annual report for the year ended 31 December 2025.

## CORPORATE CULTURE

The Board believes that corporate culture is the soul and foundation for the sustainable development of the Company. It is crucial for the Group to focus on biomedical innovation, achieve long-term and steady operations and create industrial value, and is also an internal driving force for the Company’s high-quality and sustainable growth. Relying on a clear and firm cultural core, the Company has been moving steadily forward on the path of new drug R&D, clinical translation and industrialization development, while actively fulfilling its mission as a responsible biomedical corporate citizen, protecting lives through innovation and repaying society with responsibility.

The Company believe that to achieve the long-term goal of becoming a leading domestic and world-class innovative biomedical enterprise, we must uphold the codes of conduct featuring integrity and compliance, openness and transparency, clear rights and responsibilities, as well as scientific rigor. The Company believes that adhering to this philosophy will not only continue to create long-term value for shareholders, but also benefit every employee, every partner, as well as the communities and the vast number of patients where the Company operates.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- to deliver stable, reasonable and sustainable investment returns for shareholders;
- to fully respect and safeguard the legitimate rights and interests of customers, partners and various stakeholders;
- to comprehensively identify, assess and effectively control the whole-chain risks in R&D, production, operation and compliance;
- to continuously provide the market with safe, effective and high-quality innovative drugs and solutions; and
- to adhere to the highest standards of business ethics, scientific research ethics and industry compliance requirements.

The Board sets and promotes the Company’s corporate culture, and requires all employees to recognize, abide by and jointly inherit it. All new employees are required to participate in systematic onboarding training, to deeply learn the Company’s culture, organizational structure, management systems and relevant laws and regulations of the biomedical industry, strengthen their awareness of quality, compliance and innovation, and quickly integrate into the team.

In addition, the Company regularly organizes internal trainings, and invites industry experts and senior scholars to provide professional training for management personnel and core technical personnel, so as to continuously improve R&D capabilities, management level and comprehensive literacy.

## CORPORATE GOVERNANCE REPORT

The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

### CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

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

The Company has adopted the principles and code provisions of the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as the basis of the Company’s corporate governance practices. On 1 July 2025, the amendments to the CG Code came into effect and the requirements under the new CG Code will apply to corporate governance reports for financial years commencing on or after 1 July 2025.

The Board is of the view that during the period from 23 December 2025 (the “**Listing Date**”) to 31 December 2025, the Company has complied with all the applicable code provisions as set out in the CG Code. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

### MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Company’s Shares were listed on the Stock Exchange on the Listing Date, the provisions regarding compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix C3 to the Listing Rules are only applicable to the Company since the Listing Date.

Following the Listing, the Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors of the Company, and the Group’s employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company’s securities. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code from the Listing Date to 31 December 2025.

No incident of non-compliance of the Model Code by the employees was noted by the Company for the period from the Listing Date to 31 December 2025.

### BOARD OF DIRECTORS

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

The Board currently comprises nine Directors, consisting of four executive Directors, one non-executive Director, and four independent non-executive Directors. The composition of the Board and the biographical information of each Director are set out in the section headed “Biographical Details of Directors, Supervisors and Senior Management” under this annual report.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules in August 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Hong Kong Listing Rules.

During the year ended 31 December 2025, none of our Directors had interests in any business which competes directly or indirectly with our business under Rule 8.10(2) of the Hong Kong Listing Rules.

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

### Board Composition

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

#### *Executive Directors*

Dr. ZHANG Faming (*Chairman of the Board*)

Dr. Henry Qixiang LI

Mr. LIU Min

Ms. XIAO Jieyu (re-designated on 8 February 2026)

#### *Non-executive Director*

Dr. LI Jian

#### *Independent Non-executive Directors*

Dr. BI Honggang

Mr. CHEN Qifeng

Mr. WONG Sai Hung

Dr. ZHANG Qionggang

## CORPORATE GOVERNANCE REPORT

The biographical information of the Directors is set out in the section headed “Biographical Details of Directors, Supervisors and Senior Management” on pages 23 to 32 of this annual report. Save as disclosed therein, there is no other relationships (including financial, business, family or other material/relevant relationship(s)) between the Board members and in particular, between the Chairman and the Chief Executive Officer.

### Board Meetings and Directors’ Attendance Records

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

Since the Company was listed on the Stock Exchange on 23 December 2025, the Board held 6 Board meetings and 2 general meetings during the Reporting Period.

The attendance record of each Director at the Board meeting and general meeting of the Company held during the Reporting Period is set out in the table below:

| <b>Name of Director</b>                           | <b>Attended/Eligible<br/>to attend<br/>the Board<br/>meeting(s)</b> | <b>Attended/Eligible<br/>to attend<br/>the general<br/>meeting(s)</b> |
|---|---|---|
| <b><i>Executive Directors</i></b>                 |   |   |
| Dr. ZHANG Faming                                  | 6/6   | 2/2   |
| Dr. Henry Qixiang LI                              | 6/6   | 2/2   |
| Mr. LIU Min                                       | 6/6   | 2/2   |
| Ms. XIAO Jieyu (re-designated on 8 February 2026) | 6/6   | 2/2   |
| <b><i>Non-executive Director</i></b>              |   |   |
| Dr. LI Jian                                       | 6/6   | 2/2   |
| <b><i>Independent Non-executive Directors</i></b> |   |   |
| Dr. BI Honggang                                   | 6/6   | 2/2   |
| Mr. CHEN Qifeng                                   | 6/6   | 2/2   |
| Mr. WONG Sai Hung                                 | 6/6   | 2/2   |
| Dr. ZHANG Qiongguang                              | 6/6   | 2/2   |

### 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 Director 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 senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

### Chairman and Chief Executive Officer

Under Code Provision C.2.1 of Part 2 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and performed by different individuals.

During the Reporting Period, the roles of Chairman and Chief Executive Officer were separated and held by different individuals to ensure a balance of power and authority. The Chairman of the Board of the Company is Mr. ZHANG Faming and the Chief Executive Officer of the Company is Dr. Henry Qixiang LI.

### Independent Non-executive Directors

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

## CORPORATE GOVERNANCE REPORT

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

### Board Independence Evaluation

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

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

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct the annual review on its independence.

Since the Company was listed on the Stock Exchange on 23 December 2025, the Board will conduct the annual review on the implementation and effectiveness of the Board Independence Evaluation Mechanism in 2026.

### Appointment and Re-election of Directors

Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

### Continuous Professional Development of Directors

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

## CORPORATE GOVERNANCE REPORT

Every newly appointed Director has received 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. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

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

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

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

| <b>Directors</b>                                  | <b>Type of Training<sup>Note</sup></b> |
|---|--|
| <b><i>Executive Directors</i></b>                 |  |
| Dr. ZHANG Faming                                  | A, B                                   |
| Dr. Henry Qixiang LI                              | A, B                                   |
| Mr. LIU Min                                       | A, B                                   |
| Ms. XIAO Jieyu                                    | A, B                                   |
| <b><i>Non-executive Director</i></b>              |  |
| Dr. LI Jian                                       | A, B                                   |
| <b><i>Independent Non-executive Directors</i></b> |  |
| Dr. BI Honggang                                   | A, B                                   |
| Mr. CHEN Qifeng                                   | A, B                                   |
| Mr. WONG Sai Hung                                 | A, B                                   |
| Dr. ZHANG Qiongguang                              | A, B                                   |

*Note:*

Types of Training

- A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

# CORPORATE GOVERNANCE REPORT

## BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Nomination Committee, and Remuneration 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, Nomination Committee, and Remuneration Committee are published on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

### Audit Committee

The Audit Committee consists of three members, namely Mr. CHEN Qifeng, Mr. WONG Sai Hung and Dr. ZHANG Qiongguang. All Audit Committee members are independent non-executive Directors. Mr. CHEN Qifeng is the chairman of the Audit Committee.

The principal duties of the Audit Committee include but not limited to the following:

- (a) review annually the performance of the external audit firm, submit a summary report of the audit work conducted by the external audit firm during the year to the board of directors; make proposals to the board of directors on appointment, renewal, and dismissal of the external audit firm next year, as well as its charges for auditing services, terms of appointment, and other issues; and deal with any matters in relation to resignation or dismissal of the external audit firm. If the board of directors disagrees with the opinion of the Audit Committee on the selection, appointment, resignation, or dismissal of the external audit firm, the Company shall set out the Audit Committee's statement elaborating on its proposal and the reasons why the board of directors holds different opinions in the Corporate Governance Report;
- (b) act as the Company's representative in liaising with the external audit firm, to be responsible for the communication between the Company's internal audit department and external audit firm, including examining and monitoring of the independence and objectivity of the external audit firm, the effectiveness of the audit procedures in accordance with applicable standards; and, prior to the commencement of the audit procedures, discuss with the external audit firm about the nature, scope and method of audit and the reporting obligations during the year, and negotiate with the external audit firm to determine the schedule of auditing the financial report of the year, as well as procure the external audit firm to submit audit reports within the predetermined timelines and so forth. If more than one external audit firm is involved in the audit, the Audit Committee shall make sure they coordinate with each other;
- (c) based on work demands, to make and enforce policies on the provision of non-audit services by the external audit firm, including its affiliates. The Committee shall report and advise to the board of directors on anything that, in its sole discretion, is in need of any action or improvement;

- (d) inspect the Company's accounting policies, financial position, financial reporting procedures, and financial control; review the authenticity, integrity, accuracy, and fairness of the Company's financial statements and quarterly reports (if any), semiannual reports, and annual reports and accounts, and review any significant comments on financial reporting set out in the foregoing statements and reports, and review the disclosure of the Company's financial information. Before submitting the relevant statements and reports to the board of directors, the Audit Committee shall specifically review the following: any changes in the Company's accounting policies and estimates during the reporting period, matters involving important judgments, and significant adjustments made as required after the external audit firm reviews the accounts, assumptions or any qualified opinions on the Company's ability to continue as a going concern, and compliance of the accounting with the accounting standards and with any provisions on financial reporting of the Company Law, the Hong Kong Listing Rules, and other applicable laws and regulations;
- (e) discuss any questions and doubts raised by the external audit firm after reviewing the Company's semi-annual accounts and annual accounts, and any other matters to be discussed as expected by the external audit firm (which, if needed, may be conducted in the absence of the management);
- (f) examine the Company and its subsidiaries' financial policies, internal audit rules, internal control rules, and risk management rules, and make comments and proposals on the improvement thereof;
- (g) establish relevant procedures and policies to ensure fair and independent investigation and resolutions of receiving and processing any complaints about the Company's accounting, internal control, or audit matters known to it and ensure the confidentiality thereof; and receiving and processing complaints or anonymous reporting about the misconduct of employees and those who deal with the Company (e.g. customers and suppliers) in accounting, audit matters, internal control, or other aspects and ensure the confidentiality thereof. Examine the procedures for the Company's employees and those who deal with the Company (e.g. customers and suppliers) to confidentially raise concerns about any misconduct that may occur in financial reporting, internal control, or other aspects, and ensure appropriate arrangement for the Company to conduct fair and independent investigation on such matters and take appropriate follow-up actions;
- (h) make proposals and ensure that the board of directors takes effective remedies for the Company's non-compliance with any provisions of the Hong Kong Listing Rules on the establishment of the Audit Committee;
- (i) fulfill other tasks assigned by the board of directors;
- (j) perform other duties assigned by laws, regulations, normative documents, the Hong Kong Listing Rules, the Articles of Association and the Rules of Procedures of the Board; and
- (k) make its terms of reference public on the websites of The Stock Exchange of Hong Kong Limited as well as the Company and explain its role and the powers delegated to it by the board of directors.

## CORPORATE GOVERNANCE REPORT

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

In addition, the Audit Committee had reviewed, discussed and approved the annual results for the year ended 31 December 2025.

As the Company was listed on the Stock Exchange on 23 December 2025, 1 Audit Committee meeting was held during the year ended 31 December 2025 to discuss primarily matters relating to the draft consolidated financial statements of the Company as at 31 August 2025 and other financial matters, and the attendance records of the Audit Committee meeting are set out below:

| <b>Directors</b>  | <b>Attendance/<br/>Number of<br/>meeting(s)</b> |
|---|---|
| Mr. CHEN Qifeng   | 1/1   |
| Mr. WONG Sai Hung   | 1/1   |
| Dr. ZHANG Qionggang (appointed on 8 February 2026)                          | 0/0   |
| Ms. XIAO Jieyu (resigned as a member of Audit Committee on 8 February 2026) | 1/1   |

### Remuneration Committee

The Remuneration Committee consists of three members, namely Mr. WONG Sai Hung (independent non-executive Director), Dr. Henry Qixiang LI (executive Director) and Dr. BI Honggang (independent non-executive Director). Mr. WONG Sai Hung is the chairman of the Remuneration Committee.

The principal duties of the Remuneration Committee include but not limited to the following:

- (a) formulate remuneration policy, make recommendations to the Board and supervise the implementation of the plans on the remuneration policy and structure for all directors and senior management (including but not limited to appraisal standards, procedures and the principal appraisal system, the main proposal and system of reward and penalties), and on the establishment of formal and transparent procedures according to the main scope, responsibilities and importance of the management positions of directors and senior management, as well as the remuneration levels of similar positions in other comparable enterprises, time commitments, responsibilities, and employment conditions of other positions;
- (b) review and approve proposals on management's remuneration according to the corporation goals and objectives established by the Board;

- (c) formulate the evaluation and management measures on the performances of directors and senior management of the Company, establish evaluation scheme and determine evaluation goals, to examine the performance of duties by the directors and senior management of the Company, conduct annual performance appraisals, and formulate annual incentives schemes which shall be submitted to the Board for approval and implementation;
- (d) supervise the implementation of the remuneration system of the Company. Generally, equity-based remuneration (e.g. share option or grants etc.) with performance-related elements shall not be granted to independent non-executive directors;
- (e) recommend to the Board the remuneration packages offered to individual executive directors, supervisors and senior management, including benefits in kind, pension and compensation (including compensation paid for loss or termination of office or appointment), and to recommend to the Board concerning remuneration offered to non-executive directors;
- (f) consult the chairman of the Board or the general manager in respect to the compensation proposed for other executive directors. The Committee shall seek independent professional opinions if necessary;
- (g) consider the remuneration paid by similar companies, the contribution of time required, the duties and responsibilities, and the employment conditions of other job positions within the Group;
- (h) review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms; if it is not consistent with contractual terms, the compensation should be fair and reasonable and does not impose excessive burden on the Company;
- (i) review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms; if it is not consistent with contractual terms, the compensation should be reasonable and appropriate;
- (j) ensure that any directors or his/her associate(s), as defined in the Hong Kong Listing Rules, shall not participate in determining his/her own remuneration, and that the remuneration of non-executive directors who are also members of the Committee shall be determined by other members of the Committee;
- (k) review benefits and rewards and penalties schemes;
- (l) review and approve relevant share incentive schemes under Chapter 17 of the Hong Kong Listing Rules, and require the listed company to disclose the annual work report of the Committee on the above matters in its annual report; and
- (m) other matters as stipulated by laws, regulations, and the securities regulatory authorities where the shares of the Company are listed, and as authorized by the Articles of Association and the board of directors.

## CORPORATE GOVERNANCE REPORT

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

As the Company was listed on the Stock Exchange on 23 December 2025, 1 Remuneration Committee meeting was held during the year ended 31 December 2025 to discuss whether the remuneration of the Company's directors and senior management is commensurate with market levels, and the attendance records are set out below:

| <b>Directors</b>     | <b>Attendance/<br/>Number of<br/>meeting(s)</b> |
|----------------------|---|
| Mr. WONG Sai Hung    | 1/1   |
| Dr. Henry Qixiang LI | 1/1   |
| Dr. BI Honggang      | 1/1   |

The remuneration of the senior management (excluding executive Directors), whose biographical details are included in section headed "Biographical Details of Directors, Supervisors and Senior Management" of this annual report, during the Reporting Period falls within the following bands:

| <b>Remuneration (HK\$)</b>    | <b>2025</b> | <b>2024</b> |
|-------------------------------|-------------|-------------|
| HKD5,000,001 to HKD6,000,000  | —           | 1           |
| HKD6,000,001 to HKD11,000,000 | 1           | —           |
| <b>Total</b>                  | <b>1</b>    | <b>1</b>    |

The remuneration of each Director and the senior management are set out in note 9 to the consolidated financial statements.

For the year ended 31 December 2025, no emolument was paid by our Group to any Directors, any Supervisors or any of the five highest paid individuals as inducement to join or upon joining our Group as compensation for loss of office. For the year ended 31 December 2025, none of the Directors or the Supervisors has waived or agreed to waive any emoluments.

The Company's remuneration policy is to ensure that the remuneration offered to the Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration and compensation packages of the Directors and senior management are also determined with reference to account salaries paid by comparable companies, time commitment and responsibilities of the Directors and the performance of the Group. The remuneration for the Directors comprises fees, salaries, allowances, benefits in kind, performance-related bonuses, equity-settled share-based compensation expense and pension scheme contributions. Executive Directors shall receive options and awards to be granted under the Company's share option scheme and share award scheme.

Non-executive Directors and Independent Non-executive Directors shall not receive options and awards to be granted under the Company's share option scheme and share award scheme. Individual Directors and senior management have not been involved in deciding their own remuneration.

### Nomination Committee

The Nomination Committee consists of five members, namely Dr. ZHANG Faming (executive Director), Ms. XIAO Jieyu (executive Director), Dr. BI Honggang (independent non-executive Director), Mr. CHEN Qifeng (independent non-executive Director) and Dr. ZHANG Qionggang (independent non-executive Director). Dr. ZHANG Faming is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include but not limited to the following:

- (a) to review the structure, size and composition (including skills, knowledge and experience) of the Board of Directors at least annually, assisting the Board of Directors in maintaining a skill matrix of the Board of Directors, and make recommendations on any proposed changes to the Board of Directors to complement the Company's strategy;
- (b) to identify individuals with suitable qualifications to serve as directors, and select and nominate such individuals to serve as directors or making recommendations to the Board in this regard;
- (c) to identify individuals with suitable qualifications to serve as directors, and select and nominate such individuals to serve as directors or making recommendations to the Board in this regard;
- (d) to make recommendations to the Board of Directors on the appointment or reappointment of directors and succession plan for directors, in particular the chairman and the chief executive officer; and
- (e) To support the Company's regular evaluation of the Board's performance.

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.

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

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

## CORPORATE GOVERNANCE REPORT

As the Company was listed on the Stock Exchange on 23 December 2025, 1 Nomination Committee meeting was held during the year ended 31 December 2025 to discuss the rationality of the corporate governance structure of the Board and senior management of the Company, and the attendance records are set out below:

| <b>Directors</b>     | <b>Attendance/<br/>Number of<br/>meeting(s)</b> |
|----------------------|---|
| Dr. ZHANG Faming     | 1/1   |
| Ms. XIAO Jieyu       | 1/1   |
| Dr. BI Honggang      | 1/1   |
| Mr. CHEN Qifeng      | 1/1   |
| Dr. ZHANG Qiongguang | 1/1   |

### Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. We aim to maintain at least 10% female representation in the Board and the current composition of the Board, consisting of one female Director and six male Directors with a balanced mix of knowledge and skills, satisfies this target gender ratio. We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders’ expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board. The Board is of the view that our current Board composition satisfies the Board Diversity Policy.

An analysis of the Board’s current composition based on the measurable objectives is set out below:

#### Gender

Male: 8 Directors

Female: 1 Director

#### Designation

Executive Directors: 4 Directors

Non-executive Director: 1 Director

Independent Non-executive Directors: 4 Directors

#### Business Experience

Accounting & Finance: 2 Directors

Legal: 1 Director

EXPERIENCE RELATED TO THE COMPANY’S BUSINESS: 6 Directors

The nomination committee of the Board (the “**Nomination Committee**”) is responsible for reviewing the diversity of the Board. The Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

### *Gender Diversity*

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

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

|                          | Female     | Male       |
|--------------------------|------------|------------|
| <b>Board</b>             | 11.1% (1)  | 88.9% (8)  |
| <b>Senior management</b> | 16.7% (1)  | 83.3% (5)  |
| <b>Other employees</b>   | 67.3% (33) | 32.7% (16) |
| <b>Overall workforce</b> | 54.7% (35) | 45.3% (29) |

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

The Board had targeted to achieve and had achieved at least 11.1% (1) of female Directors, 16.7% (1) of female senior management of the Company and 67.3% (33) of other employees, and will continue to advance gender equality and the development of diversity and inclusion in the future.

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

## CORPORATE GOVERNANCE REPORT

### Director Nomination Policy

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

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

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

- (i) the human resources department and the Nomination Committee shall actively communicate with the relevant departments of the Company to assess the Company's demand for new directors and senior management, and produce materials in writing;
- (ii) the Nomination Committee may extensively seek for candidates for directors and senior management within the Company, its holding (shareholding) enterprises as well as the job market;
- (iii) the Nomination Committee shall collect and learn the information of the occupation, education background, job title, detailed working experience and all the part-time jobs of the initially proposed candidates, and produce materials in writing;
- (iv) to seek for the nominee's written consent to the nomination, otherwise, he/she shall not be considered as a candidate for directors and senior management;
- (v) to convene Nomination Committee meetings to review the qualifications of the initially proposed candidates according to the job requirements of directors and senior management;
- (vi) to submit proposals and the relevant materials to the Board in respect of candidates of directors and senior management within a reasonable period of time prior to the election of new directors and senior management; and
- (vii) to carry out other follow-up work according to the decision and feedback of the Board.

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

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

During the period from the Listing Date to 31 December 2025, there was no change in the composition of the Board.

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

### **RISK MANAGEMENT AND INTERNAL CONTROLS**

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

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

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

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2025.

## CORPORATE GOVERNANCE REPORT

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

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted review of the risk management and internal control systems, including the financial, operational and compliance controls, 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.

### Whistleblowing Policy

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

### Anti-Corruption Policy

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports according to the procedures as set out in the Whistleblowing Policy.

### Disclosure of Inside Information Policy

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. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern/The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that they give a true and fair view of the financial position, performance and cash flow of the Group for the year ended 31 December 2025, and the disclosure of other financial information and report therein complies with relevant legal requirements.

