

Abbisko 和譽

Abbisko Cayman Limited

和譽開曼有限責任公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2256

2025

Annual Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Xu Yao-Chang (*Chairman*)
Dr. Yu Hongping
Dr. Ji Jing (appointed as an executive Director with effect on March 3, 2025)
Dr. Chen Zhui (resigned as an executive Director with effect on March 3, 2025)

Independent Non-executive Directors

Dr. Sun Piaoyang
Mr. Sun Hongbin
Ms. Chui Hoi Yam (appointed as an independent non-executive Director with effect on February 28, 2025)
Mr. Wang Lei (resigned as an independent non-executive Director with effect on February 28, 2025)

JOINT COMPANY SECRETARIES

Ms. Zhang Hanxi (appointed on March 2, 2026)
Ms. Lin Sio Ngo (appointed on March 2, 2026)
Dr. Yu Hongping (resigned on March 2, 2026)
Ms. Chan Yin Wah (resigned on March 2, 2026)

AUTHORIZED REPRESENTATIVES

Dr. Xu Yao-Chang
Ms. Lin Sio Ngo (appointed on March 2, 2026)
Ms. Chan Yin Wah (resigned on March 2, 2026)

AUDIT COMMITTEE

Mr. Sun Hongbin (*Chairperson*)
Dr. Sun Piaoyang
Ms. Chui Hoi Yam (appointed as a member of the audit committee of the Company with effect on February 28, 2025)
Mr. Wang Lei (ceased to be a member of the audit committee of the Company with effect on February 28, 2025)

REMUNERATION COMMITTEE

Ms. Chui Hoi Yam (*Chairperson*) (appointed as the chairperson of the remuneration committee of the Company with effect on February 28, 2025)
Mr. Wang Lei (*Chairperson*) (ceased to be the chairperson of the remuneration committee of the Company with effect on February 28, 2025)
Dr. Xu Yao-Chang
Mr. Sun Hongbin

NOMINATION COMMITTEE

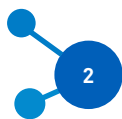
Dr. Xu Yao-Chang (*Chairperson*)
Dr. Sun Piaoyang (ceased to be a member of the nomination committee of the Company with effect on February 28, 2025)
Mr. Sun Hongbin
Ms. Chui Hoi Yam (appointed as a member of the nomination committee of the Company with effect on February 28, 2025)

REGISTERED OFFICE

Abbisko Cayman Limited
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

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Halei Road, Zhangjiang Hi-Tech Park
Pudong New Area
Shanghai, PRC



PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR

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

HONG KONG SHARE REGISTRAR

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

HONG KONG LEGAL ADVISER

Baker & McKenzie
14th Floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong SAR

PRINCIPAL BANK

Ping An Bank Co., Ltd.
5047, Shennan East Road
Shenzhen 518001
PRC

AUDITOR

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

STOCK CODE

2256

COMPANY'S WEBSITE

www.abbisko.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Abbisko Cayman Limited (the "**Company**"), I am pleased to present the annual report of the Company and its subsidiaries (the "**Group**", "**we**", "**our**" or "**us**") for the year ended December 31, 2025 (the "**Reporting Period**").

2025 is another landmark year for Abbisko, marked by our continued transition toward sustained revenue and growth. With the approval of our lead asset, pimicotinib, alongside meaningful progress across our pipeline and the strengthening of our global partnerships, we have laid a strong foundation for durable growth and long-term value creation.

Key highlights from the year include:

BROAD-BASED ADVANCEMENTS ACROSS OUR PIPELINE

Pimicotinib (ABSK021, CSF-1R Inhibitor): Regulatory Approval Now Achieved

- In 2025, we celebrated the China National Medical Products Administration ("**China NMPA**") approval of pimicotinib, our independently developed CSF-1R inhibitor, for the treatment of adult patients with Tenosynovial Giant Cell Tumor ("**TGCT**"). This landmark achievement marks the company's evolution from a pioneer of scientific innovation to an organization capable of delivering commercially viable, high-impact therapies to patients.
- As the first CSF-1R inhibitor approved in China, pimicotinib has demonstrated the highest objective response rate ("**ORR**") based on RECIST v1.1 seen in a Phase III clinical trial for the treatment TGCT, alongside a well-tolerated safety profile, with longer-term follow-up showing continued improvements in ORR over time.
- Outside of China, marketing authorisation applications for pimicotinib have been submitted to various regulatory authorities, including the US Food and Drug Administration ("**FDA**"), and are currently under regulatory review.