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

### AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

| <b>Service Category</b>   | <b>Fees Paid/<br/>Payable</b><br><i>(RMB'000)</i> |
|---------------------------|---|
| Audit Services            | 1,980   |
| IPO-related services      | 4,680   |
| Non-audit Services:       |   |
| — Interim review services | 500   |
| <b>Total</b>              | <b>7,160</b>                                      |

### COMPANY SECRETARY

The Company has appointed Mr. Zhang Hui, a full-time employee of the Company, and Mr. Li Kin Wai, a senior manager of corporate services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services, as the Company's joint company secretaries.

For the year ended 31 December 2025, all Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Mr. Zhang Hui, who is also the secretary to the Board, has been designated as the primary contact person at the Company which would work and communicate with Mr. Li on the Company's corporate governance and secretarial and administrative matters.

For the year ended 31 December 2025, Mr. Zhang Hui and Mr. Li have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

## CORPORATE GOVERNANCE REPORT

With effect from 8 February 2026, Mr. Zhang Hui has resigned as the joint company secretary of the Company. Following Mr. Zhang Hui's resignation, Mr. Li Kin Wai, the other joint company secretary will remain in office as the sole company secretary of the Company. For details, please refer to the announcements of the Company dated 4 February 2026.

The biographies of Mr. Li are set out in the "Biographical Details of Directors, Supervisors and Senior Management" section of this annual report.

### Convening of extraordinary general meeting and putting forward proposals

Shareholders who individually or jointly hold 10% or more of the Company's shares have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, provide written feedback within ten days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days of receiving the request, shareholders who individually or jointly hold 10% or more of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the shareholders' meeting, and shareholders holding 10% or more of the Company's shares separately or jointly for 90 consecutive days or more may convene and preside over the meeting on their own.

### Contact Details

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

Address: Company secretary

Telephone: +86 027-65524978

Email: [ir@hanxbio.com](mailto:ir@hanxbio.com)

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

### COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company is 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.

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 Communication Policy

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

Since the Company was listed on the Stock Exchange on 23 December 2025, the Board will conduct the annual review on the implementation and effectiveness of the Shareholders Communication Policy in 2026.

## CORPORATE GOVERNANCE REPORT

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

### (a) Corporate Communication

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

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

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

### (c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange’s website will also be published on the Company’s website ([www.hanxbio.com](http://www.hanxbio.com)). Other corporate information about the Company’s corporate governance will also be available on the Company’s website.

### (d) Shareholders’ Meetings

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

### (e) Shareholders' Enquiries

#### *Enquiries about Shareholdings*

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

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

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: [ir@hanxbio.com](mailto:ir@hanxbio.com) or by post to Building A8, Phase II, Bio-Innovation Park, No. 1 Jiufeng 1st Road, East Lake New Technology Development Zone, Wuhan, Hubei, PRC.

### (f) Webcast

Webcasts of the Company's interim and annual results briefings are available.

### (g) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a regular basis.

### Dividend Policy

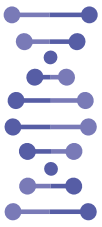
The Company do not have a formal dividend policy or any pre-determined dividend payout ratio for the Group. Depending on the financial conditions of the Company and the Group and the conditions and factors, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

### Amendments in Constitutional Documents

The Articles of Association of the Company was adopted on 22 December 2025, and became effective from the Listing Date.

The latest version of the Articles of Association is available on the respective websites of the Stock Exchange and the Company.

Save as disclosed above, during the Reporting Period, there has not been any change in the Company's Articles of Association.



# REPORT OF THE BOARD OF DIRECTORS

The Directors are pleased to present this report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## DIRECTORS

The Directors who held office from the date of Listing and up to the date of this report are:

### Executive Directors

Dr. Zhang Faming (*Chairman of the Board*)

Dr. Henry Qixiang Li

Mr. Liu Min

Ms. Xiao Jieyu (*re-designated on 8 February 2026*)

### Non-executive Director

Dr. Li Jian

### Independent Non-executive Directors

Dr. Bi Honggang

Mr. Chen Qifeng

Mr. Wong Sai Hung

Dr. Zhang Qiongguang

## SUPERVISORS

Dr. Ke Hang

Ms. Sun Peng

Ms. Chen Chen

## PRINCIPAL ACTIVITIES

We are a biotech company, with in-house expertise and experience in structural biology, translational medicine and clinical development. Since 2016, we have developed a product pipeline comprising of one Core Product and nine other pipeline candidates, which are (i) three clinical stage drug candidates focused on oncology, including our Core Product HX009 and Key Products HX301 and HX044; and (ii) seven preclinical stage drug candidates including antibody drug conjugate, bispecific antibody and monoclonal antibody for both autoimmune and oncology market.

## REPORT OF THE BOARD OF DIRECTORS

An analysis of the Company's net results for the year by principal activities is set out in the section headed "Management's Discussion and Analysis" in this report.

### BUSINESS OVERVIEW

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the Group's performance during the year, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year, and an indication of likely future development in the business of the Group are provided in the sections headed "Chairman Statement", "Management Discussion and Analysis" and "Report of Directors" of this report. All such discussions form part of this report.

### RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

#### Major Customers

During the Reporting Period, the Group had no commercialized product and therefore had no customers.

#### Major Suppliers

During the Reporting Period, our suppliers primarily consisted of CROs and suppliers of equipment, devices and construction services. The Group's purchases from its five largest suppliers for the Reporting Period amounted to RMB20.1 million (2024: RMB31.5 million), accounted for 41.6% (2024: 37.7%) of the Group's total purchases. The Group's purchases from its largest supplier for the Reporting Period amounted to RMB5.9 million (2024: RMB3.9 million), accounted for 12.3% (2024: 4.7%) of its total purchases. During the Reporting Period, all of the Group's five largest suppliers were Independent Third Parties.

None of the Directors, their respective close associates nor any shareholder who, to the knowledge of the Directors, owned more than 5% of the issued share capital of the Company as at the date of this report, had any interest in any of the Group's five largest suppliers during the Reporting Period.

## REPORT OF THE BOARD OF DIRECTORS

### PRINCIPAL RISKS AND UNCERTAINTIES

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

- We may face intense competition and rapid technological change in our industry, particularly for our Core Product HX009 and the possibility that our competitors may develop therapies that are similar, or even more advanced and, effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.
- Adverse events or undesirable side effects caused by our drug candidates, such as our Core Product as a CD47 targeted molecules drug, could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.
- Our business and financial prospects depend substantially on the success of our drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected.
- Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future trial results.
- We may invest substantial resources in research and development of drug candidates, allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success.
- We currently target a sub-group of targeted cancer, and the size of the potential market for our current or future drug candidates, including for our Core Product HX009, may be smaller than our estimates.
- We have incurred significant net losses since inception. We anticipate that we will continue to incur net losses and may fail to achieve or maintain profitability in the foreseeable future.
- The regulatory approval processes of the NMPA, the FDA and other comparable regulatory authorities are lengthy, time-consuming and unpredictable. If we are unable to obtain without undue delay of any regulatory approvals for our drug candidates in our targeted markets, our business may be subject to actual or perceived harm.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. For further details, please refer to the Environmental, Social and Governance Report.

### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

### FINAL DIVIDENDS

The Board does not recommend the distribution of a final dividend for the Reporting Period. There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

### DIVIDEND POLICY

No dividend was declared or paid by the Company or other entities comprising the Group during the Reporting Period. The Company has no formal dividend policy or pre-determined dividend payout ratio for our Group, please refer to the section headed “Corporate Governance Report — Dividend Policy” of this report for details.

### BIOGRAPHICAL DETAILS OF THE DIRECTORS, SUPERVISORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors, Supervisors and the senior management of the Group as at the date of this annual report are set out on pages 23 to 32 under the section headed “Biographical Details of Directors, Supervisors and Senior Management” of this annual report.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in Note 13 to the consolidated financial statements of this annual report.

### SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2025 are set out in Note 23 to the consolidated financial statements of this annual report.

## REPORT OF THE BOARD OF DIRECTORS

### OUR INCENTIVE SCHEME

On 22 August 2024, our Company approved the stock incentive plan which includes: (i) the stock option incentive plan (the “**Stock Option Incentive Plan**”); and (ii) the restricted share incentive scheme (the “**Restricted Share Incentive Scheme**”). Given no further share option will be granted under the Stock Option Incentive Plan and no further restricted shares unit will be granted under the Restricted Share Incentive Scheme after the Listing, the terms of the Stock Option Incentive Plan and the Restricted Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules. For details, see “Appendix IV — Statutory and General Information — D. Employee Share Incentive Scheme” in the Prospectus.

#### A. Stock Option Incentive Plan

##### *(i) Purpose*

The purpose of the Stock Option Incentive Plan is to improve our Group’s corporate governance structure and incentive mechanism, ascertain the contribution made by our employees to our Group, incentivize our Group’s management and key employees to enhance the competitiveness of our Group to ensure realization of our Group’s future development strategy and business targets. The Stock Option Incentive Plan is implemented to align the interests of the Shareholders with the interests of our Group and employee which will benefit the sustained development of our Group.

##### *(ii) Administration*

The Stock Option Incentive Plan is subject to the approval of the Shareholders’ meeting, administration of the Board and the supervision of the board of Supervisors.

##### *(iii) Participants*

The participants of the Stock Option Incentive Plan include key personnel of our Group (including our executive Director, our Supervisor, our senior management and other employees).

##### *(iv) Maximum number of options and shares*

The Stock Option Incentive Plan consists of: (i) options to subscribe for 304,507 Shares (which became 3,045,070 H Shares upon Listing) granted to the eligible PRC employees (the “**PRC Stock Options**”); and (ii) options to subscribe for approximately 1,533,407 Shares (which became 15,334,075 H Shares upon Listing) granted to the eligible foreign and Hong Kong employees (the “**Foreign and Hong Kong Stock Options**”). In relation to the PRC Stock Options, they represent the right to purchase units of the Wuhan Hanx within the exercise period at the exercise price; in relation to each of the Foreign and Hong Kong Stock Options, they represent the right to subscribe shares of HanxBio (BVI) within the exercise period at the exercise price.

The maximum number of Shares the grantees entitled to subscribed for under the PRC Stock Options is 304,507 Shares (which became 3,045,070 H Shares upon Listing), which represents the number of Unlisted Shares transferred from Hanx Biopharmaceuticals (HK) to Wuhan Hanx at a consideration of RMB2,785,594 on 29 September 2024. The maximum number of Shares the grantees entitled to subscribed for under the Foreign and Hong Kong Stock Options is approximately 1,533,407 Shares (which became 15,334,075 H Shares upon Listing).

The eligible employees of the PRC Stock Options and the Foreign and Hong Kong Stock Options will not be entitled to any rights to the Shares underlying the PRC Stock Options and the Foreign and Hong Kong Stock Options before the exercise of the PRC Stock Options and the Foreign and Hong Kong Stock Options (the “**Underlying Shares**”). Upon exercise of the PRC Stock Options and the Foreign and Hong Kong Stock Options, the eligible employees will be entitled to the economic benefits of the Underlying Shares. Furthermore, the eligible employees should entrust the rights other than the economic rights of the Underlying Shares to the person as appointed by our Company.

### *(v) Date of grant and duration*

The date on which the options are granted shall be the date of grant agreement entered into between our Group and the eligible employees. As at 31 December 2025, all the options have been granted. The Stock Option Incentive Plan shall be valid for a term of no longer than 10 years from the date of approval of the Stock Option Incentive Plan by our Board to the date of completion of the exercise of the options or cancellation of the options under the Stock Option Incentive Plan.

### *(vi) Exercise of the options*

Options may be exercised by a grantee provided that the annual assessment and performance targets as set out under the Stock Option Incentive Plan is achieved. The exercise price for the option to be granted under the PRC Stock Options and the Foreign and Hong Kong Stock Options is RMB0.92 and US\$0.14 per H Share, respectively.

The vesting schedule of the options granted are: (i) (in relation to the PRC Stock Options) vested in tranches of 25% on the date of grant, the first, second and third anniversary of the date of grant; and (ii) (in relation to the Foreign and Hong Kong Stock Options) vested in tranches of one-third of the total options on each of January 1 of 2024, 2025 and 2026, in tranches of one-fourth of the total options on each of January 1 of 2023, 2024, 2025 and 2026 or in tranches of 25% on the date of grant, the first, second and third anniversary of the date of grant.

Upon vesting of the options, the eligible employees can exercise the options by written notice to our Company: (i) in relation to the PRC Stock Options, within 5 years; or (ii) in relation to the Foreign and Hong Kong Stock Options, within 5 or 7 years from the date of vesting of the options.

## REPORT OF THE BOARD OF DIRECTORS

### *(vii) Outstanding options*

The number of H Shares underlying the outstanding options granted under the PRC Stock Options amounted to 2,283,803 H Shares. Such H Shares are held by the general partner of Wuhan Hanx on behalf of the grantees; and the number of H Shares underlying the outstanding option granted under the Foreign and Hong Kong Stock Options amounted to 13,345,230 H Shares.

Details of outstanding options under the Stock Option Incentive Plan as at 31 December 2025, subject to the terms of the Stock Option Incentive Plan and the grant agreement entered into between the Group and the eligible employees, are set out as follows:

| Name of the grantee                       | Position in the Company   | Date of grant  | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                               | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|---|---|----------------|---|----------------------------|---|---|---|
| <b>The PRC Stock Option<sup>(1)</sup></b> |   |                |   |                            |   |   |   |
| Mr. Liu                                   | Chief operating officer, vice general manager, and executive Director | 29 August 2024 | 2,186,280   | RMB0.92                    | 5 years from the date of vesting of options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 1.61%   |
| Ms. Sun                                   | Supervisor  | 29 August 2024 | 210,530   | RMB0.92                    | 5 years from the date of vesting of options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.16%   |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee | Position in the Company                           | Date of grant  | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                               | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|---------------------|---|----------------|---|----------------------------|---|---|---|
| Dr. Ke              | Supervisor, and Chairman of Supervisory Committee | 29 August 2024 | 169,440   | RMB0.92                    | 5 years from the date of vesting of options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.12%   |
| Ms. Chen            | Employee representative Supervisor                | 29 August 2024 | 13,120  | RMB0.92                    | 5 years from the date of vesting of options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.01%   |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee                       | Position in the Company   | Date of grant  | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                           | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|---|---|----------------|---|----------------------------|---|---|---|
| <b>The PRC Stock Option<sup>(2)</sup></b> |   |                |   |                            |   |   |   |
| Mr. Yang Tao (楊濤)                         | Non-clinical Senior Director of the Research and Development Department | 29 August 2024 | 131,180   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.10%   |
| Mr. Peng Feiyu (彭飛宇)                      | CMC Director of the Research and Development Department                 | 29 August 2024 | 81,990  | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.06%   |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee    | Position in the Company  | Date of grant     | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                           | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|------------------------|--|-------------------|---|----------------------------|---|---|---|
| Mr. Wang Shuai<br>(王帥) | Clinical<br>Operation<br>Senior<br>Director                                    | 29 August<br>2024 | 76,520  | RMB0.92                    | 5 years from the vesting of the options | 25% on each of:<br>(i) the date of grant;<br>(ii) 12 months from the date of grant;<br>(iii) 24 months from the date of grant;<br>and (iv) 36 months from the date of grant | 0.06%   |
| Ms. Lei Juan (雷娟)      | Director of<br>Pharmaceutical<br>Regulations/<br>Project Quality<br>Management | 29 August<br>2024 | 71,050  | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant             | 0.05%   |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee | Position in the Company | Date of grant  | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                           | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|---------------------|-------------------------|----------------|---|----------------------------|---|---|---|
| Ms. Li Jialin (李佳霖) | Scientist               | 29 August 2024 | 12,020  | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.01%   |
| Ms. Chen Cen (陳岑)   | Scientist               | 29 August 2024 | 8,750   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.01%   |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee      | Position in the Company | Date of grant  | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                           | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|--------------------------|-------------------------|----------------|---|----------------------------|---|---|---|
| Mr. Zhong Ren<br>(鍾仁)    | Senior IT manager       | 29 August 2024 | 8,750   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.01%   |
| Mr. Xu Jianling<br>(許健翎) | Financial Manager       | 29 August 2024 | 8,750   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.01%   |
| Ms. Ren Liping<br>(任莉萍)  | Financial Manager       | 29 August 2024 | 7,650   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.01%   |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee    | Position in the Company | Date of grant  | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                           | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|------------------------|-------------------------|----------------|---|----------------------------|---|---|---|
| Ms. Yu Ting (余婷)       | Deputy Medical Manager  | 29 August 2024 | 7,650   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.01%   |
| Mr. Tian Chen (田琛)     | Project Manager         | 29 August 2024 | 6,560   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.005%  |
| Ms. Liao Hongxiu (廖紅秀) | Purchasing Manager      | 29 August 2024 | 6,560   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.005%  |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee     | Position in the Company | Date of grant  | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                           | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|-------------------------|-------------------------|----------------|---|----------------------------|---|---|---|
| Mr. Mo Yunlong<br>(莫藝隆) | Senior Medical Manager  | 29 August 2024 | 5,470   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.004%  |
| Ms. Liu Chang (劉暢)      | Senior Manager          | 29 August 2024 | 5,470   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.004%  |
| Ms. Liu Shuang<br>(劉爽)  | Senior Project Manager  | 29 August 2024 | 5,470   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.004%  |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee      | Position in the Company         | Date of grant  | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                           | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|--------------------------|---------------------------------|----------------|---|----------------------------|---|---|---|
| Ms. Ma Junjiao<br>(馬俊姣)  | Senior Clinical Quality Manager | 29 August 2024 | 5,470   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.004%  |
| Ms. Ha Shaohong<br>(哈紹紅) | Project Manager                 | 29 August 2024 | 4,370   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.003%  |
| Ms. Zhang Meng<br>(張萌)   | Data Manager                    | 29 August 2024 | 4,370   | RMB0.92                    | 5 years from the vesting of the options | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.003%  |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee   | Position in the Company  | Date of grant                 | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                               | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|---|--|-------------------------------|---|----------------------------|---|---|---|
| Ms. Gao Xinbao<br>(高欣寶)                                     | Medical Manager  | 29 August 2024                | 4,370   | RMB0.92                    | 5 years from the vesting of the options     | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.003%  |
| Mr. Yan Liangbo<br>(晏良波)                                    | Deputy Manager of Pharmaceutical Regulations/ Project Quality Management | 29 August 2024                | 3,280   | RMB0.92                    | 5 years from the vesting of the options     | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 0.002%  |
| <b>The Foreign and Hong Kong Stock Option<sup>(2)</sup></b> |  |                               |   |                            |   |   |   |
| Dr. Zhang   | Chairman and executive Director  | 28 August 2024 <sup>(3)</sup> | 4,675,960   | US\$0.14                   | 7 years from the date of vesting of options | 25% on each of: (i) 1 January 2023; (ii) 1 January 2024; (iii) 1 January 2025; and (iv) 1 January 2026  | 3.43%   |

## REPORT OF THE BOARD OF DIRECTORS

| Name of the grantee | Position in the Company   | Date of grant                 | Number of underlying H Shares under options granted | Exercise price per H Share | Option period                               | Vesting schedule  | H Shares underlying outstanding options as a percentage of issued Shares as at 31 December 2025 |
|---------------------|---|-------------------------------|---|----------------------------|---|---|---|
| Dr. Li              | Chief executive officer, chief scientific officer and executive Director  | 28 August 2024 <sup>(3)</sup> | 4,099,275   | US\$0.14                   | 7 years from the date of vesting of options | One-third on each of: (i) 1 January 2024; (ii) 1 January 2025; and (iii) 1 January 2026   | 3.01%   |
| Ms. Zhang           | Chief medical officer   | 28 August 2024 <sup>(3)</sup> | 3,279,420   | US\$0.14                   | 7 years from the date of vesting of options | One-third on each of: (i) 1 January 2024; (ii) 1 January 2025; and (iii) 1 January 2026   | 2.41%   |
| Mr. Zhang Hui       | Former joint company secretary, chief financial officer, the secretary of our Board and vice general manager <sup>(4)</sup> | 28 August 2024                | 3,279,420   | US\$0.14                   | 5 years from the vesting of the options     | 25% on each of: (i) the date of grant; (ii) 12 months from the date of grant; (iii) 24 months from the date of grant; and (iv) 36 months from the date of grant | 2.41%   |

*Notes:*

- (1) Pursuant to the PRC Stock Options, the grantees will be granted with units in Wuhan Hanx. The number of H Shares for grantees of the PRC Stock Options represent the portion of the units to be held by the grantees in Wuhan Hanx.
- (2) Pursuant to the Foreign and Hong Kong Stock Options, the grantees will be granted with HanxBio (BVI) shares. The number of H Shares for grantees of the Foreign and Hong Kong Stock Options represent the portion of the HanxBio (BVI) shares to be held by the grantees.

- (3) As confirmed by our Company, the options granted to Dr. Zhang, Dr. Li and Ms. Zhang under the Stock Option Incentive Plan are replacement of the options to subscribe for equity interests in Hangzhou Hanx granted to Dr. Zhang, Dr. Li and Ms. Zhang on 1 January 2022.
- (4) As disclosed in the Company's announcement dated 4 February 2026, Mr. Zhang Hui has resigned as the joint company secretary, vice general manager, chief financial officer and secretary of the Board of the Company effective from 8 February 2026. As a result, all options granted to Mr. Zhang Hui will be cancelled by the Company.
- (5) Save as disclosed above, during the Reporting Period, none of the options has been exercised, cancelled or lapsed. No option was granted during the Reporting Period. The outstanding options as at 1 January 2025 are the same as the outstanding options as at 31 December 2025 as disclosed in the above table.

### B. Restricted Share Incentive Scheme

The Restricted Share Incentive Scheme consists of approximately 17 HanxBio (BVI) shares (the “**Restricted HanxBio (BVI) Shares**”) granted to the eligible employees, representing 2,459,565 H Shares upon Listing. As at 31 December 2025, all the Restricted HanxBio (BVI) Shares have been granted and unlocked and vested to (i) Dr. Li (our chief executive officer and executive Director) as to 1,366,425 underlying H Shares, representing approximately 1.00% of the issued Shares as at 31 December 2025, at the grant price of US\$0.14 per H Share; and (ii) Ms. Zhang (our senior management) as to 1,093,140 underlying H Shares, representing approximately 0.80% of the issued Shares as at 31 December 2025, at the grant price of US\$0.14 per H Share. As confirmed by our Company, the Restricted HanxBio (BVI) Shares granted to Dr. Li and Ms. Zhang under the Restricted Share Incentive Scheme are replacement of the restricted equity interests in Hangzhou Hanx granted to Dr. Li and Ms. Zhang on 1 January 2022. As at 31 December 2025, the Restricted Share Incentive Scheme has already ended.

### BANK LOANS AND OTHER BORROWINGS

Details of bank loans or other borrowings of the Group during the Reporting Period are set out in note 26 to the consolidated financial statements of this annual report.

### DONATIONS

During the Reporting Period, the Company donated USD100,000 to the Tai Po Wang Fuk Court Relief Fund.

### CAPITAL RESERVES AND DISTRIBUTABLE RESERVES

Details of the movement in the reserves during the Reporting Period are set out in note 24 to the consolidated financial statements of this annual report.

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

## REPORT OF THE BOARD OF DIRECTORS

### EQUITY-LINKED AGREEMENTS

During the Reporting Period, save as disclosed in this annual report, no equity-linked agreements will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the Reporting Period or subsisted at the end of 2025.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the PRC laws, which would oblige the Company to offer new Shares on a pro-rata basis to its existing Shareholders.

### Financial Summary

A summary of the Company's results and assets and liabilities for the last five financial years are set out in the section headed "Financial Highlights" of this report. This summary does not form part of the audited financial statements.

### SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

We have entered into a service contract or a letter of appointment with each of our Directors and Supervisors in respect of, among other things, compliance with relevant laws and regulations and the Articles of Association.

The principal terms of these service contracts and letters of appointment comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to the Shareholders' approval.

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

### REMUNERATION AND COMPENSATION OF DIRECTORS, SUPERVISORS AND THE SENIOR MANAGEMENT

Our Directors, Supervisors and the senior management receive compensation from our Group in the form of salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions and equity-settled share-based payments.

Details of the emoluments of Directors, Supervisors and the five highest paid individuals in the Group are set out in Note 8 and Note 9 to the consolidated financial statements of this annual report.

## REPORT OF THE BOARD OF DIRECTORS

Details of the remuneration of the current senior management of the Company by band for the Reporting Period are set out as follows:

| <b>Range</b>                  | <b>2025</b> | <b>2024</b> |
|-------------------------------|-------------|-------------|
| HKD5,000,001 to HKD6,000,000  | —           | 1           |
| HKD6,000,001 to HKD11,000,000 | 1           | —           |
| <b>Total</b>                  | <b>1</b>    | <b>1</b>    |

For the year ended 31 December 2025, no emoluments were paid by the Group to any Director, any Supervisor or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors or the Supervisors has waived any emoluments for the year ended 31 December 2025.

Save as disclosed above, no other payments have been made or are payable, during the Reporting Period, by the Group to or on behalf of any of the Directors or the Supervisors.

### INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as the connected transactions as disclosed in the section headed “Connected Transactions” in this report of the board of Directors, there was no transaction, arrangement and contract of significance subsisting during or at the end of the Reporting Period in which a Director, a Supervisor or an entity connected with a Director or a Supervisor is or was materially interested, either directly or indirectly.

### CONTROLLING SHAREHOLDERS’ INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the Reporting Period, save as disclosed in this annual report, neither the Company nor any of its subsidiaries had any contract of significance with its controlling shareholder or its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries.

### DIRECTORS’ INTERESTS IN COMPETING BUSINESS

During the Reporting Period and up to the date of this report, none of the Directors, Supervisors, senior management of the Company has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

## REPORT OF THE BOARD OF DIRECTORS

### DEED OF NON-COMPETITION

Each of our Controlling Shareholders has given certain non-competition undertakings in favour of our Company (for itself and as trustee for each of our subsidiaries) under the Deed of Non-Competition, pursuant to which each of our Controlling Shareholders, jointly and severally, warrants and undertakes with our Company that, from the Listing and ending on the occurrence of the earlier of:

- (i) any of our Controlling Shareholders and his/its close associates and/or successor, individually and/or collectively, cease to own 30% (or such percentage as may from time to time be specified in the Listing Rules as being the threshold for determining a controlling shareholder of a company) or more of the then entire issued share capital of our Company; or
- (ii) the Shares cease to be listed on the Stock Exchange (except for temporary suspension of the Shares due to any reason),

he/it will not, and will procure any Controlling Shareholder and his/its close associates (collectively, “**Controlled Persons**”) and any company directly or indirectly controlled by him/it (which for the purpose of the Deed of Non-Competition, shall not include any member of our Group) (the “**Controlled Company**”) not to: either on his/its own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of our Group) to conduct any business which, directly or indirectly, competes or may compete with the business presently carried on by our Company or any of our subsidiaries or any other business that may be carried on by any of them from time to time during the term of the Deed of Non-Competition, in the PRC or such other places as our Company or any of our subsidiaries may conduct or carry on business from time to time, including but not limited to the research and development of immunology-oncology therapies for cancer and the development of therapeutic biological products (the “**Restricted Business**”).

Such non-competition undertakings do not apply to:

- (i) the holding of Shares or other securities issued by our Company or any of our subsidiaries from time to time;
- (ii) the holding of shares or other securities in any company which has an involvement in the Restricted Business, provided that such shares or securities are listed on a recognized stock exchange and the aggregate interest of our Controlling Shareholder and his/its associates (as “interest” is construed in accordance with the provisions contained in Part XV of the SFO) does not amount to more than 10% of the relevant share capital of the company in question;
- (iii) the contracts and other agreements entered into between our Group and our Controlling Shareholder and/or his/its close associates; and
- (iv) the involvement, participation or engagement of our Controlling Shareholders and/or his/its close associates in the Restricted Business in relation to which our Company has agreed in writing to such involvement, participation or engagement, following a decision by our independent non-executive Directors to allow such involvement, participation or engagement subject to any conditions our independent non-executive Directors may require to be imposed.

### New Business Opportunity

If any Controlling Shareholder, any of his/its connected persons and/or any Controlled Company (the “**Offeree**”) is offered or becomes aware of any business opportunity directly or indirectly to engage in or own the Restricted Business (the “**New Business Opportunity**”):

- (i) he/it shall promptly notify our Company of such New Business Opportunity in writing and refer the same to our Company for consideration; and
- (ii) he/it shall not, and shall procure that his/its Controlled Persons or Controlled Companies not to, invest or participate in any New Business Opportunity, unless such New Business Opportunity is rejected by the independent committee of our Board (the “**Independent Board Committee**”) comprising our independent nonexecutive Directors from time to time who do not have any material interest in the Restricted Business and/or the New Business Opportunity and the principal terms of which our Controlling Shareholders or his/its Controlled Persons or Controlled Companies invest or participate in are no more favourable than those made available to our Company. Our Controlling Shareholders, any Controlled Person or any Controlled Company may only engage in the New Business Opportunity if a notice is received from the Independent Board Committee confirming that the New Business Opportunity is not accepted by our Company and/or does not constitute competition with the Restricted Business. If there is a material change in the terms and conditions of the New Business Opportunity pursued by the Offeree, the Offeree will refer the New Business Opportunity as so revised to our Company in the manner set out above.

For further details, please refer to the section headed “Relationship with our Controlling Shareholders” in the Prospectus.

Based on the information provided by the Non-Competing Shareholders, our independent non-executive Directors have confirmed that the Non-Competing Shareholders have complied with the undertakings and the enforcement of the Deed of Non-competition since the Listing Date and up to the date of this report.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including the sale of treasury shares). The Company had no treasury shares as at 31 December 2025.

### PLEDGE OF SHARES BY CONTROLLING SAHREHOLDERS

During the Reporting Period, there was no pledge of Shares by the Controlling Shareholders.

### FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES BY THE COMPANY

During the Reporting Period, the Company had not provided any financial assistance and guarantees to any affiliated companies of the Company.

## REPORT OF THE BOARD OF DIRECTORS

### CLOSURE OF THE REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from 18 June 2026 to 24 June 2026, both days inclusive, in order to determine the eligibility of Shareholders who are entitled to attend and vote at the AGM to be held on 24 June 2026. Shareholders whose names appear on the register of members of the Company on 24 June 2026 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer accompanied by relevant share certificates and transfer forms must be lodged with the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on 17 June 2026.

### ISSUANCE OF DEBENTURES

During the Reporting Period, no debentures were issued by the Group.

### USE OF NET PROCEEDS FROM GLOBAL OFFERING

The H Shares of the Company were listed on the Main Board of the Stock Exchange on the 23 December 2025. The net proceeds from the initial public offering of the H Shares of the Company on the Main Board of the Stock Exchange (after deducting underwriting fees and other related expenses) were approximately HKD531.3 million. The proceeds had not been utilized and the Company intends to utilize such proceeds from the global offering for the purposes and in the amounts as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, namely:

| Purpose  | Approximate percentage of the total net proceeds | Net proceeds from the Global Offering<br>(HKD' million) | Net proceeds utilized as of 31 December 2025<br>(HKD' million) | Remaining net proceeds as of 31 December 2025<br>(HKD' million) |
|--|--|---|--|---|
| Research and development of our core product, HX009  | 35.0%  | 185.96  | 0  | 185.96  |
| Research and development of our key product, HX301 and HX044                                       | 33.0%  | 175.33  | 0  | 175.33  |
| Research and development of our other important products, HX035, HX038, HX016-9, HX016-7 and HX111 | 17.0%  | 90.32   | 0  | 90.32   |
| Fund the commercialization and/or business development activities                                  | 5.0%   | 26.57   | 0  | 26.57   |
| Working capital and other general corporate purposes   | 10.0%  | 53.12   | 0  | 53.12   |
| <b>Total</b>   | <b>100%</b>                                      | <b>531.30</b>   | <b>0</b>   | <b>531.30</b>   |

Note: Due to rounding, there may be a difference between the sum of the individual sub-values and the total amount. The expected timeline for using the unutilized net proceeds is based on the best estimation of the business market situations made by the Company and might be subject to changes based on the market conditions and business development.

## REPORT OF THE BOARD OF DIRECTORS

The Company expects to fully use the net proceeds from the Global Offering by 2030.

Since the Listing Date, the Group has not yet utilized any net proceeds, and will gradually utilize the net proceeds in accordance with the intended purposes as stated in the Prospectus. The expected timeline is based on the best estimation of future market conditions and business operations made by the Company currently, and will be subject to change based on future development of market conditions and actual business needs.

### DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

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

| Name                 | Position   | Nature of interest                                 | Type of Shares | Number of Shares | Approximate percentage of shareholding in the total issued share capital of our Company as at 31 December 2025 |
|----------------------|--|--|----------------|------------------|--|
| Dr. Zhang Faming     | Chairman and Executive Director  | Interest in controlled corporations <sup>(1)</sup> | H Shares       | 76,138,710       | 55.89%   |
| Ms. Xiao Jieyu       |  | Beneficial owner                                   | H Shares       | 11,100           | 0.0081%  |
| Dr. Henry Qixiang Li | Chief executive officer, chief scientific officer and executive Director | Interest in controlled corporations                | H Shares       | 1,366,425        | 1.00%  |
| Mr. Liu Min          | Chief operating officer and executive Director                           | Interest in controlled corporations                | H Shares       | 546,570          | 0.4%   |

Notes:

- (1) The 76,138,710 Shares consist of: (i) 55,300,000 Shares held by CZ Biotechnology; (ii) 17,793,640 Shares held by Hanx Biopharmaceuticals (HK); and (iii) 3,045,070 Shares held by Wuhan Hanx.

CZ Biotechnology is legally and beneficially owned as to 99.9% by Dr. Zhang and 0.1% by Ms. Luo Fang. CZ Biotechnology, Ms. Luo Fang and Dr. Zhang are considered as a group of controlling shareholders of our Group pursuant to the Listing Rules. Hanx Biopharmaceuticals (HK) is controlled by HanxBio (BVI), which is in turn controlled by Hanx Biopharmaceuticals. Hanx

## REPORT OF THE BOARD OF DIRECTORS

Biopharmaceuticals is controlled by Caizhang Vision, which is controlled by Dr. Zhang. Furthermore, Wuhan Hanx is owned as to 75% by CZ Biotechnology, which is also the general partner of Wuhan Hanx. Therefore, Dr. Zhang is deemed to be interested in the 76,138,710 Shares.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as our Directors are aware, as at 31 December 2025, the following persons (other than the Directors, the Supervisors or chief executives of the Company) have interests or short positions in Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by the Company under Section 336 of the SFO:

| Name  | Nature of interest  | Types of Shares | Number of Shares | Approximate percentage of shareholding in the total issued share capital of our Company as at 31 December 2025 |
|---|---|-----------------|------------------|--|
| CZ Biotechnology <sup>(1)</sup>             | Beneficial owner; interest held jointly with another person                   | H Shares        | 76,138,710       | 55.89%   |
| Ms. Cai Xiaoqing (蔡曉清) <sup>(2)</sup>       | Interest of spouse  | H Shares        | 76,138,710       | 55.89%   |
| Ms. Luo Fang (羅芳) <sup>(1)</sup>            | Interest in controlled corporation; interest held jointly with another person | H Shares        | 76,138,710       | 55.89%   |
| Hanx Biopharmaceuticals (HK) <sup>(3)</sup> | Beneficial owner  | H Shares        | 17,793,640       | 13.06%   |
| HanxBio (BVI) <sup>(3)</sup>                | Interest in controlled corporation  | H Shares        | 17,793,640       | 13.06%   |
| Hanx Biopharmaceuticals <sup>(3)</sup>      | Interest in controlled corporation  | H Shares        | 17,793,640       | 13.06%   |
| Caizhang Vision <sup>(3)</sup>              | Interest in controlled corporation  | H Shares        | 17,793,640       | 13.06%   |
| Wuhan Hanx                                  | Beneficial owner  | H Shares        | 3,045,070        | 2.24%  |
| Beijing Lapam                               | Beneficial owner  | H Shares        | 12,860,470       | 9.44%  |

## REPORT OF THE BOARD OF DIRECTORS

| Name  | Nature of interest                                     | Types of Shares | Number of Shares | Approximate percentage of shareholding in the total issued share capital of our Company as at 31 December 2025 |
|---|--|-----------------|------------------|--|
| Beijing Lapam Investment Management Consulting Center (General Partnership)<br>(北京龍磐投資管理諮詢中心 (普通合夥))      | Interest in controlled corporation                     | H Shares        | 12,860,470       | 9.44%  |
| Beijing Lapam Management Consulting Co., Ltd.*<br>(北京龍磐管理諮詢有限責任公司)  | Interest in controlled corporation                     | H Shares        | 12,860,470       | 9.44%  |
| Mr. Yu Zhihua (余治華) <sup>(4)</sup>  | Interest in controlled corporation; interest of spouse | H Shares        | 14,652,130       | 10.76%   |
| Ms. Sun Hui (孫慧) <sup>(5)</sup>   | Interest in controlled corporation; interest of spouse | H Shares        | 14,652,130       | 10.76%   |
| Hangzhou Hongye Ruiji   | Beneficial owner                                       | H Shares        | 12,860,470       | 9.44%  |
| Hangzhou Hongye Taiji Investment Management Partnership (Limited Partnership)*<br>(杭州紅業泰吉投資管理合夥企業 (有限合夥)) | Interest in controlled corporation                     | H Shares        | 12,860,470       | 9.44%  |
| Hangzhou Hongye Investment Management Co., Ltd.*<br>(杭州紅業投資管理有限公司)  | Interest in controlled corporation                     | H Shares        | 12,860,470       | 9.44%  |
| Mr. Zhang Yeyan (張業焱)   | Interest in controlled corporation                     | H Shares        | 12,860,470       | 9.44%  |

## REPORT OF THE BOARD OF DIRECTORS

### Notes:

- (1) The 76,138,710 Shares consist of: (i) 55,300,000 Shares held by CZ Biotechnology; (ii) 17,793,640 Shares held by Hanx Biopharmaceuticals (HK); and (iii) 3,045,070 Shares held by Wuhan Hanx. CZ Biotechnology is legally and beneficially owned as to 99.9% by Dr. Zhang and 0.1% by Ms. Luo Fang. CZ Biotechnology, Ms. Luo Fang and Dr. Zhang are considered as a group of controlling shareholders of our Group pursuant to the Listing Rules. Hanx Biopharmaceuticals (HK) is controlled by HanxBio (BVI), which is in turn controlled by Hanx Biopharmaceuticals. Hanx Biopharmaceuticals is controlled by Caizhang Vision, which is controlled by Dr. Zhang. Furthermore, Wuhan Hanx is owned as to 75% by CZ Biotechnology, who is also the general partner of Wuhan Hanx. Therefore, Dr. Zhang, CZ Biotechnology, Ms. Luo Fang, Hanx Biopharmaceuticals (HK), HanxBio (BVI), Hanx Biopharmaceuticals and Caizhang Vision are deemed to be interested in the 76,138,710 Shares.
- (2) Ms. Cai Xiaoqing is the spouse of Dr. Zhang and is deemed to be interested in all the Shares which Dr. Zhang is deemed to be interested in by virtue of the SFO.
- (3) Hanx Biopharmaceuticals (HK) is controlled by HanxBio (BVI). HanxBio (BVI) is in turn controlled by Hanx Biopharmaceuticals, which is controlled by Caizhang Vision. Therefore, Hanx Biopharmaceuticals (HK), HanxBio (BVI), Hanx Biopharmaceuticals and Caizhang Vision are deemed to be interested in the 17,793,640 Shares held by Hanx Biopharmaceuticals (HK).
- (4) Beijing Lapam and Tibet Lapam are ultimately controlled by Mr. Yu. Furthermore, he is the spouse of Ms. Sun Hui. Therefore, he is deemed interested in the 12,860,470 H Shares held by Beijing Lapam and 1,195,620 H Shares held by Tibet Lapam. He is also deemed interested in the H Shares in which Ms. Sun Hui is deemed interested in by virtue of the SFO.
- (5) Ms. Sun Hui is the ultimately beneficial owner of Lapam Capital. Furthermore, Ms. Sun Hui is the spouse of Mr. Yu Zhihua. Therefore, she is interested in the 596,040 shares held by Lapam Capital and is deemed to be interested in all the Shares which Mr. Yu Zhihua is deemed to be interested in by virtue of the SFO.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

### CONNECTED TRANSACTIONS

The Group has entered into several continuing connected transaction agreements with Waterstone Pharmaceuticals and Waterstone Pharmaceuticals (Hubei) Co., Ltd. (湖北華世通生物醫藥科技有限公司) (“**Hubei Waterstone**”), the connected persons of our Company, as described in the paragraphs below. Such transactions continue after Listing and therefore constitute our continuing connected transactions under the Listing Rules.

The transactions under the following continuing connected transaction agreements constitute non-exempt continuing connected transactions of the Company during the Reporting Period:

**(i) HX 301 Active Pharmaceutical Ingredients (“HX301 APIs”) Supply and Stability Testing Services Framework Agreement (the “HX301 APIs and Stability Testing Services Framework Agreement”)**

#### *Principal terms*

We entered into the HX301 APIs and Stability Testing Services Framework Agreement with Waterstone Pharmaceuticals on 10 December 2025, pursuant to which Waterstone Pharmaceuticals and its subsidiaries (including Hubei Waterstone, together with Waterstone Pharmaceuticals, the “**Waterstone Connected Persons**”) will supply to our Group (i) HX301 APIs; and (ii) provision of stability testing services in relation to the HX301 APIs. The initial term of the HX301 APIs and Stability Testing Services Framework Agreement shall commence on the Listing Date until 31 December 2029 and may be renewed conditional on the fulfillment of the relevant requirements under the relevant laws, regulations and the Listing Rules.

#### *Pricing policy*

Procurement of HX301 APIs and stability testing services for HX301 APIs will be priced with reference to market prices of comparable products and services. Our Group implements various internal approval and monitoring procedures, including obtaining quotations on an as-needed basis from other independent suppliers of similar products and services and consider various assessment criteria (including location of the suppliers, price, quality, suitability, payment terms, and time required for the provision and delivery of the products and services) before entering into any new procurement arrangement with the Waterstone Connected Persons, and comparing such quotes obtained with the offer from Waterstone Connected Persons.

## REPORT OF THE BOARD OF DIRECTORS

### (ii) Raw Materials Supply Framework Agreement (the “Raw Materials Supply Framework Agreement”)

#### *Principal terms*

We entered into a Raw Materials Supply Framework Agreement with Waterstone Pharmaceuticals on 10 December 2025, pursuant to which Waterstone Connected Persons will supply to our Group small molecules for the development of our ADC products. The initial term of the Raw Materials Supply Framework Agreement shall commence on the Listing Date until 31 December 2027 and may be renewed conditional on the fulfillment of the relevant requirements under the relevant laws, regulations and the Listing Rules.

#### *Pricing policy*

Procurement of small molecules will be priced with reference to market prices of comparable products and services. Our Group implements various internal approval and monitoring procedures, including obtaining quotations on an as-needed basis from other independent suppliers of similar products and services and consider various assessment criteria (including location of the suppliers, price, quality, suitability, payment terms, and time required for the provision and delivery of the products) before entering into any new procurement arrangement with the Waterstone Connected Persons, and comparing such quotes obtained with the offer from Waterstone Connected Persons.

### Transaction caps and actual transaction amounts for the Reporting Period

Actual transaction amounts and transaction caps of the above-mentioned non-exempt continuing connected transactions for the Reporting Period are as follows:

| Transactions   | For the year ended<br>31 December 2025 |                                   |
|--|--|-----------------------------------|
|  | 2025 Annual cap<br>(RMB in million)    | Actual amount<br>(RMB in million) |
| (i) Proposed annual caps for the HX301 APIs and Stability Testing Services Framework Agreement | 1.2                                    | 0                                 |
| (ii) Proposed annual caps for the Raw Materials Supply Framework Agreement                     | 1.2                                    | 0.55                              |
| Total  | 2.4                                    | 0.55                              |

## REPORT OF THE BOARD OF DIRECTORS

### Notes:

- (1) The annual caps in respect of the transactions under (i) the HX301 APIs and Stability Testing Services Framework Agreement and (ii) the Raw Materials Supply Framework Agreement with Waterstone Pharmaceuticals and Hubei Waterstone are aggregated pursuant to Rule 14A.81 of the Listing Rules.

The Company has confirmed that the execution and enforcement of the implementation agreements under the continuing connected transactions set above during the Reporting Period has followed the pricing policies of such continuing connected transactions.

### Annual review by independent non-executive Directors

For the year ended 31 December 2025, the independent non-executive Directors have reviewed the aforesaid non-exempt continuing connected transactions and confirmed that the transactions have been entered into:

- (i) in accordance with relevant agreements governing them on terms that are fair and reasonable and in the interest of the Company and Shareholders as a whole;
- (ii) on normal commercial terms or better; and
- (iii) in the ordinary and usual course of business of the Company.