Irpagratinib (ABSK011, FGFR4 Inhibitor): Update On Our Ongoing Registrational Trial

- Irpagratinib represents a new and novel mechanism for the treatment of Hepatocellular Carcinoma ("**HCC**") with first-in-class potential, underscoring its impactful clinical and global commercial potential.
- In June 2025, we initiated a registrational study for previously been treated HCC patients with FGF19 overexpression, with enrollment progressing steadily across more than 50 clinical sites in China.
- We are also continuously advancing irpagratinib toward potential first-line HCC treatment in combination settings, supported by the encouraging updated phase II combination data with atezolizumab presented at the 2025 European Society for Medical Oncology Gastrointestinal Cancers Congress ("**ESMO-GI Congress**").



ABSK043 (Oral PD-L1 Inhibitor): Advancement of a Differentiated Oral+Oral Combination Strategy

- ABSK043 is a oral small-molecule PD-L1 inhibitor with globally first-in-class potential, demonstrating antibody-like efficacy with a favourable and differentiated safety profile, as observed in more than 150 treated patients to date.
- In 2025, phase II data for ABSK043 combined with an EGFR-TKI showed significant safety advantage with no observations of interstitial lung disease (“ILD”), alongside promising anti-tumor activity, supporting its advancement into first-line Non-Small Cell Lung Cancer (“NSCLC”) studies. In parallel, we have initiated a clinical trial evaluating ABSK043 with a KRAS G12C inhibitor for the treatment of NSCLC.
- We intend to explore potential combination strategies for ABSK043 across our internal pipeline, including an ongoing combination with our FGFR2/3 inhibitor (ABSK061), as well as potential combinations with our PRMT5*MTA, KRAS G12D and Pan-KRAS programs.

ABSK061 (FGFR2/3 Inhibitor): Ongoing Proof-of-Concept Studies in Gastric Cancer and Achondroplasia (“ACH”)

- ABSK061 continues to demonstrate a promising profile with first-in-class or best-in-class potential across both oncology and non-oncology indications, supported by encouraging preliminary data.
- In June 2025, we initiated a Phase II study for the treatment of Achondroplasia in children aged 3 to 12. Upon completing the observational run-in stage, we dosed the first patient in December 2025.
- During 2025, we continued to enroll patients in our ongoing Phase II study for the treatment of gastric cancer and gastroesophageal junction cancer (“GC/GEJC”) with FGFR2b overexpression and/or FGFR2 amplification.

EARLY R&D PROGRESS

We believe our early drug discovery capabilities and small-molecule discovery platform are the engine driving our future growth. To this end, we are redefining our future discovery strategy with a focus on innovation in the following areas: 1) continuing our leadership in oncology, 2) pioneering next-generation ADC, and 3) strategically expanding into non-oncology indications, such as autoimmune and cardio-metabolic diseases.

During the year, we obtained six investigational new drug (“IND”) clearances, including IND clearance for ABSK141 (KRAS G12D inhibitor) from both the US FDA and China NMPA, and IND clearance for ABSK131 (RMT5*MTA inhibitor) from the China NMPA.

Our early-stage candidates continue to progress with strong momentum. 3 pre-clinical candidates (“PCC”), ABSK211 (Pan-KRAS), ABSK191 (CDK4/2 inhibitor) and ABSK192 (CNS-penetrant CDK4 inhibitor), have now entered IND-enabling stages. P020, our bispecific ADC program, has progressed into the lead optimization stage, and we have further diversified our pipeline with P151, P022, and P023, candidates within the autoimmune and cardio-metabolic therapeutic areas.



CHAIRMAN'S STATEMENT

FINANCIAL ACCOMPLISHMENTS

Strengthening Abbisko's financial foundation remains a strategic priority as we advance the Company's next phase of development.

In 2025, we delivered positive profitability for the second consecutive year, primarily driven by the receipt of pamicotinib global commercialization option exercise fee through our ongoing collaboration with Merck Healthcare KGaA ("**Merck**").

We have substantial cash reserves on hand, with approximately RMB 2,027.0 million as at December 31, 2025, positioning the Company with the resilience and liquidity necessary to support sustained operations and future growth.

During the year of 2025, the Company repurchased shares for a total consideration of HKD84.7 million, following our HKD68.7 million of share repurchases in 2024. These repurchases reflect our continued confidence in the Company's fundamentals and long-term value.

Looking ahead, we will continue to adhere to our mission to deliver innovative therapies to patients worldwide. We emphasize our key strategic business priorities, which include:

- Accelerating the development of our key assets, including irpagratinib (FGFR4), ABSK061 (FGFR 2/3), ABSK043 (small molecule PD-L1), ABSK131 (PRMT5*MTA), ABSK141 (KRAS G12D) and ABSK211 (Pan-KRAS).
- Continuously strengthening our early R&D capabilities, including the use of data-driven and AI-enabled approaches, to build a sustainable, diversified portfolio with multiple growth opportunities.
- Pursuing multiple forms strategic partnerships and collaborations to maximize our growth potential.