### Confirmation by the Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Board has engaged Ernst & Young as the auditor to report on the continuing connected transactions, and the Ernst & Young has provided a letter to the Board confirming that nothing has come to their attention that causes them to believe that the above-mentioned continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of such continuing connected transactions;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (iv) have exceeded the cap.

## REPORT OF THE BOARD OF DIRECTORS

### RELATED PARTY TRANSACTIONS

Details of the related party transactions carried out in the normal course of business are set out in Note 28 to the consolidated financial statements. Save as disclosed above, none of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under the Listing Rules, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules and disclosed in this annual report.

### MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the Reporting Period.

### SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 1 to the consolidated financial statements.

### MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the Reporting Period.

### LOAN AND GUARANTEE

During the Reporting Period, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, the Supervisors, senior management of the Company, the controlling Shareholders or their respective connected persons.

### FINANCIAL, BUSINESS AND FAMILY RELATIONS AMONG DIRECTORS

Directors are not related to one another with respect to finance, business and family, or other material relations.

### TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

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

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, since the Listing Date and up to the date of this report, the Company's share capital consisted of 136,218,830 H Shares. Among the 136,218,830 H Shares listed on the Stock Exchange, the 90,801,940 H shares held by CZ Biotechnology, Hanx Biopharmaceuticals (HK), Wuhan Hanx, Hangzhou Hongye Ruiji, Beijing Lapam, Tibet Lapam, Betta Pharmaceuticals, Wuhan Donggaorensi, Hangzhou Taikun, Yangtze Hong Kong, Lapam Capital, Ms. Xiao Jieyu, Mr. Zou Zhiyong and Mr. Liao Tong is not counted towards the public float. The remaining 45,416,890 H shares representing approximately 33.34% of our total issued Shares (excluding treasury shares) is counted towards the public float.

Pursuant to Rule 19A.28B(1) of the Listing Rules, the minimum percentage threshold of public float applicable to the Company is 25% of the total number of issued Shares in the class to which H Shares belong (excluding treasury shares). As such, the Company has complied with Rule 19A.28B of the Listing Rules since the Listing Date and up to the date of this report.

### PERMITTED INDEMNITY

The Company has purchased appropriate liability insurance for its Directors which provides proper protection for the Directors. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) when the Report of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

### LOAN AGREEMENTS

During the Reporting Period, the Company had not breached any terms of its loan agreements for loans that are significant to its operations nor enter into loan agreements with covenants relating to specific performance of the Controlling Shareholders.

### ADVANCE TO AN ENTITY PROVIDED BY THE COMPANY

During the Reporting Period, the Company had not provided any advance to an entity pursuant to Rule 13.13 of the Listing Rules that is subject to disclosure requirements under Rule 13.20 of the Listing Rules.

### GUARANTEE REGARDING THE FINANCIAL PERFORMANCE OF A COMPANY OR BUSINESS ACQUIRED

During the Reporting Period, there was no guarantee regarding the financial performance of a company or business acquired which is subject to disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Listing Rules.

# REPORT OF THE BOARD OF DIRECTORS

## CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code as its own code to govern its corporate governance practices. Information on the corporate governance practice adopted by the Company is set out on pages 33 to 55 under the section headed “Corporate Governance Report” in this annual report.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in as set out in Part 2 of the Corporate Governance Code during the Reporting Period.

The Board will continue to review and monitor the practices of the Company with an aim to maintain a high standard of corporate governance.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors, each of them has confirmed that he/she has complied with the Model Code from the Listing Date to 31 December 2025. No incident of non-compliance of the Model Code by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

## AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group’s risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period.

## AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by Ernst & Young, Certified Public Accountants. There has been no change in auditors since the Listing Date and up to the date of this annual report.

### COMPLIANCE WITH LAWS AND REGULATIONS

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

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

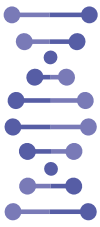
The Group has no significant events after the Reporting Period up to the date of this annual report.

On behalf of the Board

**Dr. ZHANG Faming**

*Chairman and Executive Director*

27 March 2026



## REPORT OF THE SUPERVISORY COMMITTEE

In 2025, the Supervisory Committee of HanxAimtech Co., Ltd. (翰思艾泰股份有限公司) strictly complied with the provisions of the Company Law of the People's Republic of China, the Articles of Association and other relevant laws, regulations, and internal rules. Upholding the principles of integrity and diligence, the Committee diligently performed its supervisory duties. The Supervisory Committee closely monitored the Company's production and operations, financial condition, key decision-making processes, and the execution of investment and financing activities. The Committee also continuously supervised the performance of duties by the Board of Directors and senior management in accordance with the law, striving to protect the legitimate rights and interests of the Company and all shareholders, and effectively ensuring the compliance and soundness of the Company's operations.

During the Reporting Period, the Supervisory Committee gained an in-depth understanding of the Company's operational management through various means, including regular and ad hoc meetings, document reviews, and management briefings. The Committee convened two meetings throughout the year. All supervisors attended diligently, carefully deliberated on each proposal in accordance with the meeting rules, and prudently provided professional opinions. The Supervisory Committee confirmed that, in 2025, the Company's Directors and senior management complied with national laws, regulations, and the Articles of Association in the performance of their duties, and acted with due diligence and care. No instances were identified where their decision-making or operational conduct harmed the Company's interests. The corporate governance structure functioned in a standardized manner, financial systems remained sound, and internal control and risk management systems were continuously improved and effectively implemented, providing a solid foundation for the Company's sustained and healthy development.

Looking ahead to 2026, the Supervisory Committee will continue to strictly adhere to relevant laws, regulations, and the Articles of Association, fulfilling its statutory duties with a strong sense of responsibility. The Committee will intensify its oversight of the Board of Directors and senior management, with closer attention to the Company's finances, major decisions, and the development of risk management and internal control systems. The Committee will also enhance communication and coordination with the Board and management, promote the continuous optimization of corporate governance and operational management, and drive the Company toward higher-quality, more standardized development.

It is hereby reported.

**Hanx Biopharmaceuticals (Wuhan) Co., Ltd.**

**Ke Hang**

*Chairman of Supervisory Committee*

27 March 2026



Ernst & Young  
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Quarry Bay, Hong Kong

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### Independent auditor's report

#### To the shareholders of Hanx Biopharmaceuticals (Wuhan) Co., Ltd.

*(Incorporated in the People's Republic of China with limited liability)*

## OPINION

We have audited the consolidated financial statements of Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on 97 to 178, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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.

## INDEPENDENT AUDITOR'S REPORT

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 matter

#### *Cut-off of research and development costs*

The Group incurred research and development ("R&D") expenses of RMB89,363,000 in the consolidated financial statements for the year ended 31 December 2025. A large portion of the Group's R&D costs represent service fees paid to contract research organizations ("CROs") and contract development manufacture organizations ("CDMOs") (collectively referred to as the "Outsourced Service Providers").

The R&D activities with these Outsourced Service Providers are documented in detailed agreements and are typically performed over an extended period. These expenses are charged to profit or loss based on the milestone of the R&D projects. We identified the cut-off of R&D costs as a key audit matter due to the significant amount and risk of not accurately recognized R&D costs in the appropriate year.

Related disclosures are included in notes 2.4 and 3 to the financial statements.

### How our audit addressed the key audit matter

Our audit procedures to assess the recognition and measurement of R&D costs included the following:

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 and tested their implementation effectiveness.

We, on a sampling basis, reviewed the key terms set out in the agreements with the Outsourced Service Providers 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

We evaluated the adequacy of the accrued R&D costs by comparing the subsequent milestone billings and payments with the accrued R&D costs on a sampling basis to determine whether these costs were recorded in the appropriate year.

## KEY AUDIT MATTERS *(continued)*

### Key audit matter

#### *Fair value of contingent consideration receivable*

As at 31 December 2025, the financial asset at FVTPL in relation to the contingent consideration receivable arisen from the disposal of 40% share of interests of Taizhou Hanzhong Biotechnology Co., Ltd. ("Taizhou Hanzhong") to the then non-controlling interests in 2019, amounted to approximately RMB247,284,000.

Management has engaged an independent valuer to assist them for performing the fair value valuation of the contingent consideration receivable as at 31 December 2025.

The fair value of the contingent consideration receivable was determined by using the discounted cash flow method.

We focused on this matter due to the significance of balance as at 31 December 2025 and significant estimates were involved in determining the fair value of the financial instruments.

As a result, we identified the fair value measurement of contingent consideration receivable for transaction with the then non-controlling interests as key audit matter.

Related disclosures are included in notes 3 and 19 to the financial statements.

### How our audit addressed the key audit matter

Our audit procedures in relation fair value of contingent consideration receivable included the following:

We evaluated the external valuer's independence, competence, capabilities and objectivity;

We discussed with the valuer and assessed their valuation methodology and challenged the key estimates and assumptions adopted in the valuations, with the assistance of our internal valuation expert;

We assessed the accuracy of information provided by the management to the external valuer;

We tested the mathematical accuracy of the calculation and checked the information included in the calculation;

We performed sensitivity and stress testing analysis; and

We assessed the appropriateness and sufficiency of the disclosures made in the consolidated financial statements.

## 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.

## INDEPENDENT AUDITOR'S REPORT

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT *(continued)*

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

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

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

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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 HO Siu Fung, Terence (practicing certificate number: P04202).

#### ***Ernst & Young***

Certified Public Accountants

Hong Kong

27 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS



|  | Notes | 2025<br>RMB'000  | 2024<br>RMB'000 |
|--|-------|------------------|-----------------|
| Other income and gains   | 5     | 16,616           | 7,681           |
| Administrative expenses  |       | (58,061)         | (46,192)        |
| Research and development costs   |       | (89,363)         | (74,721)        |
| Other expenses   |       | (2,612)          | (209)           |
| Finance costs  | 7     | (11,616)         | (9,379)         |
| <b>LOSS BEFORE TAX</b>   | 6     | <b>(145,036)</b> | (122,820)       |
| Income tax expense   | 10    | 13,542           | 5,898           |
| <b>LOSS FOR THE YEAR</b>   |       | <b>(131,494)</b> | (116,922)       |
| Attributable to:   |       |                  |                 |
| Owners of the parent   |       | (131,007)        | (115,830)       |
| Non-controlling interests  |       | (487)            | (1,092)         |
|  |       | <b>(131,494)</b> | (116,922)       |
| <b>OTHER COMPREHENSIVE INCOME</b>  |       |                  |                 |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods:             |       |                  |                 |
| Exchange differences on translation of the foreign operations  |       | 39               | 60              |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>   |       | <b>(131,455)</b> | (116,862)       |
| Attributable to:   |       |                  |                 |
| Owners of the parent   |       | (130,970)        | (115,774)       |
| Non-controlling interests  |       | (485)            | (1,088)         |
|  |       | <b>(131,455)</b> | (116,862)       |
| <b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Expressed in RMB per share)</b> |       |                  |                 |
| Basic and diluted  | 12    | (1.11)           | (0.98)          |



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|   | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-------|-----------------|-----------------|
| <b>NON-CURRENT ASSETS</b>                                       |       |                 |                 |
| Property, plant and equipment                                   | 13    | 10,542          | 11,820          |
| Right-of-use assets   | 14    | 9,404           | 12,309          |
| Intangible assets   | 15    | 415             | 447             |
| Prepayments, other receivables and other assets                 | 16    | 330             | 330             |
| Financial assets at fair value through profit or loss ("FVTPL") | 17    | 222,960         | 233,778         |
| Total non-current assets  |       | 243,651         | 258,684         |
| <b>CURRENT ASSETS</b>   |       |                 |                 |
| Prepayments, other receivables and other assets                 | 16    | 39,660          | 68,908          |
| Financial assets at fair value through profit or loss           | 17    | 37,764          | 12,665          |
| Cash and cash equivalents                                       | 18    | 614,401         | 161,214         |
| Total current assets  |       | 691,825         | 242,787         |
| <b>CURRENT LIABILITIES</b>                                      |       |                 |                 |
| Trade payables  | 19    | 18,870          | 12,293          |
| Other payables and accruals                                     | 20    | 35,710          | 42,433          |
| Lease liabilities   | 14    | 3,517           | 3,169           |
| Redemption liabilities on ordinary shares                       | 22    | —               | 131,564         |
| Interest-bearing bank borrowings                                | 26    | 30,000          | —               |
| Tax payable   |       | 7,017           | 7,981           |
| Total current liabilities                                       |       | 95,114          | 197,440         |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-------|-----------------|-----------------|
| <b>NET CURRENT ASSETS</b>                    |       | <b>596,711</b>  | 45,347          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>840,362</b>  | 304,031         |
| <b>NON-CURRENT LIABILITIES</b>               |       |                 |                 |
| Interest-bearing bank borrowings             | 26    | 17,000          | —               |
| Deferred tax liability                       | 21    | 70,397          | 78,765          |
| Lease liabilities                            | 14    | 5,346           | 8,662           |
| Total non-current liabilities                |       | <b>92,743</b>   | 87,427          |
| <b>Net assets</b>                            |       | <b>747,619</b>  | 216,604         |
| <b>EQUITY</b>                                |       |                 |                 |
| Paid-in capital/Share capital                | 23    | 13,622          | 11,790          |
| Reserves                                     | 24    | 684,117         | 154,449         |
| Equity attributable to owners of the parent  |       | <b>697,739</b>  | 166,239         |
| Non-controlling interests                    |       | <b>49,880</b>   | 50,365          |
| Total equity                                 |       | <b>747,619</b>  | 216,604         |



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## Year ended 31 December 2025

|  | Attributable to owners of the parent |                  |                 |                                |                              |                     | Total     | Non-controlling interests | Total equity |
|--|--------------------------------------|------------------|-----------------|--------------------------------|------------------------------|---------------------|-----------|---------------------------|--------------|
|  | Paid-in capital/Share capital        | Capital reserve* | Other reserves* | Exchange fluctuation reserves* | Share-based payment reserve* | Accumulated losses* |           |                           |              |
|  | RMB'000                              | RMB'000          | RMB'000         | RMB'000                        | RMB'000                      | RMB'000             |           |                           |              |
|  | (note 23)                            | (note 24)        |                 | (note 24)                      | (note 24)                    |                     |           |                           |              |
| At 1 January 2025                                    | 11,790                               | 96,308           | 63,386          | 8                              | 67,129                       | (72,382)            | 166,239   | 50,365                    | 216,604      |
| Loss for the year                                    | —                                    | —                | —               | —                              | —                            | (131,007)           | (131,007) | (487)                     | (131,494)    |
| Other comprehensive loss for the year:               |                                      |                  |                 |                                |                              |                     |           |                           |              |
| Exchange differences on translation                  | —                                    | —                | —               | 37                             | —                            | —                   | 37        | 2                         | 39           |
| Total comprehensive loss for the year                | —                                    | —                | —               | 37                             | —                            | (131,007)           | (130,970) | (485)                     | (131,455)    |
| Acquisition of non-controlling interests             | —                                    | —                | —               | —                              | —                            | —                   | —         | —                         | —            |
| Issue of shares from initial public offering ("IPO") | 1,832                                | 514,784          | —               | —                              | —                            | —                   | 516,616   | —                         | 516,616      |
| Share issue expenses                                 | —                                    | (16,913)         | —               | —                              | —                            | —                   | (16,913)  | —                         | (16,913)     |
| Derecognition of redemption liabilities from         |                                      |                  |                 |                                |                              |                     |           |                           |              |
| Series A, B and B+ shares (note 22)                  | —                                    | —                | 141,850         | —                              | —                            | —                   | 141,850   | —                         | 141,850      |
| Equity-settled share-based payment (note 25)         | —                                    | —                | —               | —                              | 20,917                       | —                   | 20,917    | —                         | 20,917       |
| At 31 December 2025                                  | 13,622                               | 594,179          | 205,236         | 45                             | 88,046                       | (203,389)           | 697,739   | 49,880                    | 747,619      |

\* These reserve accounts comprise the consolidated reserves of RMB684,117,000 (2024: RMB154,449,000) in the consolidated statement of financial position.

## Year ended 31 December 2024

|  | Attributable to owners of the parent |                  |                 |                                |                              |  | Total     | Non-controlling interests | Total equity |
|--|--------------------------------------|------------------|-----------------|--------------------------------|------------------------------|--|-----------|---------------------------|--------------|
|  | Paid-in capital/Share capital        | Capital reserve* | Other reserves* | Exchange fluctuation reserves* | Share-based payment reserve* | Retained profits/(Accumulated losses)* |           |                           |              |
|  | RMB'000                              | RMB'000          | RMB'000         | RMB'000                        | RMB'000                      | RMB'000                                |           |                           |              |
|  | (note 23)                            | (note 24)        |                 | (note 24)                      | (note 24)                    |  |           |                           |              |
| At 1 January 2024                                      | 9,525                                | 128,650          | 84,691          | (48)                           | 44,781                       | 529                                    | 268,128   | 51,453                    | 319,581      |
| Loss for the year                                      | —                                    | —                | —               | —                              | —                            | (115,830)                              | (115,830) | (1,092)                   | (116,922)    |
| Other comprehensive loss for the year:                 |                                      |                  |                 |                                |                              |  |           |                           |              |
| Exchange differences on translation                    | —                                    | —                | —               | 56                             | —                            | —                                      | 56        | 4                         | 60           |
| Total comprehensive loss for the year                  | —                                    | —                | —               | 56                             | —                            | (115,830)                              | (115,774) | (1,088)                   | (116,862)    |
| Capital injection                                      | 2,265                                | 10,577           | —               | —                              | —                            | —                                      | 12,842    | —                         | 12,842       |
| Redemption liabilities from Series B+ shares (note 22) | —                                    | —                | (21,305)        | —                              | —                            | —                                      | (21,305)  | —                         | (21,305)     |
| Equity-settled share-based payment (note 25)           | —                                    | —                | —               | —                              | 22,348                       | —                                      | 22,348    | —                         | 22,348       |
| Conversion into a joint stock company (note 23)        | —                                    | (42,919)         | —               | —                              | —                            | 42,919                                 | —         | —                         | —            |
| At 31 December 2024                                    | 11,790                               | 96,308           | 63,386          | 8                              | 67,129                       | (72,382)                               | 166,239   | 50,365                    | 216,604      |

# CONSOLIDATED STATEMENT OF CASH FLOWS



|  | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-------|-----------------|-----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |       |                 |                 |
| Loss before tax  |       | (145,036)       | (122,820)       |
| Adjustments for:   |       |                 |                 |
| Finance costs  | 7     | 11,616          | 9,379           |
| Bank interest income   | 5     | (163)           | (1,618)         |
| Interest income from structure deposits and wealth management assets               | 5     | (193)           | (1,306)         |
| Fair value gains on contingent consideration arising from disposal of an associate | 5     | (13,979)        | (1,615)         |
| Foreign exchange losses/(gains), net   | 5,6   | 2,426           | (943)           |
| Depreciation of property, plant and equipment                                      | 13    | 2,898           | 2,016           |
| Depreciation of right-of-use assets  | 14    | 3,363           | 3,352           |
| Amortisation of intangible assets  | 15    | 136             | 111             |
| Equity-settled share-based compensation expense                                    |       | 20,917          | 22,348          |
| Increase in prepayments, other receivables and other assets                        |       | (2,993)         | (16,273)        |
| Decrease in pledged deposits   |       | —               | 500             |
| Increase/(decrease) in trade payables  |       | 9,327           | (640)           |
| Increase in other payables and accruals  |       | 9,306           | 8,420           |
| Cash used in operations  |       | (102,375)       | (99,089)        |
| Income taxes paid  |       | —               | (5,805)         |
| Net cash flows used in operating activities  |       | (102,375)       | (104,894)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |       |                 |                 |
| Interest received  |       | 163             | 1,618           |
| Interest income from structured deposits and wealth management products            |       | 193             | 1,306           |
| Purchases of property, plant and equipment   |       | (1,843)         | (6,210)         |
| Purchases of intangible assets   |       | (104)           | —               |
| Redemption of structured deposits and wealth management products                   |       | 6,000           | 35,470          |
| Purchases of structured deposits and wealth management products                    |       | (19,440)        | —               |
| Proceeds from disposal of an associate   | 16    | 35,000          | 40,000          |
| Receipt of contingent consideration arising from disposal of an associate          |       | 13,138          | 4,436           |
| Proceeds from long-term time deposits  |       | —               | 20,000          |
| Net cash flows from investing activities   |       | 33,107          | 96,620          |

## CONSOLIDATED STATEMENT OF CASH FLOWS

|   | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-------|-----------------|-----------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |       |                 |                 |
| Proceeds from issue of shares                                       |       | 516,616         | 12,842          |
| Lease payments  |       | (3,907)         | (3,808)         |
| Payments for acquisition of non-controlling interests               |       | (31,244)        | —               |
| New interest-bearing bank borrowings                                |       | 67,000          | —               |
| Repayment of bank loans   |       | (20,000)        | —               |
| Payment of listing expenses   |       | (2,750)         | (2,548)         |
| Interest paid   |       | (849)           | —               |
| Net cash flows from financing activities                            |       | 524,866         | 6,486           |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>         |       |                 |                 |
|   |       | 455,598         | (1,788)         |
| Cash and cash equivalents at beginning of year                      |       | 161,214         | 162,000         |
| Effect of foreign exchange rate changes, net                        |       | (2,411)         | 1,002           |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                     | 18    | 614,401         | 161,214         |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>            |       |                 |                 |
|   |       | 614,401         | 161,214         |
| Cash and bank balances  | 18    | 614,401         | 161,214         |
| Cash and cash equivalents as stated in the statements of cash flows |       | 614,401         | 161,214         |



## 1 CORPORATE INFORMATION

Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) on 19 December 2014, as a limited liability company under the Companies Law of the PRC. The registered office of the Company is located at Building A8, Phase II, Bio-Innovation Park, No. 1 Jiufeng 1st Road, East Lake New Technology Development Zone, Wuhan, Hubei Province, the PRC. On 6 November 2024, the Company was converted into a joint stock company with limited liability under the Companies Law of the PRC.

During the year, the Company and its subsidiaries (together, the “Group”) were principally engaged in the research and development of immune-oncology therapies.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) effective from 23 December 2025.