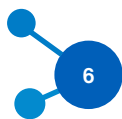
In closing, on behalf of the Board, I would like to extend my sincere gratitude to our shareholders, management, employees, and business partners for your continued contribution and support of the Company.

Dr. Xu Yao-Chang

Chairman and Chief Executive Officer

Shanghai, China

March 2, 2026



FINANCIAL HIGHLIGHTS

We delivered positive profitability for the second consecutive year. For the year ended December 31, 2025, the Group has generated revenue of RMB612.1 million (representing Merck's licensing revenue we received), with a profit of RMB55.2 million.

We repurchased shares to enhance market confidence and shareholder value. On March 3, 2025, the Board approved an amount of no more than HKD200.0 million for share repurchase to enhance market confidence and shareholder value. For the year ended December 31, 2025, the Company has repurchased a total of 10,229,000 shares (accounting for 1.51% of the total issued shares as at January 1, 2025), with a cumulative amount of HKD84.7 million. In 2024, we also repurchased a total of 22,594,000 shares with a cumulative amount of HKD68.7 million.

We have substantial cash reserve on hand. As at December 31, 2025, our balances of cash and bank balances (including time deposits over three months and cash and cash equivalents) is RMB2,027.0 million, an increase of RMB67.8 million from RMB1,959.2 million as at December 31, 2024. The increase of cash was primarily due to the receipt of licensing revenue and the increase in interest-bearing bank borrowings.

	2025 RMB'000	2024 RMB'000	Changes RMB'000	Year-on-Year change %
Revenue	612,119	503,992	108,127	21%
Gross profit	612,119	503,992	108,127	21%
Research and development expenses	(508,441)	(451,376)	(57,065)	13%
Profit for the year	55,247	28,302	26,945	95%
Adjusted profit for the year (as illustrated under "Non-IFRS Measures")	87,855	49,041	38,814	79%

	December 31, 2025 RMB'000	December 31, 2024 RMB'000	Changes RMB'000	Year-on-Year change %
Time deposits over three months, and cash and cash equivalents	2,026,974	1,959,188	67,786	3%

FINANCIAL HIGHLIGHTS

IFRS Measures:

- Revenue amounted to RMB612.1 million for the year ended December 31, 2025, representing Merck's licensing revenue we received.
- Research and development expenses increased by RMB57.0 million to RMB508.4 million for the year ended December 31, 2025, from RMB451.4 million for the year ended December 31, 2024. The increase was primarily attributable to the advancement of our pipeline programs.

Non-IFRS Measures:¹

	2025	2024	Changes	Year-on-Year
	RMB'000	RMB'000	RMB'000	change
				%
Profit for the year	55,247	28,302	26,945	95%
Add:				
Share-based payment expenses	32,608	20,739	11,869	57%
Adjusted profit for the year	87,855	49,041	38,814	79%

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

FINANCIAL HIGHLIGHTS

Financial Summary

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Non-IFRS measures					
Research and development expenses (excluding the share-based payment expenses)	(487,238)	(437,605)	(405,929)	(313,636)	(176,315)
Administrative expenses (excluding the share-based payment expenses)	(64,369)	(67,242)	(76,810)	(73,432)	(84,655)
Profit/(Loss) for the year (excluding the non-IFRS adjustments)	87,855	49,041	(384,185)	(385,485)	(195,740)
IFRS measures					
Revenue	612,119	503,992	19,060	–	22,682
Other income and gains	109,770	104,090	87,376	45,563	43,587
Research and development expenses	(508,441)	(451,376)	(433,736)	(378,746)	(226,126)
Administrative expenses	(75,774)	(74,210)	(96,401)	(118,443)	(124,777)
Other expenses	(17,881)	(2,859)	(5,712)	(41,295)	(80)
Fair value losses on convertible redeemable preferred shares	–	–	–	–	(1,524,320)
Finance costs	(3,334)	(1,608)	(2,170)	(2,685)	(959)
Income tax expense	(61,212)	(49,727)	–	–	–
Profit/(Loss) for the year	55,247	28,302	(431,583)	(495,606)	(1,809,993)
Earnings/(Loss) per share					
Basic	RMB0.09	RMB0.04	RMB(0.67)	RMB(0.80)	RMB(7.71)
Diluted	RMB0.09	RMB0.04	RMB(0.67)	RMB(0.80)	RMB(7.71)
Cash and bank balances	2,026,974	1,959,188	1,971,491	2,258,827	2,545,513
Total assets	2,353,100	2,107,047	2,115,382	2,489,549	2,654,539
Total liabilities	430,222	148,711	134,280	143,160	118,480
Total equity	1,922,878	1,958,336	1,981,102	2,346,389	2,536,059