### Information about subsidiaries

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

|  | Place and date of incorporation/<br>registration and place<br>of business | Issued<br>ordinary/<br>registered<br>share capital | Percentage of equity<br>attributable to the<br>Company |          | Principal activities                        |
|--|---|--|--|----------|---|
|  |   |  | Direct   | Indirect |   |
| Hangzhou Hanx Biopharmaceuticals Ltd.* (“Hangzhou Hanx”) 杭州翰思生物醫藥有限公司**                    | PRC/Chinese mainland<br>3 August 2016                                     | RMB14,545,455                                      | 85%  | —        | Research and development of drug candidates |
| Waterstone Hanbio PTY LTD (“HanxBio (Australia)”) 澳洲華世通翰思生物有限公司                            | Australia<br>26 October 2018  | AUD100   | —  | 85%      | Research and development of drug candidates |
| Wuhan Hanxiong Biotech Ltd.* (“Wuhan Hanxiong”) 武漢翰雄生物技術有限公司**                             | PRC/Chinese mainland<br>19 November 2013                                  | RMB1,000,000                                       | —  | 85%      | Research and development of drug candidates |
| Beijing Hanx Tai Biotech Co. Ltd.* (“Beijing Hanx”) 北京翰思泰生物技術有限公司**                        | PRC/Chinese mainland<br>10 January 2017                                   | RMB1,000,000                                       | —  | 85%      | Research and development of drug candidates |
| Hanx Aimtech Biopharmaceutical Limited (“HanxAimtech”) 翰思艾泰生物醫藥科技(香港)有限公司                  | Hong Kong<br>23 August 2023   | HKD10,000  | 100%   | —        | Research and development of drug candidates |
| Hangzhou Hanx Biopharmaceuticals (HK) Co., Limited (“Hangzhou Hanx (HK)”) 杭州翰思生物醫藥(香港)有限公司 | Hong Kong<br>19 February 2024   | HKD10,000  | —  | 85%      | Investment holding                          |
| Hanx Biopharmaceuticals Pty Ltd.   | Australia<br>19 April 2024  | AUD10,000  | —  | 100%     | Research and development of drug candidates |
| HanxBio Inc.   | USA<br>13 December 2023   | USD15  | —  | 100%     | Investment holding                          |

\* The English names of these companies represent the best effort made by the directors of the Company (the “Directors”) to translate the Chinese names as these companies have not been registered with any official English names.

\*\* These entities are registered as limited liability companies under PRC law.

# NOTES TO FINANCIAL STATEMENTS

## 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 disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. These financial statements are presented in Renminbi Yuan and all values are rounded to the nearest thousand except when otherwise indicated.

#### *Basis of consolidation*

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

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

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

The financial statements of the subsidiaries are prepared for the same reporting year 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.

**2 ACCOUNTING POLICIES** *(continued)*

**2.1 Basis of preparation** *(continued)*

***Basis of consolidation*** *(continued)*

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 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 derecognizes the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized 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.

**2.2 Changes in accounting policies and disclosures**

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

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

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.3 Issued but not yet effective HKFRS accounting standards

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

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

- 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.

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.3 Issued but not yet effective HKFRS accounting standards *(continued)*

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

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized 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)*

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.

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.4 Material accounting policies

##### *Fair value measurement*

The Group measures certain financial instruments at fair value at the end of the year. 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

## 2 ACCOUNTING POLICIES *(continued)*

### 2.4 Material accounting policies *(continued)*

#### *Fair value measurement (continued)*

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

#### *Impairment of non-financial assets*

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

An assessment is made at the end of the year as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized 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/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

## NOTES TO FINANCIAL STATEMENTS

### 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; and the sponsoring employers of the post-employment benefit plan;
  - (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 (“CIP”), are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized 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 recognizes 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 estimated useful lives of property, plant and equipment are as follows:

|                        |   |
|------------------------|---|
| Plant and machinery    | 3 to 10 years                                   |
| Furniture and fixtures | 3 to 5 years                                    |
| Motor vehicles         | 5 years   |
| Leasehold improvements | Shorter of lease term or estimated useful lives |

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 recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.4 Material accounting policies *(continued)*

##### *Intangible assets (other than goodwill)*

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

##### *Software*

Software is stated at cost less any impairment losses and is amortized on the straight-line basis over its estimated useful life of 2 to 10 years.

##### *Research and development costs*

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

Expenditure incurred on projects to develop new products is capitalized 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.

2 ACCOUNTING POLICIES *(continued)*

2.4 Material accounting policies *(continued)*

*Leases (continued)*

*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 recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized 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 recognized, 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:

|                                |                      |
|--------------------------------|----------------------|
| Laboratory and office premises | 14 months to 5 years |
|--------------------------------|----------------------|

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

(b) Lease liabilities

Lease liabilities are recognized 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 recognized 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 measured 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.

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.4 Material accounting policies *(continued)*

##### *Leases (continued)*

##### *Group as a lessee (continued)*

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

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

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

##### *Investments and other financial assets*

##### *Initial recognition and measurement*

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

## 2 ACCOUNTING POLICIES *(continued)*

### 2.4 Material accounting policies *(continued)*

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

##### *Initial recognition and measurement (continued)*

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 amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized 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 amortized cost*

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.4 Material accounting policies *(continued)*

##### *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (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 recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

## 2 ACCOUNTING POLICIES *(continued)*

### 2.4 Material accounting policies *(continued)*

#### *Impairment of financial assets*

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

#### *General approach*

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

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.4 Material accounting policies *(continued)*

##### *Impairment of financial assets (continued)*

###### *General approach (continued)*

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

##### *Financial liabilities*

###### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as payables as appropriate.

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

The Group's financial liabilities include trade other payables and lease liabilities and interest-bearing bank borrowings.

###### *Subsequent measurement*

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

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

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

## 2 ACCOUNTING POLICIES *(continued)*

### 2.4 Material accounting policies *(continued)*

#### *Financial liabilities (continued)*

##### *Financial liabilities at amortized cost (trade and other payables)*

After initial recognition, trade and other payables are subsequently measured at amortized 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 recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized 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 amortization is included in finance costs in profit or loss.

##### *Derecognition of financial liabilities*

A financial liability is derecognized 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 recognized in profit or loss.

##### *Offsetting of financial instruments*

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

##### *Redemption liabilities*

For the redeemable ordinary shares issued by the Company and the subsidiary of the Company as detailed in note 22, financial liabilities are recognized based on the amortized cost of the redemption amount and debited in equity. Changes of the amortized cost during the year are recognized in profit or loss. When the redemption rights related to the redeemable ordinary shares are terminated, the redemption liabilities on ordinary shares are extinguished and credited to equity.

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.4 Material accounting policies *(continued)*

##### *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.

##### *Income tax*

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized 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 year taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## 2 ACCOUNTING POLICIES *(continued)*

### 2.4 Material accounting policies *(continued)*

#### *Income tax (continued)*

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of the year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of the year and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

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

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.4 Material accounting policies *(continued)*

##### *Government grants*

Government grants are recognized 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 recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

##### *Other income*

Interest income is recognized 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.

##### *Share-based payments*

The Company operates a share option scheme and a restricted stock 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 is measured by reference to the fair value at the date at which they are granted. The fair value of the share option is determined by an external valuer using Black-Scholes Option Pricing Model, and the fair value of the restricted stock is determined by an external valuer based on investors' recent capital contribution price. Further details of which are given in note 25 to the financial statements.

The cost of equity-settled transactions is recognized 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 recognized for equity-settled transactions at the end of the year until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized 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.

## 2 ACCOUNTING POLICIES *(continued)*

### 2.4 Material accounting policies *(continued)*

#### *Share-based payments (continued)*

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. 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 recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately.

#### *Other employee benefits*

##### *Pension scheme*

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

##### *Dividends*

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized immediately as a liability when they are proposed and declared.

##### *Foreign currencies*

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

## NOTES TO FINANCIAL STATEMENTS

### 2 ACCOUNTING POLICIES *(continued)*

#### 2.4 Material accounting policies *(continued)*

##### *Foreign currencies (continued)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was 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.

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 recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

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

The resulting exchange differences are recognized 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 recognized in the statement of profit or loss.

### 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 recognized in the financial statements:

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

#### *Judgements (continued)*

##### *Research and development costs*

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

##### *Estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the year, 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.

##### *Deferred tax assets*

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management estimation is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are given in note 21 to the financial statements.

The Group has tax losses of RMB87,457,000 (2024: RMB36,869,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

## NOTES TO FINANCIAL STATEMENTS

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

#### **Estimation uncertainty** *(continued)*

##### ***Deferred tax assets*** *(continued)*

If the Group had been able to recognize all unrecognized deferred tax assets, the profit and equity (including accumulated losses) would have increased by RMB20,141,000.

Further details on deferred taxes are disclosed in note 21 to the financial statements.

##### ***Fair value of contingent consideration arising from disposal of an associate***

The fair value of contingent consideration arising from disposal of an associate measured at FVTPL is determined using valuation techniques, including the discounted cash flow method. Such valuation requires the Group to make estimates of the key assumptions including the discount rate, which are subject to uncertainty.

The fair values of contingent consideration arising from disposal of an associate as at 31 December 2025 was RMB247,284,000 (2024: RMB246,443,000). Further details are included in note 17 to the financial statements.

##### ***Impairment of non-financial assets (other than goodwill)***

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 the year. 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.

## 4 OPERATING SEGMENT INFORMATION

### Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the research and development of immuno-oncology therapies. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

### Geographical information

Since all of the Group's non-current assets were located in the Chinese mainland, no geographical segment information is presented in accordance with HKFRS 8 Operating Segments.

## 5 OTHER INCOME AND GAINS

An analysis of other income and gains, net is as follows:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Bank interest income  | 163             | 1,618           |
| Interest income from structured deposits and wealth management products           | 193             | 1,306           |
| Government grants*  | 92              | 2,199           |
| Foreign exchange gains, net   | —               | 943             |
| Fair value gain on contingent consideration arising from disposal of an associate | 13,979          | 1,615           |
| Others  | 2,189           | —               |
| <b>Total</b>  | <b>16,616</b>   | <b>7,681</b>    |

\* Government grants mainly represent various financial supports provided by the local governments for the Group's research and development activities and business operation. There are no contingencies relating to these grants.

## NOTES TO FINANCIAL STATEMENTS

### 6 LOSS BEFORE TAX

The Groups loss before tax is arrived at after charging/(crediting):

|   | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-------|-----------------|-----------------|
| Depreciation of property, plant and equipment*                                    | 13    | 2,898           | 2,016           |
| Depreciation of right-of-use assets*  | 14    | 3,363           | 3,352           |
| Amortization of intangible assets*  | 15    | 136             | 111             |
| Lease payments not included in the measurement of lease liabilities*              | 14    | 86              | 233             |
| Auditor's remuneration  |       | 1,980           | 285             |
| Research and development costs  |       | 89,363          | 74,721          |
| Employee benefit expense (including directors' and supervisors' remuneration):*   |       |                 |                 |
| Wages, salaries and allowances  |       | 19,030          | 18,503          |
| Pension scheme contributions and other social welfare                             |       | 3,029           | 2,279           |
| Listing expenses  |       | 13,679          | 10,736          |
| Foreign exchange losses/(gains), net  | 5     | 2,426           | (943)           |
| Interest expenses   | 7     | 11,616          | 9,379           |
| Bank interest income  | 5     | (163)           | (1,618)         |
| Government grants   | 5     | (92)            | (2,199)         |
| Interest income from structured deposits and wealth management products           | 5     | (193)           | (1,306)         |
| Fair value gain on contingent consideration arising from disposal of an associate | 5     | (13,979)        | (1,615)         |
| Equity-settled share-based compensation expense                                   |       | 20,917          | 22,348          |

\* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of intangible assets, expense relating to short-term leases and employee benefit expenses for the year were set out in "Administrative expenses" and "Research and development costs" in the consolidated statement of profit or loss and other comprehensive income.

## NOTES TO FINANCIAL STATEMENTS

### 7 FINANCE COSTS

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Interest from redemption liabilities   | 10,286          | 8,771           |
| Interest expenses on lease liabilities | 481             | 608             |
| Interest on bank borrowings            | 849             | —               |
| <b>Total</b>                           | <b>11,616</b>   | <b>9,379</b>    |

### 8 DIRECTORS' AND SUPERVISORS' REMUNERATION

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

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Fees                                      | 14              | —               |
| Other emoluments:                         |                 |                 |
| Salaries, allowances and benefits in kind | 7,286           | 4,310           |
| Performance related bonuses               | 1,995           | 2,561           |
| Share-based compensation                  | 16,843          | 11,295          |
| Pension scheme contributions              | 203             | 162             |
| <b>Subtotal</b>                           | <b>26,327</b>   | <b>18,328</b>   |
| <b>Total</b>                              | <b>26,341</b>   | <b>18,328</b>   |

## NOTES TO FINANCIAL STATEMENTS

### 8 DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

#### 8.1 Independent non-executive directors

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

|                     | Year ended 31 December |                 |
|---------------------|------------------------|-----------------|
|                     | 2025<br>RMB'000        | 2024<br>RMB'000 |
| Dr. Bi Honggang     | 3                      | —               |
| Mr. Chen Qifeng     | 3                      | —               |
| Mr. Wong Sai Hung   | 5                      | —               |
| Dr. Zhang Qionguang | 3                      | —               |
| Total               | 14                     | —               |

All of the above mentioned independent non-executive directors were appointed on 23 December 2025.

8 DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

8.2 Executive directors, non-executive directors and supervisors

Year ended 31 December 2025

|                                 | Fees<br>RMB'000 | Salaries,<br>allowances<br>and benefits<br>in kind<br>RMB'000 | Performance<br>related<br>bonuses<br>RMB'000 | Share-based<br>payment<br>RMB'000 | Pension<br>scheme<br>contributions<br>RMB'000 | Total<br>remuneration<br>RMB'000 |
|---------------------------------|-----------------|---|--|-----------------------------------|---|----------------------------------|
| Executive directors:            |                 |   |  |                                   |   |                                  |
| Dr. Zhang Faming <sup>(i)</sup> | —               | 1,501   | 350  | 6,309                             | 12  | 8,172                            |
| Dr. Li Qixiang <sup>(ii)</sup>  | —               | 1,975   | 834  | 4,458                             | 12  | 7,279                            |
| Mr. Liu Min <sup>(iii)</sup>    | —               | 1,500   | 250  | 5,150                             | 24  | 6,924                            |
| Ms. Xiao Jieyu <sup>(v)</sup>   | —               | —   | —  | —                                 | —   | —                                |
| Non-executive directors:        |                 |   |  |                                   |   |                                  |
| Dr. Li Jian <sup>(iv)</sup>     | —               | —   | —  | —                                 | —   | —                                |
| Supervisors:                    |                 |   |  |                                   |   |                                  |
| Dr. Ke Hang <sup>(vi)</sup>     | —               | 533   | 92   | 399                               | 66  | 1,090                            |
| Ms. Sun Peng <sup>(vii)</sup>   | —               | 1,600   | 403  | 496                               | 68  | 2,567                            |
| Ms. Chen Chen <sup>(viii)</sup> | —               | 177   | 66   | 31                                | 21  | 295                              |
| Total                           | —               | 7,286   | 1,995  | 16,843                            | 203   | 26,327                           |

Year ended 31 December 2024

|                                 | Fees<br>RMB'000 | Salaries,<br>allowances<br>and benefits<br>in kind<br>RMB'000 | Performance<br>related<br>bonuses<br>RMB'000 | Share-based<br>payment<br>RMB'000 | Pension<br>scheme<br>contributions<br>RMB'000 | Total<br>remuneration<br>RMB'000 |
|---------------------------------|-----------------|---|--|-----------------------------------|---|----------------------------------|
| Executive directors:            |                 |   |  |                                   |   |                                  |
| Dr. Zhang Faming <sup>(i)</sup> | —               | 478   | —  | 2,868                             | —   | 3,346                            |
| Dr. Li Qixiang <sup>(ii)</sup>  | —               | 478   | 1,981  | 1,600                             | —   | 4,059                            |
| Mr. Liu Min <sup>(iii)</sup>    | —               | 1,500   | 125  | 5,797                             | 22  | 7,444                            |
| Non-executive directors:        |                 |   |  |                                   |   |                                  |
| Dr. Li Jian <sup>(iv)</sup>     | —               | —   | —  | —                                 | —   | —                                |
| Ms. Xiao Jieyu <sup>(v)</sup>   | —               | —   | —  | —                                 | —   | —                                |
| Supervisors:                    |                 |   |  |                                   |   |                                  |
| Dr. Ke Hang <sup>(vi)</sup>     | —               | 486   | 41   | 449                               | 51  | 1,027                            |
| Ms. Sun Peng <sup>(vii)</sup>   | —               | 1,200   | 400  | 558                               | 68  | 2,226                            |
| Ms. Chen Chen <sup>(viii)</sup> | —               | 168   | 14   | 23                                | 21  | 226                              |
| Total                           | —               | 4,310   | 2,561  | 11,295                            | 162   | 18,328                           |

## NOTES TO FINANCIAL STATEMENTS

### 8 DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

#### 8.2 Executive directors, non-executive directors and supervisors *(continued)*

Notes:

- (i) Dr. Zhang Faming was appointed as a director of the Company on 1 March 2024.
- (ii) Dr. Li Qixiang was appointed as a director of the Company on 1 March 2024.
- (iii) Mr. Liu Min was appointed as a director of the Company on 11 December 2022.
- (iv) Dr. Li Jian was appointed as a director of the Company on 4 March 2024.
- (v) Ms. Xiao Jieyu was appointed as a director of the Company on 1 March 2024.
- (vi) Dr. Ke Hang was appointed as a supervisor of the Company on 13 December 2022.
- (vii) Ms. Sun Peng was appointed as a supervisor of the Company on 8 October 2024.
- (viii) Ms. Chen Chen was appointed as a supervisor of the Company on 8 October 2024.

### 9 FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four directors and supervisors (2024: four directors and supervisors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining highest paid employees who are neither a director nor supervisor of the Company are as follows:

|   | 2025    | 2024    |
|---|---------|---------|
|   | RMB'000 | RMB'000 |
| Salaries, allowances and benefits in kind | 3,315   | 478     |
| Performance related bonuses               | 1,241   | 3,850   |
| Equity-settled share option expense       | 4,420   | 1,280   |
| Pension scheme contributions              | 12      | —       |
| Total                                     | 8,988   | 5,608   |

**9 FIVE HIGHEST PAID EMPLOYEES** *(continued)*

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

|                               | 2025     | 2024     |
|-------------------------------|----------|----------|
| HKD5,000,001 to HKD6,000,000  | —        | 1        |
| HKD6,000,001 to HKD11,000,000 | 1        | —        |
| <b>Total</b>                  | <b>1</b> | <b>1</b> |

During the year and in prior years, share options/RSUs were granted to a non-director and non-chief executive highest paid employees in respect of their services to the Group. Further details of which are included in the disclosures in note 25 to the financial statements. The fair value of such options/RSUs, which has been recognized in the profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

**10 INCOME TAX**

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

**Hong Kong**

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong during the year.

**Chinese Mainland**

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the subsidiaries which operate in the Chinese mainland are subject to CIT at a rate of 25% on the taxable income.

## NOTES TO FINANCIAL STATEMENTS

### 10 INCOME TAX *(continued)*

#### Australia

The subsidiary incorporated in Australia is subject to Australia company tax at the statutory rate of 25% on the estimated assessable profits arising in Australia during the year. No Australia company tax was provided for as the subsidiary did not generate any assessable profits arising in Australia during the year.

#### USA

The subsidiary incorporated in Delaware, USA, is subject to statutory United States federal corporate income tax at a rate of 21%. It is also subject to the state income tax at rates from 8.25% to 11.5% during the year.

|                         | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-------------------------|-----------------|-----------------|
| Current income tax      | <b>(5,174)</b>  | 5,805           |
| Deferred tax (note 21)  | <b>(8,368)</b>  | (11,703)        |
| Tax charge for the year | <b>(13,542)</b> | (5,898)         |

A reconciliation of the tax expense applicable to loss before tax using the statutory rate for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

|  | 2025<br>RMB'000  | 2024<br>RMB'000 |
|--|------------------|-----------------|
| Loss before tax  | <b>(145,036)</b> | (122,820)       |
| Tax at the statutory rate  | <b>(36,259)</b>  | (30,705)        |
| At other rates enacted by local authority                                    | <b>1,518</b>     | 3,069           |
| Additional deductible allowance for qualified research and development costs | <b>(15,520)</b>  | (20,034)        |
| Expenses not deductible for tax  | <b>207</b>       | 38              |
| Tax losses and deductible temporary differences not recognized               | <b>36,512</b>    | 41,734          |
| Tax charge for the year  | <b>(13,542)</b>  | (5,898)         |

## 11 DIVIDENDS

At the meeting of the board of directors held on 27 March 2026, the board of directors did not recommend a final dividend for the year ended 31 December 2025.

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

The calculation of the basic loss per share amounts for the years ended 31 December 2025 and 2024 is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares outstanding after taking into account the retrospective adjustments for the effects of share split as disclosed in note 23 to the financial statements, as if such share split had been in effect on 1 January 2024.

The calculation of basic loss per share is based on the loss attributable to ordinary equity holders of the parent company for the year and the weighted average number of ordinary shares outstanding during the year.

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

|  | 2025               | 2024        |
|--|--------------------|-------------|
| Loss   |                    |             |
| Loss attributable to ordinary equity holders of the parent for the purpose of calculating basic and diluted loss per share (RMB'000) | <b>(131,007)</b>   | (115,830)   |
| Shares   |                    |             |
| Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculations        | <b>118,299,386</b> | 117,897,830 |
| Loss per share (basic and diluted) (RMB per share)   | <b>(1.11)</b>      | (0.98)      |

Since the diluted loss per share decreases when share-based payments are taken into account, these instruments had an anti-dilutive effect on the basic loss per share amounts presented and were therefore excluded from the calculation of diluted loss per share during the year. As a result, no adjustments have been made to the basic loss per share amounts presented for the year for the purpose of calculating diluted earnings per share.

## NOTES TO FINANCIAL STATEMENTS

### 13 PROPERTY, PLANT AND EQUIPMENT

|  | Leasehold<br>improvements<br>RMB'000 | Plant and<br>machinery<br>RMB'000 | Furniture<br>and fixtures<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Construction<br>in progress<br>RMB'000 | Total<br>RMB'000 |
|--|--------------------------------------|-----------------------------------|--------------------------------------|------------------------------|--|------------------|
| <b>31 December 2025</b>                              |                                      |                                   |                                      |                              |  |                  |
| At 1 January 2025                                    |                                      |                                   |                                      |                              |  |                  |
| Cost   | 8,202                                | 3,954                             | 722                                  | 468                          | 2,658                                  | 16,004           |
| Accumulated depreciation                             | (1,459)                              | (1,694)                           | (577)                                | (454)                        | —                                      | (4,184)          |
| Net carrying amount                                  | 6,743                                | 2,260                             | 145                                  | 14                           | 2,658                                  | 11,820           |
| At 1 January 2025, net of accumulated depreciation   |                                      |                                   |                                      |                              |  |                  |
| At 1 January 2025, net of accumulated depreciation   | 6,743                                | 2,260                             | 145                                  | 14                           | 2,658                                  | 11,820           |
| Additions  | —                                    | 51                                | 18                                   | —                            | 1,551                                  | 1,620            |
| Depreciation provided during the year                | (2,231)                              | (375)                             | (278)                                | (14)                         | —                                      | (2,898)          |
| Transfers  | 3,478                                | —                                 | 731                                  | —                            | (4,209)                                | —                |
| At 31 December 2025, net of accumulated depreciation | 7,990                                | 1,936                             | 616                                  | —                            | —                                      | 10,542           |
| At 31 December 2025:                                 |                                      |                                   |                                      |                              |  |                  |
| Cost   | 11,680                               | 4,005                             | 1,471                                | 468                          | —                                      | 17,624           |
| Accumulated depreciation                             | (3,690)                              | (2,069)                           | (855)                                | (468)                        | —                                      | (7,082)          |
| Net carrying amount                                  | 7,990                                | 1,936                             | 616                                  | —                            | —                                      | 10,542           |

13 PROPERTY, PLANT AND EQUIPMENT (continued)

|  | Leasehold<br>improvements<br>RMB'000 | Plant and<br>machinery<br>RMB'000 | Furniture<br>and fixtures<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Construction<br>in progress<br>RMB'000 | Total<br>RMB'000 |
|--|--------------------------------------|-----------------------------------|--------------------------------------|------------------------------|--|------------------|
| <b>31 December 2024</b>                              |                                      |                                   |                                      |                              |  |                  |
| At 1 January 2024                                    |                                      |                                   |                                      |                              |  |                  |
| Cost   | —                                    | 3,170                             | 465                                  | 468                          | 6,405                                  | 10,508           |
| Accumulated depreciation                             | —                                    | (1,409)                           | (305)                                | (454)                        | —                                      | (2,168)          |
| Net carrying amount                                  | —                                    | 1,761                             | 160                                  | 14                           | 6,405                                  | 8,340            |
| At 1 January 2024, net of accumulated depreciation   |                                      |                                   |                                      |                              |  |                  |
| Additions  | —                                    | 784                               | 257                                  | —                            | 4,455                                  | 5,496            |
| Depreciation provided during the year                | (1,459)                              | (285)                             | (272)                                | —                            | —                                      | (2,016)          |
| Transfers  | 8,202                                | —                                 | —                                    | —                            | (8,202)                                | —                |
| At 31 December 2024, net of accumulated depreciation | 6,743                                | 2,260                             | 145                                  | 14                           | 2,658                                  | 11,820           |
| At 31 December 2024:                                 |                                      |                                   |                                      |                              |  |                  |
| Cost   | 8,202                                | 3,954                             | 722                                  | 468                          | 2,658                                  | 16,004           |
| Accumulated depreciation                             | (1,459)                              | (1,694)                           | (577)                                | (454)                        | —                                      | (4,184)          |
| Net carrying amount                                  | 6,743                                | 2,260                             | 145                                  | 14                           | 2,658                                  | 11,820           |

14 LEASES

The Group has lease contracts for laboratory and office premises. Leases of properties generally have lease terms between 14 months and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

## NOTES TO FINANCIAL STATEMENTS

### 14 LEASES *(continued)*

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

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

|  | <b>Laboratory and<br/>office premises</b> |
|--|---|
|  | RMB'000                                   |
| At 1 January 2024                      | 15,661                                    |
| Depreciation charge                    | (3,352)                                   |
| At 31 December 2024 and 1 January 2025 | 12,309                                    |
| Additions                              | 458                                       |
| Depreciation charge                    | (3,363)                                   |
| At 31 December 2025                    | 9,404                                     |

14 LEASES (continued)

(b) Lease liabilities

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

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Carrying amount at the beginning of the year     | 11,831          | 15,031          |
| New leases                                       | 458             | —               |
| Accretion of interest recognized during the year | 481             | 608             |
| Payments   | (3,907)         | (3,808)         |
| Carrying amount at the end of the year           | 8,863           | 11,831          |
| Analysed into:                                   |                 |                 |
| Current portion                                  | 3,517           | 3,169           |
| Non-current portion                              | 5,346           | 8,662           |

## NOTES TO FINANCIAL STATEMENTS

### 14 LEASES *(continued)*

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

A maturity analysis of the lease liabilities as at the end of the year is as follows:

|                  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|------------------|-----------------|-----------------|
| Less than 1 year | 3,517           | 3,169           |
| 1 to 2 years     | 3,465           | 3,517           |
| 2 to 3 years     | 1,881           | 3,465           |
| Over 3 years     | —               | 1,680           |
| Total            | <b>8,863</b>    | 11,831          |

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

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Interest on lease liabilities                  | 481             | 608             |
| Depreciation charge of right-of-use assets     | 3,363           | 3,352           |
| Expense relating to short-term leases          | 76              | 145             |
| Expense relating to leases of low-value assets | 10              | 88              |
| Total amount recognized in profit or loss      | <b>3,930</b>    | 4,193           |

## 15 INTANGIBLE ASSETS

|  | <b>Software</b> |
|--|-----------------|
|  | RMB'000         |
| <b>31 December 2025</b>                            |                 |
| At 1 January 2025                                  | 447             |
| Additions  | 104             |
| Amortization provided during the year              | (136)           |
| At 31 December 2025                                | 415             |
| At 31 December 2025:                               |                 |
| Cost   | 746             |
| Accumulated amortization                           | (331)           |
| Net carrying amount                                | 415             |
| <b>31 December 2024</b>                            |                 |
| At 1 January 2024, net of accumulated amortization | 558             |
| Amortization provided during the year              | (111)           |
| At 31 December 2024                                | 447             |
| At 31 December 2024:                               |                 |
| Cost   | 643             |
| Accumulated amortization                           | (196)           |
| Net carrying amount                                | 447             |

## NOTES TO FINANCIAL STATEMENTS

### 16 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

|   | Notes | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-------|-----------------|-----------------|
| Prepayments                                       | (a)   | 16,593          | 18,541          |
| Receivables arising from disposal of an associate | (b)   | —               | 35,000          |
| Deferred listing expenses                         |       | —               | 2,684           |
| Tax recoverable                                   |       | 15,270          | 9,761           |
| Deposits and other receivables                    |       | 8,127           | 3,080           |
| Due from related parties                          |       | —               | 172             |
| <b>Total</b>                                      |       | <b>39,990</b>   | <b>69,238</b>   |
| Analysed into:                                    |       |                 |                 |
| Current portion                                   |       | 39,660          | 68,908          |
| Non-current portion                               |       | 330             | 330             |

Notes:

- (a) Prepayments represent advances to certain major suppliers for the purchase of goods or services.
- (b) In September 2019, Hangzhou Hanx entered into an equity transfer agreement with Lepu Biopharma Co., Ltd. (樂普生物科技股份有限公司) ("Lepu") to transfer its 40% equity interests in Taizhou Hanzhong Biopharmaceutical Co., Ltd. (泰州翰中生物醫藥有限公司) ("Taizhou Hanzhong"), an associate of Hangzhou Hanx, at (i) a fixed consideration of RMB350,000,000 which is settled in cash; and (ii) a contingent consideration of 4.375% of the annual net sales revenue of PD-1 products after its commercialisation. The payment of the fixed consideration and the transfer of Taizhou Hanzhong's equity interests are non-cancellable and to be settled in stages.

The contingent consideration was recognized as financial assets at fair value through profit or loss. The Group estimated that the fair value of the contingent consideration amounted to RMB247,284,000 (2024: RMB246,443,000) (note 17), and the subsequent change was recognized in profit or loss.

As at the end of the year, other receivables of the Group are considered to have low credit risk and thus the Group has assessed that the ECL for other receivables is minimal under the 12-month expected credit loss method.

Details of amounts due from related parties are set out in note 28 to the financial statements.

## NOTES TO FINANCIAL STATEMENTS

### 17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Contingent consideration arising from disposal of an associate | 247,284         | 246,443         |
| Structured deposits and wealth management products             | 13,440          | —               |
| <b>Total</b>   | <b>260,724</b>  | 246,443         |
| Analysed into:   |                 |                 |
| Current portion  | 37,764          | 12,665          |
| Non-current portion  | 222,960         | 233,778         |

The structured deposits and wealth management products are purchased from creditworthy commercial banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

### 18 CASH EQUIVALENTS AND PLEDGED DEPOSITS

|                           | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------------------|-----------------|-----------------|
| Cash and bank balances    | 614,401         | 161,214         |
| Cash and cash equivalents | 614,401         | 161,214         |
| Denominated in RMB        | 95,749          | 134,842         |
| Denominated in USD        | 3,729           | 24,994          |
| Denominated in AUD        | 138             | 1,369           |
| Denominated in HKD        | 514,785         | 9               |
| Cash and cash equivalents | 614,401         | 161,214         |

## NOTES TO FINANCIAL STATEMENTS

### 19 TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

|               | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---------------|-----------------|-----------------|
| Within 1 year | 18,457          | 3,450           |
| 1 to 2 years  | 413             | 7,691           |
| 2 to 3 years  | —               | 983             |
| Over 3 years  | —               | 169             |
| Total         | 18,870          | 12,293          |

The trade payables are non-interest-bearing and are normally settled on terms of 10 to 30 days.

### 20 OTHER PAYABLES AND ACCRUALS

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Payables arising from acquisition of non-controlling interests* | —               | 31,244          |
| Payroll payable   | 5,619           | 2,802           |
| Payables for purchase of property, plant and equipment          | 55              | 970             |
| Payables for listing expenses                                   | 21,181          | 2,758           |
| Auditor's remuneration  | 1,980           | —               |
| Other payables  | 6,875           | 4,659           |
| Total   | 35,710          | 42,433          |

Other payables are non-interest-bearing and have an average term of 10 to 30 days.

## 21 DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

### Deferred tax assets

|  | 2025   |                               |                  |
|--|--|-------------------------------|------------------|
|  | Losses available<br>for offsetting<br>against future<br>taxable profits<br>RMB'000 | Leases liabilities<br>RMB'000 | Total<br>RMB'000 |
| At 1 January 2025  | 5,832  | 2,958                         | 8,790            |
| Deferred tax credited/(charged) to profit or loss<br>during the year (note 10) | (5,697)  | (742)                         | (6,439)          |
| At 31 December 2025  | 135  | 2,216                         | 2,351            |

## NOTES TO FINANCIAL STATEMENTS

### 21 DEFERRED TAX *(continued)*

#### Deferred tax liabilities

|  | 2025   |   |                                   | Total<br>RMB'000 |
|--|--|---|-----------------------------------|------------------|
|  | Gains arising<br>from disposal<br>of an associate<br>RMB'000 | Fair value<br>adjustments<br>arising from<br>disposal of an<br>associate<br>RMB'000 | Right of<br>use assets<br>RMB'000 |                  |
| At 1 January 2025  | 22,867   | 61,611  | 3,077                             | 87,555           |
| Deferred tax credited to the<br>statement of profit or loss<br>during the year (note 10) | (14,291)   | 210   | (726)                             | (14,807)         |
| At 31 December 2025  | 8,576  | 61,821  | 2,351                             | 72,748           |

#### Deferred tax assets

|  | 2024   |                               |                  |
|--|--|-------------------------------|------------------|
|  | Losses available<br>for offsetting<br>against future<br>taxable profits<br>RMB'000 | Leases liabilities<br>RMB'000 | Total<br>RMB'000 |
| At 1 January 2024  | —  | 3,758                         | 3,758            |
| Deferred tax credited/(charged) to profit or loss<br>during the year (note 10) | 5,832  | (800)                         | 5,032            |
| At 31 December 2024  | 5,832  | 2,958                         | 8,790            |

21 DEFERRED TAX (continued)

Deferred tax liabilities

|  | 2024   |   |                                |                  |
|--|--|---|--------------------------------|------------------|
|  | Gains arising from disposal of an associate<br>RMB'000 | Fair value adjustments arising from disposal of an associate<br>RMB'000 | Right of use assets<br>RMB'000 | Total<br>RMB'000 |
| At 1 January 2024  | 27,992   | 62,316  | 3,918                          | 94,226           |
| Deferred tax credited to the statement of profit or loss during the year (note 10) | (5,125)  | (705)   | (841)                          | (6,671)          |
| At 31 December 2024  | 22,867   | 61,611  | 3,077                          | 87,555           |

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Net deferred tax liabilities recognized in the consolidated statement of financial position | 70,397          | 78,765          |

Deferred tax assets have not been recognized in respect of the following items:

|                                  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|----------------------------------|-----------------|-----------------|
| Tax losses                       | 87,457          | 36,869          |
| Deductible temporary differences | 78,642          | 71,670          |
| Total                            | 166,099         | 108,539         |

Deferred tax assets have not been recognized in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilized.

## NOTES TO FINANCIAL STATEMENTS

### 21 DEFERRED TAX *(continued)*

#### Deferred tax liabilities *(continued)*

The Group has accumulated tax losses in the Chinese Mainland of RMB68,983,000 (2024: RMB33,748,000), which would expire in four to ten years for offsetting against future taxable profits of the companies in which the losses arose.

The Group has accumulated tax losses in Hong Kong of RMB18,474,000 (2024: RMB3,121,000), that can be carried forward indefinitely to offset against future taxable profits of the company in which the loss was incurred.

The Group has unrecognized deductible temporary differences of RMB78,642,000 (2024: RMB97,858,000).

As the company is not expected to generate sufficient taxable income in the foreseeable future to realize the benefit of the tax losses and deductible temporary differences, these items have not been recognized as deferred tax assets.

### 22 REDEMPTION LIABILITIES ON ORDINARY SHARES

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Series A   | —               | 5,000           |
| Series B   | —               | 91,379          |
| Series B+  | —               | 21,305          |
| Interest payable related to redemption liabilities | —               | 13,880          |
| Total  | —               | 131,564         |

In 2017, Hangzhou Hanx, a subsidiary of the Company, completed Series A financing, one of the Series A Investors is Beta Pharmaceuticals Co., Ltd., (“Beta Pharmaceuticals”). Beta Pharmaceuticals subscribed for approximately 7.14% equity interests in Hangzhou Hanx at a consideration of RMB5 million. In 2023, the Company entered into an asset reorganization agreement (the “Asset Reorganization Agreement”) with Series A Investors, Beta Pharmaceuticals agreed to transfer its 6.25% equity interests in Hangzhou Hanx to the Company.

In 2023, Series B Investors agreed to subscribe for approximately RMB0.78 million registered capital in our Company at a total consideration of approximately RMB91.38 million.

## 22 REDEMPTION LIABILITIES ON ORDINARY SHARES *(continued)*

In 2024, Yangtze Investment (HK) Limited, agreed to subscribe for approximately RMB0.78 million registered capital in our Company at a total consideration of approximately RMB10.65 million. Hanx Biopharmaceuticals (HK) transferred 0.87% of its equity of the Company with registered capital of RMB0.1 million to Hainan Yangzi Investment Co., Ltd (“Hainan Yangzi”), for a total consideration of approximately RMB10.65 million, after which Hainan Yangzi owns the same right of redemption as other Investors.

The Company successfully completed initial public offering on 23 December 2025, and upon listing, the redemption liabilities were transferred into capital reserves.

Significant terms of the equity interests above that will impact the accounting treatment of the Group are outlined below:

### (a) Redemption features

In the event that the Company fails to consummate a Qualified Public Offering on or prior to 1 January 2028 (the “Closing Date”) then the investment from the Series A, B and B+ Investors shall have the right, but not the obligation, by sending a written notice (the “Redemption Notice”) to the Company, to request the Company to redeem all or a portion of the then outstanding Preferred Shares held by such Preferred Shareholder (the “Redemption Share”) (each such requesting Preferred Shareholder, a “Requesting Holder”).

Besides, on or prior to 31 December 2026 in the event that (i) the HX009 project-related drugs fail to submit a New Drug Application (NDA) or a Biologic License Application (BLA) to the National Medical Products Administration (NMPA) or the U.S. Food and Drug Administration (FDA), (ii) the HX301 project-related drugs fail to submit a NDA to NMPA and (iii) the Company fails to complete financing of no less than RMB50,000,000 at a pre-investment valuation of RMB2.2 billion, Wuhan Donggaorensi Equity Investment Partnership (Limited Partnership) (武漢市東高仁思股權投資合夥企業(有限合夥)) and an individual Investor Ms. Xiao shall also have the right to request the Company to redeem all or a portion of the then Redemption Share.

Each Requesting Holder is entitled to receive, with respect to each of its respective Redemption Shares, an amount (the “Preferred Shareholder Preference Amount”) equal to the higher amount of (a) sum of the Preferred Share Original Issue Price plus an interest accrued at a simple interest rate of 8% per annum on the Preferred Share Original Issue Price for the period starting from (and including) the applicable Closing Date until (and including) the Redemption Date and, (b) the book value of the equity interest of the Company by the Preferred Shareholder as of the Closing Date.

### 22 REDEMPTION LIABILITIES ON ORDINARY SHARES *(continued)*

#### (a) Redemption features *(continued)*

Pursuant to a termination agreement entered into among the Shareholders and the Company relating to such special rights dated 22 November 2024, the redemption right ceased to be effective from the day before the date of the first submission of the first listing application form for the Listing and all other special rights ceased to be effective upon Listing provided that all such special rights shall be automatically reinstated as if the termination of such rights had never taken place in the event where (i) the Company withdraws its application for the public offering, (ii) the Stock Exchange, the Securities and Futures Commission (SFC) or any competent securities regulatory authority has decided not to approve or to reject the listing application of the Company or otherwise terminate the listing application review procedure, or (iii) the Company fails to complete the public offering before 31 December 2025.

#### (b) Presentation and Classification

The redemption obligations give rise to financial liabilities, which are measured at the net present value of the redemption amount. Pursuant to the agreement signed in 2023, the trigger condition would be taken place in the event where the Company fails to complete the public offering before 1 January 2028. Pursuant to the termination agreement entered into among the Shareholders and the Company relating to such special rights dated 22 November 2024, the redemption right would be triggered in the event where the Company fails to complete the public offering before 31 December 2025. Therefore, the redemption liabilities in 2024 was classified as non-current liabilities. As of 23 December 2025, the Company has completed the public offering, and the previously recognized redeemable liabilities were transferred into equity in 2025.

22 REDEMPTION LIABILITIES ON ORDINARY SHARES *(continued)*

(b) Presentation and Classification *(continued)*

The movements in redemption liabilities on ordinary shares of the Group during the year were as follows:

|  | Series A<br>RMB'000 | Series B<br>RMB'000 | Series B+<br>RMB'000 | Interest<br>payable<br>RMB'000 | Total Shares<br>RMB'000 |
|--|---------------------|---------------------|----------------------|--------------------------------|-------------------------|
| At 31 December 2023  | 5,000               | 91,379              | —                    | 5,109                          | 101,488                 |
| Recognition of redemption liabilities on Series B+ Shares and accretion of interest recognized during the year | —                   | —                   | 21,305               | 629                            | 21,934                  |
| Recognition of redemption liabilities on Series A Shares and Series B Shares                                   | —                   | —                   | —                    | 8,142                          | 8,142                   |
| At 31 December 2024  | 5,000               | 91,379              | 21,305               | 13,880                         | 131,564                 |
| Accretion of interest recognized during the year   | —                   | —                   | —                    | 10,286                         | 10,286                  |
| Recognition of redemption liabilities on Series A Shares, Series B Shares and Series B+                        | (5,000)             | (91,379)            | (21,305)             | (24,166)                       | (141,850)               |
| At 31 December 2025  | —                   | —                   | —                    | —                              | —                       |

## NOTES TO FINANCIAL STATEMENTS

### 23 PAID-IN CAPITAL/SHARE CAPITAL

Pursuant to the shareholders' resolutions dated 8 October 2024, the then existing shareholders of the Company approved the conversion of the Company into a joint stock company with limited liabilities with 11,789,783 shares in a nominal value of RMB1.0 each. The net assets of the Company as of 31 August 2024 under PRC GAAP audited by an independent auditor were converted to 11,789,783 ordinary shares at RMB1.0 each and issued to the then shareholders of the Company in proportion to their capital contribution to the Company. The remaining amount was converted into share premium. Upon the completion of registration with the Administration for Market Regulation of the Hubei (湖北省市場監督管理局) on 1 November 2024, the Company was converted into a joint stock company with limited liability.

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

|  | Notes | Numbers of<br>shares in issue<br>RMB'000 | Share capital<br>RMB'000 |
|--|-------|--|--------------------------|
| At 1 January 2024                            |       | 9,525,510                                | 9,525                    |
| Capital injection                            | (a)   | 2,264,273                                | 2,265                    |
| As at 31 December 2024 and 1 January 2025    |       | 11,789,783                               | 11,790                   |
| Share split                                  | (b)   | 106,108,047                              | —                        |
| Issue of shares from initial public offering | (c)   | 18,321,000                               | 1,832                    |
| At 31 December 2025                          |       | 136,218,830                              | 13,622                   |

Notes:

- (a) In May 2023, Hanx Biopharmaceuticals (HK) ("Hanx HK"), one of the employee shareholding platforms of the Group, subscribed for approximately 20% equity interests in the Company. USD307,714 (equivalent to RMB2,186,000) was received in May 2024. On 12 June 2024, Hainan Yangtze entered into an equity transfer agreement with Hanx HK, Dr. Zhang, CZ Biotechnology and the Company, pursuant to which Hanx HK agreed to transfer approximately 0.87% equity interests in the Company to Hainan Yangtze at a consideration of approximately RMB10.65 million. On 15 June 2024, Yangtze Hong Kong entered into a subscription agreement with Hainan Yangtze, Series A Investors, Series B Investors, Hanx HK, CZ Biotechnology, Dr. Zhang and the Company. Pursuant to the subscription agreement, Yangtze Hong Kong agreed to subscribe for approximately 0.66% equity interests in our Company in an amount of RMB10.65 million. On 8 October 2024, Ms. Xiao Jieyu entered into share transfer agreements with Mr. Liao Tong and Mr. Zou Zhiyong separately, pursuant to which Ms. Xiao transferred: (i) 2,135 Unlisted Shares (equivalent to RMB2,135 equity interests in our Company before the Conversion) to Mr. Liao; and (ii) 171 Unlisted Shares (equivalent to RMB171 equity interests in our Company before the Conversion) to Mr. Zou Zhiyong at nil consideration to unwind the nominee shareholding arrangement between Ms. Xiao Jieyu and Mr. Liao Tong and Mr. Zou Zhiyong.

### 23 PAID-IN CAPITAL/SHARE CAPITAL *(continued)*

- (b) The split of the Company's registered shares with nominal value of RMB1 each into 10 shares with nominal value of RMB0.1 each, which was approved on 15 November 2024 and effective upon the completion of the listing of the Company's shares on the Stock Exchange.
- (c) On 23 December 2025, the Company successfully completed the IPO on the Stock Exchange. The Company issued 18,321,000 ordinary shares at the offering price of HK\$32 per share, before listing expenses.

### 24 RESERVES

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity of the Group.

#### (a) Capital reserve

The capital reserve represents share premium of the Group, the reserve arising pursuant to the acquisition of non-controlling interests, capital reorganisation and issue of shares. Details of the movements in capital reserve are set out in the consolidated statement of changes in equity of the financial statements.

#### (b) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of entities of which the functional currency is not RMB.

#### (c) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards.

### 25 SHARE INCENTIVE PLAN

#### 2022 Share Incentive Plan

Pursuant to the written resolutions of the shareholders of the Company passed in January 2022, the board of directors of Hangzhou Hanx Biopharmaceuticals Ltd. ("Hangzhou Hanx"), a subsidiary of the Company established in the PRC, passed a resolution to adopt share incentive plan for senior executives (the "2022 Share Incentive Plan") to promote the success of the Group and to incentivize senior executives of the Group. During the year ended 31 December 2022, Hangzhou Hanx granted share options and restricted share units ("RSUs") to eligible senior executives of the Group.

Pursuant to the 2022 Employee Incentive Plan, Hangzhou Hanx granted a total of 11,027,549 share options and 2,250,000 RSUs to certain employees of the Group.

## NOTES TO FINANCIAL STATEMENTS

### 25 SHARE INCENTIVE PLAN *(continued)*

#### 2022 Share Incentive Plan *(continued)*

##### 2022 RSU Plan

Pursuant to the 2022 Share Incentive Plan, 2,250,000 RSUs were granted in January 2022 to eligible participants at the subscription price of USD 0.15 per share ("2022 RSU Plan"). All RSUs were granted to the senior executives in January 2022 with no vesting conditions.

The following RSUs were outstanding under the 2022 Share Incentive Plan during the year.

|   | <b>Number of RSU</b> |
|---|----------------------|
| As at 1 January 2024                      | 2,250,000            |
| Granted during the year                   | —                    |
| As at 31 December 2024 and 1 January 2025 | 2,250,000            |
| Granted during the year                   | —                    |
| As at 31 December 2025                    | 2,250,000            |

The fair value of RSUs at grant date were estimated at RMB28.17/unit as at the date of grant by reference to recent financing valuation of the Group.

The Back-solve Method was used to determine the underlying equity fair value of the RSUs and the equity allocation model to determine the fair value of the underlying ordinary shares granted. Key assumptions, including the risk-free interest rate, volatility, dividend yield rate and DLOM are required to be determined by the directors of the Company with best estimates.

|                            | <b>At grant dates</b> |
|----------------------------|-----------------------|
| Risk-free interest rate(%) | 2.28                  |
| Volatility (%)             | 60                    |
| Dividend yield (%)         | —                     |
| DLOM (%)                   | 24                    |

**25 SHARE INCENTIVE PLAN** *(continued)*

**2022 Share Incentive Plan** *(continued)*

**2022 Share Option Plan**

Pursuant to the 2022 Employee Incentive Plan, 11,027,549 share options were granted in January 2022 to eligible participants at the subscription price of USD 0.15 per share (“**2022 Share Option Plan**”). The shares of the options granted during the year were vesting in the parts of 33%, 33% and 34% on the first, second and third anniversaries of the vesting commencement date. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the share option plan as an equity-settled plan.

The fair value of the share options at grant date was RMB47,479,000.

During the year, share-based payment compensation expenses of RMB6,168,000 (2024: RMB5,748,000) was charged to profit or loss under the 2022 Share Option Plan.

The following share options were outstanding under the 2022 Employee Incentive Plan during the year.

|   | <b>Weighted average<br/>exercise price</b> | <b>Number of<br/>share options</b> |
|---|--|------------------------------------|
|   | USD per share                              |                                    |
| As at 31 December 2023 and 1 January 2024   | 0.15                                       | 11,027,549                         |
| Granted during the year                     | —  | —                                  |
| Conversion to 2024 Share Option Plan (Note) | (0.15)                                     | (11,027,549)                       |
| As at December 2024                         | —  | —                                  |

## NOTES TO FINANCIAL STATEMENTS

### 25 SHARE INCENTIVE PLAN *(continued)*

#### 2022 Share Incentive Plan *(continued)*

#### 2022 Share Option Plan *(continued)*

Note:

The Company granted 11,027,549 share options of the Company to participants of 2022 Share Option Plan as mentioned in the paragraph and were conversed to 2024 Share Option Plan as mentioned in the 2024 Share Incentive Plan below.

The fair value of share-based payment compensations granted under the 2022 Share Option Plan during the year were 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:

|                                 | At grant dates |
|---------------------------------|----------------|
| Dividend yield (%)              | —              |
| Expected volatility (%)         | 59.26          |
| Risk-free interest rate (%)     | 2.78           |
| Expected life of options (year) | 7.96–10.96     |

#### 2024 Share Incentive Plan

Pursuant to the written resolutions of the shareholders of the Company passed in August 2024, the board of directors of the Group passed a resolution to modify the share incentive plan by converting the platform of share award from Hangzhou Hanx to Hanx HK, one of the employee shareholding platforms of the Group (the “2024 Share Incentive Plan”). Under the 2024 Share Incentive Plan, the eligible participants of the 2022 Share Incentive Plan and the number of underlying shares of the Group awarded remain unchanged.

#### 2024 RSU Plan

Pursuant to the 2024 Share Incentive Plan, the same eligible participants of the 2022 Share Incentive Plan were granted with the same number of RSUs and vesting period of the 2022 RSU Plan, representing 2,250,000 shares (“2024 RSU Plan”). Except that the 2024 RSU Plan requires that RSUs be unlocked only after the successful IPO, there are no other modifications to the restrictions related to the RSUs.

No incremental fair value is expected to be recognized for the modification because the modification as assessed by the management of the Company will not cause the increase in the total fair value of the share-based payments as measured at the date of modification.

**25 SHARE INCENTIVE PLAN** *(continued)*

**2024 Share Incentive Plan** *(continued)*

**2024 Share Option Plan**

Pursuant to the 2024 Share Incentive Plan, the same eligible participants of the 2022 Share Incentive Plan were granted with the same number of share options and vesting period of the 2022 Share Option Plan, representing 11,027,549 shares and newly granted a total of 327,942 share options to a senior executive in August 2024, which were granted in Hanx HK, and a total of 304,507 share options to certain employees of the Group, which were granted in Wuhan Hansitai Management Consulting Partnership (Limited Partnership) (“Wuhan Hansitai”), an employee incentive platform established in the PRC (“2024 Share Option Plan”).

The following share options were outstanding under the 2024 Share Option Plan (Hanx HK platform) during the year.

|   | <b>Weighted average<br/>exercise price</b> | <b>Number of<br/>share options</b> |
|---|--|------------------------------------|
|   | USD per share                              |                                    |
| As at 1 January 2024                          | —  | —                                  |
| Conversion from 2022 Share Option Plan (Note) | 0.15                                       | 11,027,549                         |
| Granted during the year                       | 1.37                                       | 327,942                            |
| As at 31 December 2024 and 1 January 2025     | 0.19                                       | 11,355,491                         |
| Granted during the year                       | —  | —                                  |
| As at 31 December 2025                        | 0.19                                       | 11,355,491                         |

Note:

The Company also granted 11,027,549 share options of the Company to participants of 2022 Share Option Plan as mentioned in the paragraph headed “2022 Share Option Plan” in this note.

## NOTES TO FINANCIAL STATEMENTS

### 25 SHARE INCENTIVE PLAN *(continued)*

#### 2024 Share Incentive Plan *(continued)*

#### 2024 Share Option Plan *(continued)*

The exercise prices and exercise periods of the share options outstanding as at the end of the year were as follows:

#### As at 31 December 2024 and 2025

| Number of options | Date of grant  | Exercise price | Exercise period   |
|-------------------|----------------|----------------|-------------------|
|                   |                |                | USD per share     |
|                   |                |                | 22 August 2024 to |
| 327,942           | 22 August 2024 | 1.37           | 22 August 2032    |

The Group applied the binomial model to determine the fair value of the share options issued at the date of issuance. Key assumptions are set out below:

|                                 | At grant dates |
|---------------------------------|----------------|
| Dividend yield (%)              | —              |
| Expected volatility (%)         | 68.94–69.93    |
| Risk-free interest rate (%)     | 1.88–2.09      |
| Expected life of options (year) | 8              |

The fair value of the share options at grant date during the years ended 31 December 2024 was RMB20,457,022. The shares of the options granted during the year were vesting in the parts of 33%, 33% and 34% on the first, second and third anniversaries of the vesting commencement date. The share-based payments expenses relating to share options recognized in profit or loss was RMB7,576,000 (2024: RMB8,526,000).

**25 SHARE INCENTIVE PLAN** *(continued)*

**2024 Share Incentive Plan** *(continued)*

**2024 Share Option Plan** *(continued)*

The following share options were outstanding under the 2025 Share Incentive Plan (Wuhan Hansitai platform) during the year.

|   | <b>Weighted average<br/>exercise price</b> | <b>Number of<br/>share options</b> |
|---|--|------------------------------------|
|   | USD per share                              |                                    |
| As at 1 January 2024                      | —  | —                                  |
| Granted during the year                   | 1.28                                       | 304,507                            |
| As at 31 December 2024 and 1 January 2025 | 1.28                                       | 304,507                            |
| Granted during the year                   | —  | —                                  |
| As at 31 December 2025                    | 1.28                                       | 304,507                            |

The exercise prices and exercise periods of the share options outstanding as at the end of the year were as follows:

**As at 31 December 2024 and 2025**

| <b>Number of options</b> | <b>Date of grant</b> | <b>Exercise price</b> | <b>Exercise period</b>              |
|--------------------------|----------------------|-----------------------|-------------------------------------|
|                          |                      | USD per share         |                                     |
| 304,507                  | 22 August 2024       | 1.28                  | 22 August 2024 to<br>22 August 2032 |

## NOTES TO FINANCIAL STATEMENTS

### 25 SHARE INCENTIVE PLAN *(continued)*

#### 2024 Share Incentive Plan *(continued)*

#### 2024 Share Option Plan *(continued)*

The Group applied the binomial model to determine the fair value of the share options issued at the date of issuance. Key assumptions are set out below:

|                                 | <b>At grant date</b> |
|---------------------------------|----------------------|
|                                 | 22 August 2024       |
| Dividend yield (%)              | —                    |
| Expected volatility (%)         | 68.94–69.93          |
| Risk-free interest rate (%)     | 1.88–2.09            |
| Expected life of options (year) | 8                    |

The fair value of the share options at grant date during the years ended 31 December 2024 was RMB19,372,735.

Each grant of share awards need to meet service requirements from the date of grant to the later of three years since the grant date (the “Service Period”). The shares of the options granted during the year is vesting in the parts of 25% (2024: 25%) on the grant date, first, second and third anniversaries of the vesting commencement date. The share-based payments expenses relating to share options recognized in profit or loss was RMB7,173,000 (2024: RMB8,074,000).

## 26 INTEREST-BEARING BANK BORROWINGS

|                        | As at 31 December 2025      |               |               |
|------------------------|-----------------------------|---------------|---------------|
|                        | Effective interest rate (%) | Maturity      | RMB'000       |
| <b>Current</b>         |                             |               |               |
| Secured bank loans (a) | 3.1                         | 2026          | 10,000        |
| Unsecured bank loans   | 2.8–3.1                     | 2026          | 20,000        |
| <b>Non-current</b>     |                             |               |               |
| Unsecured bank loans   | 3                           | 2027          | 17,000        |
| <b>Total</b>           |                             |               | <b>47,000</b> |
|                        |                             | 2025          | 2024          |
|                        |                             | RMB'000       | RMB'000       |
| Analysed into:         |                             |               |               |
| Bank loans repayable:  |                             |               |               |
| Within one year        |                             | 30,000        | —             |
| In the second year     |                             | 17,000        | —             |
| <b>Total</b>           |                             | <b>47,000</b> | <b>—</b>      |

(a) Certain of the Group's bank loans were secured by an independent third party — Wuhan Optics Valley Technology Financing Guarantee Co., Ltd. (武漢光谷科技融資擔保有限公司).

## 27 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB458,000 (2024: nil) and RMB458,000 (2024: nil), respectively, in respect of lease arrangements for offices.

## NOTES TO FINANCIAL STATEMENTS

### 27 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

#### Major non-cash transactions *(continued)*

##### *(a) Changes in liabilities arising from financing activities*

|  | Interest-<br>bearing bank<br>borrowings | Listing<br>expenses | Redemption<br>liabilities | Lease<br>liabilities |
|--|---|---------------------|---------------------------|----------------------|
|  | RMB'000                                 | RMB'000             | RMB'000                   | RMB'000              |
| At 1 January 2025  | —                                       | 2,758               | 131,564                   | 11,831               |
| Listing expenses   | —                                       | 13,679              | —                         | —                    |
| Deferred listing expenses  | —                                       | 14,229              | —                         | —                    |
| Accretion of interest recognized<br>during the year  | 1,873                                   | —                   | 10,286                    | 481                  |
| Redemption liabilities on Seres A,<br>B and B+ shares classified as<br>financing cash flow | —                                       | —                   | (141,850)                 | —                    |
| New interest-bearing bank loans  | 67,000                                  | —                   | —                         | —                    |
| New leases   | —                                       | —                   | —                         | 458                  |
| Changes from operating<br>cash flows   | —                                       | (6,735)             | —                         | —                    |
| Changes from financing<br>cash flows   | (21,873)                                | (2,750)             | —                         | (3,907)              |
| At 31 December 2025  | 47,000                                  | 21,181              | —                         | 8,863                |

27 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Major non-cash transactions (continued)

(a) Changes in liabilities arising from financing activities (continued)

|  | Listing expenses<br>RMB'000 | Redemption<br>liabilities<br>RMB'000 | Lease<br>liabilities<br>RMB'000 |
|--|-----------------------------|--------------------------------------|---------------------------------|
| At 1 January 2024  | —                           | 101,488                              | 15,031                          |
| Listing expenses   | 10,736                      | —                                    | —                               |
| Deferred listing expenses  | 2,684                       | —                                    | —                               |
| Accretion of interest recognized during the year   | —                           | 8,771                                | 608                             |
| Additional redemption liabilities on Series B+<br>shares classified as financing cash flow | —                           | 21,305                               | —                               |
| Changes from operating cash flows  | (8,114)                     | —                                    | —                               |
| Changes from financing cash flows  | (2,548)                     | —                                    | (3,808)                         |
| At 31 December 2024  | 2,758                       | 131,564                              | 11,831                          |

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

|                             | 2025<br>RMB'000 | 2024<br>RMB'000 |
|-----------------------------|-----------------|-----------------|
| Within operating activities | 86              | 233             |
| Within financing activities | 3,907           | 3,808           |
| Total                       | 3,993           | 4,041           |

## NOTES TO FINANCIAL STATEMENTS

### 27 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

#### Major non-cash transactions *(continued)*

##### *(c) Commitments*

The Group had the following contractual commitments as at the end of the reporting period:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Leasehold improvements                            | —               | 463             |
| Research and technology collaboration commitments | 13,012          | 1,853           |
| Total   | 13,012          | 2,316           |

### 28 RELATED PARTY TRANSACTIONS

#### *(a) Name and relationship*

The directors of the Group are of the opinion that the following companies are related parties that had transactions or balances with the Group during the year:

| Name of related parties   | Relationship with the Group                   |
|---|---|
| Waterstone Pharmaceuticals (Wuhan) Co., Ltd.<br>(中美華世通生物醫藥科技(武漢)股份有限公司) | Entity significantly influenced by a director |
| Waterstone Pharmaceuticals (Hubei) Co., Ltd.<br>(湖北華世通生物醫藥科技有限公司)       | Entity significantly influenced by a director |
| Stonycreek Pharmatch Co.,Ltd<br>(湖北石河醫藥科技有限公司)                          | Entity significantly influenced by a director |

**28 RELATED PARTY TRANSACTIONS** *(continued)*

**(b) Transactions with related parties**

The Group had the following transactions with related parties during the year:

|  | <b>2025</b>    | 2024    |
|--|----------------|---------|
|  | <b>RMB'000</b> | RMB'000 |
| Purchase of Services:                        |                |         |
| Waterstone Pharmaceuticals (Wuhan) Co., Ltd. | <b>298</b>     | 88      |
| Waterstone Pharmaceuticals (Hubei) Co., Ltd. | <b>553</b>     | 548     |
| <b>Total</b>                                 | <b>851</b>     | 636     |

**(c) Balances with related parties**

|   | <b>2025</b>    | 2024    |
|---|----------------|---------|
|   | <b>RMB'000</b> | RMB'000 |
| Prepayments, other receivables and other assets (trade) : |                |         |
| Waterstone Pharmaceuticals (Hubei) Co., Ltd.              | —              | 73      |
| <b>Total</b>  | —              | 73      |
| Trade payables (trade):                                   |                |         |
| Waterstone Pharmaceuticals (Wuhan) Co., Ltd.              | —              | 47      |
| Waterstone Pharmaceuticals (Hubei) Co., Ltd.              | —              | 52      |
| <b>Total</b>  | —              | 99      |

## NOTES TO FINANCIAL STATEMENTS

### 28 RELATED PARTY TRANSACTIONS *(continued)*

#### (d) Compensation of key management personnel of the Group:

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Salaries, allowances and benefits in kind | 10,601          | 5,251           |
| Performance related bonuses               | 3,236           | 6,449           |
| Social welfare and other benefits         | 215             | 169             |
| Share-based payments                      | 21,263          | 21,102          |
| Total                                     | 35,315          | 32,971          |

### 29 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the year were as follows:

#### (a) Financial assets

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Financial assets at fair value through profit or loss:                       |                 |                 |
| Contingent consideration arising from disposal of an associate               | 247,284         | 246,443         |
| Structured deposits and wealth management products                           | 13,440          | —               |
| Financial assets at amortized cost:  |                 |                 |
| Financial assets included in prepayments, other receivables and other assets | 8,127           | 40,446          |
| Cash and cash equivalents  | 614,401         | 161,214         |
| Total  | 883,252         | 448,103         |

29 FINANCIAL INSTRUMENTS BY CATEGORY (continued)

(b) Financial liabilities

|   | 2025<br>RMB'000 | 2024<br>RMB'000 |
|---|-----------------|-----------------|
| Financial liabilities at amortized cost:                      |                 |                 |
| Trade payables  | 18,870          | 12,293          |
| Financial liabilities included in other payables and accruals | 24,111          | 35,631          |
| Redemption liabilities  | —               | 131,564         |
| Lease liabilities   | 8,863           | 11,831          |
| Total   | 51,844          | 191,319         |

30 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

|  | Carrying amount |                 | Fair value      |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | 2025<br>RMB'000 | 2024<br>RMB'000 | 2025<br>RMB'000 | 2024<br>RMB'000 |
| <b>Financial assets</b>  |                 |                 |                 |                 |
| Contingent consideration arising from disposal of an associate | 247,284         | 246,443         | 247,284         | 246,443         |
| Structured deposits and wealth management products             | 13,440          | —               | 13,440          | —               |
| Total  | 260,724         | 246,443         | 260,724         | 246,443         |

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

## NOTES TO FINANCIAL STATEMENTS

### 30 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the year, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for 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 Group invests in structured deposits and wealth management products, which represent financial products issued by the bank. The Group has estimated the fair value of these structured deposits by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. Further details are set out in note 17 to the financial statements.

Below is a summary of the valuation technique to the valuation of financial instruments in each of the year.

|  | Valuation technique         | Significant unobservable inputs                         | Rate       | Sensitivity of fair value to the input |
|--|-----------------------------|---|------------|--|
| Contingent consideration arising from disposal of an associate | Discounted cash flow method | Discount rate   | 15%        | Note (a)                               |
|  |                             | Risk-free interest rate                                 |            |  |
|  |                             | Expected revenue growth rate during the forecast period | 34% to -1% | Note (b)                               |
|  |                             | Expected revenue growth rate beyond the forecast period | 0%         | Note (c)                               |

Note:

- (a) 1% increase/decrease in discount rate, with all other variables held constant, would decrease/increase the fair value of contingent consideration arising from disposal of an associate by RMB11,525,400/RMB12,417,300 (2024: RMB16,446,100/RMB17,937,700).
- (b) 1% increase/decrease in expected revenue growth rate during the forecast period, with all other variables held constant, would increase/decrease the fair value of contingent consideration arising from disposal of an associate by RMB9,408,800/RMB8,979,400 (2024: RMB10,289,000/RMB9,785,000).
- (c) 1% increase/decrease in expected revenue growth rate beyond the forecast period, with all other variables held constant, would increase/decrease the fair value of contingent consideration arising from disposal of an associate by RMB806,900/RMB795,500 (2024: RMB787,000/RMB776,000).

30 FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

|   | Fair value measurement using                                  |   |   | Total<br>RMB'000 |
|---|---|---|---|------------------|
|   | Quoted prices<br>in active<br>markets<br>(Level 1)<br>RMB'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>RMB'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>RMB'000 |                  |
| Contingent consideration arising from<br>disposal of an associate | —   | —   | 247,284   | 247,284          |
| Structured deposits and wealth<br>management products             | —   | 13,440  | —   | 13,440           |
| Total   | —   | 13,440  | 247,284   | 260,724          |

As at 31 December 2024

|   | Fair value measurement using                                  |   |   | Total<br>RMB'000 |
|---|---|---|---|------------------|
|   | Quoted prices<br>in active<br>markets<br>(Level 1)<br>RMB'000 | Significant<br>observable<br>inputs<br>(Level 2)<br>RMB'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>RMB'000 |                  |
| Contingent consideration arising from<br>disposal of an associate | —   | —   | 246,443   | 246,443          |
| Total   | —   | —   | 246,443   | 246,443          |

The Group did not have any financial liabilities measured at fair value as at the end of the year.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

## NOTES TO FINANCIAL STATEMENTS

### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, pledged deposits, financial assets at FVTPL, prepayments, other receivables and other assets, other payables and accruals, trade payables and lease liabilities. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities such as trade payables which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarized below:

#### (a) Credit risk

The Group trades only with recognized and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging as at 31 December 2025 and 2024.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification at the end of the year. The amounts presented are gross carrying amounts for financial assets.

#### As at 31 December 2025

|  | 12-month ECLs   |                 | Lifetime ECLs   |                             | Total RMB'000  |
|--|-----------------|-----------------|-----------------|-----------------------------|----------------|
|  | Stage 1 RMB'000 | Stage 2 RMB'000 | Stage 3 RMB'000 | Simplified approach RMB'000 |                |
| Financial assets included in prepayments, other receivables and other assets |                 |                 |                 |                             |                |
| — Normal*  | 8,127           | —               | —               | —                           | 8,127          |
| Cash and cash equivalents  |                 |                 |                 |                             |                |
| — Not yet past due   | 614,401         | —               | —               | —                           | 614,401        |
| <b>Total</b>   | <b>622,528</b>  | <b>—</b>        | <b>—</b>        | <b>—</b>                    | <b>622,528</b> |

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk *(continued)*

As at 31 December 2024

|  | 12-month       |          | Lifetime ECLs |            | Total          |
|--|----------------|----------|---------------|------------|----------------|
|  | ECLs           |          |               |            |                |
|  | Stage 1        | Stage 2  | Stage 3       | Simplified |                |
|  | RMB'000        | RMB'000  | RMB'000       | approach   | RMB'000        |
|  |                |          |               | RMB'000    |                |
| Financial assets included in prepayments, other receivables and other assets |                |          |               |            |                |
| — Normal*  | 40,446         | —        | —             | —          | 40,446         |
| Cash and cash equivalents  |                |          |               |            |                |
| — Not yet past due   | 161,214        | —        | —             | —          | 161,214        |
| <b>Total</b>   | <b>201,660</b> | <b>—</b> | <b>—</b>      | <b>—</b>   | <b>201,660</b> |

\* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

## NOTES TO FINANCIAL STATEMENTS

### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

#### (b) Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and bank balances 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 the year, based on contractual undiscounted payments, is as follows:

|   | As at 31 December 2025 |               |               |              |               |
|---|------------------------|---------------|---------------|--------------|---------------|
|   | On demand              | Within 1 year | 1 to 3 years  | Over 3 years | Total         |
|   | RMB'000                | RMB'000       | RMB'000       | RMB'000      | RMB'000       |
| Financial liabilities included in other payables and accruals | 24,111                 | —             | —             | —            | 24,111        |
| Trade payables  | —                      | 18,870        | —             | —            | 18,870        |
| Interest-bearing bank borrowings                              | —                      | 30,000        | 17,000        | —            | 47,000        |
| Lease liabilities   | —                      | 3,517         | 5,869         | —            | 9,386         |
| <b>Total</b>  | <b>24,111</b>          | <b>52,387</b> | <b>22,869</b> | <b>—</b>     | <b>99,367</b> |

|   | As at 31 December 2024 |                |              |              |                |
|---|------------------------|----------------|--------------|--------------|----------------|
|   | On demand              | Within 1 year  | 1 to 3 years | Over 3 years | Total          |
|   | RMB'000                | RMB'000        | RMB'000      | RMB'000      | RMB'000        |
| Financial liabilities included in other payables and accruals | 4,387                  | 31,244         | —            | —            | 35,631         |
| Trade payables  | —                      | 12,293         | —            | —            | 12,293         |
| Redemption liabilities  | —                      | 142,089        | —            | —            | 142,089        |
| Lease liabilities   | —                      | 3,635          | 9,693        | —            | 13,328         |
| <b>Total</b>  | <b>4,387</b>           | <b>189,261</b> | <b>9,693</b> | <b>—</b>     | <b>203,341</b> |

**31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(continued)*

**(c) 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 maximize owners' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to owners, return capital to owners 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 year.

**32 PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS**

Details of the Group's subsidiaries that have material non-controlling interests are set out below.

|   | 2025           | 2024    |
|---|----------------|---------|
| Percentage of equity interest held by non-controlling interests:            |                |         |
| Wuhan Hanzhong Biotechnology Co., Ltd.<br>(武漢瀚中生物科技有限公司)                    | 15%            | 15%     |
|   | <b>2025</b>    | 2024    |
|   | <b>RMB'000</b> | RMB'000 |
| Loss for the year allocated to non-controlling interests:                   |                |         |
| Wuhan Hanzhong Biotechnology Co., Ltd.                                      | 385            | 3,251   |
| Accumulated balances of non-controlling interests<br>at the reporting date: |                |         |
| Wuhan Hanzhong Biotechnology Co., Ltd.                                      | 59,881         | 60,267  |

## NOTES TO FINANCIAL STATEMENTS

### 32 PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(continued)

The following tables illustrate the summarized financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations.

|  | 2025<br>RMB'000 | 2024<br>RMB'000 |
|--|-----------------|-----------------|
| Total expenses                                 | 33,510          | 30,831          |
| Loss for the year                              | 2,569           | 21,675          |
| Total comprehensive loss for the year          | 2,569           | 21,675          |
| Current assets                                 | 439,592         | 448,956         |
| Non-current assets                             | 53,325          | 53,500          |
| Current liabilities                            | 23,312          | 21,914          |
| Non-current liabilities                        | 70,397          | 78,765          |
| Net cash flows used in operating activities    | (9,572)         | (62,076)        |
| Net cash flows from investing activities       | 1,732           | 26,921          |
| Net decrease in cash and cash equivalents      | (7,840)         | (35,155)        |
| Cash and cash equivalents at beginning of year | 95,507          | 130,662         |
| Cash and cash equivalents at end of year       | 87,667          | 95,507          |

## NOTES TO FINANCIAL STATEMENTS

### 33 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

|   | 2025<br>RMB'000 | 2024<br>RMB'000  |
|---|-----------------|------------------|
| <b>NON-CURRENT ASSETS</b>                       |                 |                  |
| Property, plant and equipment                   | 9,146           | 10,099           |
| Right-of-use assets                             | 9,166           | 12,309           |
| Intangible assets                               | 78              | —                |
| Investments in subsidiaries                     | 78,438          | 78,438           |
| Total non-current assets                        | 96,828          | 100,846          |
| <b>CURRENT ASSETS</b>                           |                 |                  |
| Prepayments, other receivables and other assets | 50,607          | 32,801           |
| Cash and cash equivalents                       | 522,267         | 38,956           |
| Total current assets                            | 572,874         | 71,757           |
| <b>CURRENT LIABILITIES</b>                      |                 |                  |
| Trade payables                                  | 9,541           | 1,982            |
| Other payables and accruals                     | 104,322         | 87,824           |
| Interest-bearing bank borrowings                | 30,000          | —                |
| Redemption liabilities on ordinary shares       | —               | 131,564          |
| Lease liabilities                               | 3,314           | 3,169            |
| Total current liabilities                       | 147,177         | 224,539          |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>         | <b>425,697</b>  | <b>(152,782)</b> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>    | <b>522,525</b>  | <b>(51,936)</b>  |
| <b>NON-CURRENT LIABILITIES</b>                  |                 |                  |
| Lease liabilities                               | 5,348           | 8,662            |
| Interest-bearing bank borrowings                | 17,000          | —                |
| Total non-current liabilities                   | 22,348          | 8,662            |
| <b>NET ASSETS/(LIABILITIES)</b>                 | <b>500,177</b>  | <b>(60,598)</b>  |
| <b>EQUITY/(DEFICITS)</b>                        |                 |                  |
| Paid-in capital/Share capital                   | 13,622          | 11,790           |
| Reserves  | 486,555         | (72,388)         |
| Total equity/(deficits)                         | 500,177         | (60,598)         |

## NOTES TO FINANCIAL STATEMENTS

### 33 STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

A summary of the Company's reserves is as follows:

#### Year ended 31 December 2025

|  | Paid-in<br>capital/Share<br>capital | Capital<br>reserve | Other<br>reserves | Share-based<br>payment<br>reserve | Accumulated<br>losses | Total equity |
|--|-------------------------------------|--------------------|-------------------|-----------------------------------|-----------------------|--------------|
|  | RMB'000                             | RMB'000            | RMB'000           | RMB'000                           | RMB'000               | RMB'000      |
| At 1 January 2025  | 11,790                              | 96,308             | (112,684)         | 22,348                            | (78,360)              | (60,598)     |
| Loss for the year  | —                                   | —                  | —                 | —                                 | (101,695)             | (101,695)    |
| Issue of shares from initial<br>public offering ("IPO")                      | 1,832                               | 514,784            | —                 | —                                 | —                     | 516,616      |
| Share issue expenses   | —                                   | (16,913)           | —                 | —                                 | —                     | (16,913)     |
| Equity-settled share-based<br>payment  | —                                   | —                  | —                 | 20,917                            | —                     | 20,917       |
| Derecognition of<br>redemption liabilities from<br>Series A, B and B+ shares | —                                   | —                  | 141,850           | —                                 | —                     | 141,850      |
| At 31 December 2025  | 13,622                              | 594,179            | 29,166            | 43,265                            | (180,055)             | 500,177      |

#### Year ended 31 December 2024

|  | Paid-in<br>capital/Share<br>capital | Capital<br>reserve | Other<br>reserves | Share-based<br>payment<br>reserve | Accumulated<br>losses | Total Equity |
|--|-------------------------------------|--------------------|-------------------|-----------------------------------|-----------------------|--------------|
|  | RMB'000                             | RMB'000            | RMB'000           | RMB'000                           | RMB'000               | RMB'000      |
| At 1 January 2024                                  | 9,525                               | 128,650            | (91,379)          | —                                 | (17,138)              | 29,658       |
| Loss for the year                                  | —                                   | —                  | —                 | —                                 | (104,141)             | (104,141)    |
| Capital injection                                  | 2,265                               | 10,577             | —                 | —                                 | —                     | 12,842       |
| Equity-settled share-based<br>payment              | —                                   | —                  | —                 | 22,348                            | —                     | 22,348       |
| Redemption liabilities from<br>Series B+ shares    | —                                   | —                  | (21,305)          | —                                 | —                     | (21,305)     |
| Conversion into a joint<br>stock company (note 23) | —                                   | (42,919)           | —                 | —                                 | 42,919                | —            |
| At 31 December 2024                                | 11,790                              | 96,308             | (112,684)         | 22,348                            | (78,360)              | (60,598)     |

### 34 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the board of directors on 27 March 2026.



|   |   |
|---|---|
| “advanced melanoma”                               | advanced stage of melanoma, where the cancer has spread to distant parts of the body, such as the lungs, liver, brain, and bones, or to distant lymph nodes   |
| “affiliate”                                       | any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person  |
| “Articles” or “Articles of Association”           | the articles of association of our Company (as amended from time to time), conditionally adopted on 15 November 2024 with effect from the Listing Date  |
| “Australia”                                       | Commonwealth of Australia   |
| “Beijing Hanx”                                    | Beijing Hanx Tai Biotech Co. Ltd.* (北京翰思泰生物科技有限公司), a company with limited liability established in the PRC on 10 January 2017 and is a non-wholly owned subsidiary of our Group                                  |
| “Beijing Lapam”                                   | Beijing Lapam Biopharmaceutical Venture Capital Center (Limited Partnership)* (北京龍磐生物醫藥創業投資中心(有限合夥)), a limited partnership established in the PRC on 9 September 2014 and one of our Pre-IPO Investors           |
| “Betta Pharmaceuticals”                           | Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司), a company established in the PRC on 7 January 2003 and listed on the Shenzhen Stock Exchange (stock code: 300558), and is one of our Pre-IPO Investors              |
| “Board” or<br>“Board of Directors”                | the board of directors of our Company   |
| “BVI”   | the British Virgin Islands  |
| “Caizhang Vision”                                 | Caizhang Vision Limited, a company incorporated in the BVI on 23 January 2019. As of the Latest Practicable Date, it is one of our Controlling Shareholders   |
| “China” or “the PRC”                              | the People’s Republic of China excluding, for the purpose of this annual report, Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan                                  |
| “Companies Ordinance”                             | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time  |
| “Company” or<br>“our Company” or<br>“the Company” | Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (翰思艾泰生物醫藥科技(武漢)股份有限公司), a joint stock company incorporated in the PRC on 19 December 2014 and the H Shares of which are listed on the Stock Exchange (stock code: 3378) |

## DEFINITIONS

|   |   |
|---|---|
| “Core Product”  | has the meaning ascribed to it under Chapter 18A of the Listing Rules and in this annual report, refers to HX009  |
| “Corporate Governance Code”                                   | the Corporate Governance Code as set out in Part 2 to Appendix C1 to the Listing Rules  |
| “CZ Biotechnology”  | Cai Zhang Biotechnology (Hangzhou) Co., Ltd.* (蔡張生物科技(杭州)有限責任公司), a company with limited liability established in the PRC on 7 September 2017 and is owned to 99.9% by Dr. Zhang and 0.1% by Ms. Luo Fang, respectively |
| “Deed of Non-Competition”                                     | the deed of non-competition (不競爭契據) dated 10 December 2025 entered into by the Controlling Shareholders in favor of our Company (for our Company and as trustee for each of our subsidiaries)                           |
| “Director(s)”   | director(s) of our Company  |
| “Dr. Bi”  | Dr. Bi Honggang (畢紅綱), our independent non-executive Director   |
| “Dr. Li”  | Dr. Henry Qixiang Li (李其翔), our chief executive officer, chief scientific officer and an executive Director   |
| “Dr. Li Jian”   | Dr. Li Jian (李健), our executive Director  |
| “Dr. Ke”  | Dr. Ke Hang (柯航), our Supervisor  |
| “Dr. Zhang”   | Dr. Zhang Faming (張發明), our Chairman, an executive Director and one of our Controlling Shareholders   |
| “Dr. Zhang Qiongguang”  | Dr. Zhang Qiongguang (張瓊光), our independent non-executive Director  |
| “Global Offering”   | the Hong Kong Public Offering and the International Offering  |
| “Group”, “our Group”,<br>“the Group”, “we”, “us”,<br>or “our” | our Company together with its subsidiaries, and their respective predecessors   |
| “H Share(s)”  | the ordinary share(s) in the share capital of our Company with a nominal value of RMB0.1 each, which are to be subscribed for and traded in Hong Kong dollars and listed and traded on the Stock Exchange               |
| “H Share Registrar”   | Tricor Investor Services Limited  |

## DEFINITIONS

|  |  |
|--|--|
| “Hainan Yangtze”                                 | Hainan Yangtze Investment Co. Ltd.* (海南揚子投資有限公司), a company with limited liability established in the PRC on 16 May 2022   |
| “Hangzhou Hanx”                                  | Hangzhou Hanx Biopharmaceuticals, Ltd.* (杭州翰思生物醫藥有限公司), a company with limited liability established in the PRC on 3 August 2016, and is a non-wholly owned subsidiary of our Group                      |
| “Hangzhou Hanx (HK)”                             | Hangzhou HanX Biopharmaceuticals (HK) Co., Limited (杭州翰思生物醫藥(香港)有限公司), a company incorporated in Hong Kong with limited liability on 19 February 2024, and is a non-wholly owned subsidiary of our Group |
| “Hangzhou Hongye Ruiji”                          | Hangzhou Hongye Ruiji Investment Partnership (Limited Partnership)* (杭州紅業睿吉投資合夥企業(有限合夥)), a limited partnership established in the PRC on 20 May 2016  |
| “Hangzhou Taikun”                                | Hangzhou Taikun Equity Investment Fund Partnership (Limited Partnership)* (杭州泰鯤股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on 10 August 2021   |
| “Hanx Biopharmaceuticals”                        | HanX Biopharmaceuticals Limited, a company incorporated in the Cayman Islands on 30 January 2019   |
| “Hanx Biopharmaceuticals (HK)”                   | Hanx Biopharmaceuticals (HK) Limited (翰思生物醫藥(香港)有限公司), a company incorporated in Hong Kong with limited liability on 1 April 2022  |
| “HanxAimtech”                                    | HanxAimtech Biopharmaceutical Limited (翰思艾泰生物醫藥科技(香港)有限公司), a company incorporated in Hong Kong with limited liability on 23 August 2023, and is a wholly owned subsidiary of our Group                  |
| “HanxBio (BVI)”                                  | HanXBio (BVI) Limited, a company incorporated in the BVI with limited liability on 21 February 2022  |
| “Hong Kong dollars”<br>or “HK dollars” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong” or “HK”                              | the Hong Kong Special Administrative Region of the PRC   |
| “Independent Third Party(ies)”                   | a person or entity who is not considered as a connected person of our Company under the Listing Rules  |
| “Key Product(s)”                                 | in this annual report, refers to HX301, and/or HX044   |
| “Lapam Capital”                                  | Lapam Capital HK Co., Limited, a company incorporated in Hong Kong with limited liability on 30 December 2021  |

## DEFINITIONS

|                     |  |
|---------------------|--|
| “Lepu”              | Lepu Biopharma Co., Ltd. (樂普生物科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 2157)             |
| “Listing”           | the listing of the H Shares on the Main Board of the Stock Exchange  |
| “Listing Date”      | 23 December 2025, on which the H Shares are listed on the Stock Exchange and from which dealings in the H Shares are permitted to commence on the Stock Exchange                                     |
| “Main Board”        | the stock market (excluding the options market) operated by the Stock Exchange and which is independent from and operated in parallel with the GEM of the Stock Exchange                             |
| “Mr. Chen”          | Mr. Chen Qifeng (陳奇峰), our independent non-executive Director  |
| “Mr. Li”            | Mr. Li Kin Wai (李健威), one of our joint company secretaries   |
| “Mr. Liu”           | Mr. Liu Min (劉敏), our chief operating officer and executive Director   |
| “Mr. Wong”          | Mr. Wong Sai Hung (王世雄), our independent non-executive Director  |
| “Mr. Zhang Hui”     | Mr. Zhang Hui (張輝), he has resigned as the joint company secretary of the Company, Chief financial officer, the secretary of our Board and vice general manager on 8 February 2026                   |
| “Ms. Chen”          | Ms. Chen Chen (陳晨), our Supervisor   |
| “Ms. Sun”           | Ms. Sun Peng (孫鵬), our Supervisor  |
| “Ms. Xiao”          | Ms. Xiao Jieyu (肖婕妤), our non-executive Director, she was further re-designated as our executive Director on 8 February 2026 and appointed as Chief Financial Officer and the secretary of our Board |
| “Ms. Zhang”         | Ms. Zhang Lei (張磊), our chief medical officer and a member of the senior management of our Group   |
| “NMPA”              | National Medical Products Administration of the PRC  |
| “Prospectus”        | the prospectus of the Company dated 15 December 2025   |
| “Reporting Period”  | the year ended 31 December 2025  |
| “RMB” or “Renminbi” | Renminbi, the lawful currency of the PRC   |

## DEFINITIONS

|                              |  |
|------------------------------|--|
| “Series A Investors”         | Beijing Lapam, Betta Pharmaceuticals and Hangzhou Hongye Ruiji   |
| “Series B Investors”         | Wuhan Donggaorensi, Hangzhou Taikun, Lapam Capital, Tibet Lapam, Ms. Xiao, Mr. Liao Tong and Mr. Zou Zhiyong   |
| “SFC”                        | Securities and Futures Commission of Hong Kong   |
| “SFO”                        | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time  |
| “Share(s)”                   | ordinary shares in the share capital of the Company with a nominal value of RMB0.1 each  |
| “Shareholder(s)”             | holder(s) of our Shares  |
| “Shenzhen Stock Exchange”    | the Shenzhen Stock Exchange  |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited  |
| “Supervisor(s)”              | supervisor(s) of our Company   |
| “Supervisory Committee”      | supervisory committee of our Company   |
| “Taizhou Hanzhong”           | Taizhou Hanzhong Biopharmaceutical Co., Ltd.* (泰州翰中生物醫藥有限公司), a limited liability company established in the PRC on 25 November 2016 and a former subsidiary of Hangzhou Hanx  |
| “Tibet Lapam”                | Tibet Lapam Small and Medium Enterprise Development Fund Equity Investment Partnership (Limited Partnership)* (西藏龍磐中小企業發展基金股權投資合夥(有限合夥)), a limited partnership established in the PRC on 2 June 2022                      |
| “U.S. dollars” or “US\$”     | U.S. dollars, the lawful currency of the United States   |
| “U.S.” or “United States”    | the United States of America   |
| “Unlisted Share(s)”          | ordinary share(s) in the share capital of our Company, with a nominal value of RMB1 each, which are subscribed for and paid up in Renminbi   |
| “Waterstone Pharmaceuticals” | Waterstone Pharmaceuticals (Wuhan) Co., Ltd.* (中美華世通生物醫藥科技(武漢)股份有限公司), a company established in the PRC on 17 December 2009, listed on the NEEQ (stock code: 873938) with Dr. Zhang as one of the controlling shareholders |

## DEFINITIONS

|                      |  |
|----------------------|--|
| “Wuhan Donggaorensi” | Wuhan Donggaorensi Equity Investment Partnership (Limited Partnership)* (武漢市東高仁思股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on 28 December 2022                                  |
| “Wuhan Hanx”         | Wuhan Hanx Tai Management Consulting Partnership (Limited Partnership)* (武漢市翰思泰管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on 3 June 2024, is our employee shareholding platform |
| “Wuhan Hanxiong”     | Wuhan Hanxiong Biotech Co. Ltd.* (武漢翰雄生物技術有限公司), a company established in the PRC with limited liability on 19 November 2013 and is an indirect non-wholly owned subsidiary of our Company         |
| “Yangtze Hong Kong”  | Yangtze Investment (HK) Limited, a company incorporated in Hong Kong with limited liability on 16 February 2017  |

In this annual report, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “subsidiaries” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.