BUSINESS HIGHLIGHTS

We have made significant progress across multiple aspects during 2025 and as at March 2, 2026:

IMPORTANT MILESTONES FOR OUR LEAD ASSET PIMICOTINIB (ABSK021), CSF-1R INHIBITOR

NDA Approval from the China NMPA

- In December 2025, the China NMPA approved pimicotinib for the treatment of adult patients with TGCT. This is the first CSF-1R inhibitor approved in China, and our partner Merck KGaA, Darmstadt, Germany, is responsible for the commercialization of pimicotinib globally.
- The approval of pimicotinib by the China NMPA was based on results from the global Phase 3 MANEUVER study, in which pimicotinib demonstrated the highest ORR based on RECIST v1.1 seen in a Phase III clinical trial for the treatment TGCT with a safe and well-tolerated profile.
- The world's first regulatory approval of pimicotinib represents a key milestone for Abbisko's transition from pioneering innovative research to first commercial product.

NDA Submission Acceptance from the US FDA

- In January 2026, the US FDA officially accepted the NDA submission for pimicotinib for the treatment of patients with TGCT.

Merck's Execution of USD85 Million Global Commercialization Option to Further Advance Collaboration

- In April 2025, we announced that Merck exercised its option to obtain the license right to commercialize pimicotinib worldwide.
- In May 2025, we received the corresponding global commercialization option exercise fee of USD85 million. Together with the upfront payment of USD70 million already received, we have received USD155 million in total.

HIGHLIGHTS OF OUR OTHER KEY CLINICAL ASSETS

Irpagratinib (ABSK011), FGFR4 Inhibitor

Advancement of Registrational Clinical Study in HCC as Monotherapy

- In June 2025, we completed first patient dosing in a registrational study of irpagratinib for the treatment of HCC patients with FGF19 overexpression who have been previously treated with systemic therapy. Patient enrollment is progressing steadily across more than 50 clinical sites in China.
- The registrational study is a multi-center, randomized, double-blind, placebo-controlled clinical trial designed to evaluate irpagratinib in combination with Best Supportive Care ("**BSC**") versus placebo in combination with BSC. Approximately 141 patients will be enrolled for this trial and the primary endpoint is ORR.

Positive Updated Phase II Study Results for Combination Therapy

- In July 2025, we presented updated phase II study results of irpagratinib in combination with atezolizumab at the 2025 ESMO-GI Congress. The treatment combination with irpagratinib showcases an ORR of $\geq 50\%$ and a median progression-free survival (“**PFS**”) of ≥ 7 months in the 220mg BID cohort.

*Granted Breakthrough Therapy Designation (“**BTD**”) and Fast Track Designation*

- In May 2025, irpagratinib received approval for BTD status for the treatment of HCC from the Center for Drug Evaluation (“**CDE**”) of the China NMPA. This marks Abbisko’s second BTD for our drug candidates.
- In December 2025, the US FDA granted irpagratinib Fast Track Designation for HCC patients.

ABSK043, Oral PD-L1 Inhibitor

Promising Preliminary Results from our Phase II Oral+Oral (PD-L1+EGFR Inhibitor) Combination Study for NSCLC

- In December 2025, we presented the preliminary clinical results for the dose-escalation phase of ABSK043 in combination with furmonertinib (third-generation EGFR TKI), demonstrating manageable safety, favourable tolerability and promising anti-tumor activity. As of the data cutoff, no Dose-limiting Toxicities (“**DLTs**”), and no ILDs were observed. The most common Treatment-emergent Adverse Events (“**TEAEs**”) were all Grade 1-2, with no Grade 4 or 5 TEAEs observed.
- Based on the positive results from the dose-escalation phase, regulatory authorities approved the advancement of this study into the dose-expansion phase for first-line treatment of patients with EGFR-mutant, PD-L1-positive NSCLC. Accordingly, we completed the first patient dosing in the first-line setting in December 2025.

Initiation of Second Phase II Oral+Oral Combination Study for NSCLC

- In November 2025, we completed the first patient dosing in a phase II study of ABSK043 in combination with glecirasib, a KRAS-G12C inhibitor, for the treatment of NSCLC patients harboring KRAS-G12C mutations.

ABSK061, FGFR2/3 Inhibitor

Advancing Clinical Trials in Oncology

- We continue to advance ABSK061, as both monotherapy and in combination with ABSK043 (our internally developed oral PD-L1 inhibitor). Positive first-in-human data of ABSK061 (monotherapy) demonstrated an ORR of 37.5% across a range of patients with various solid tumors.
- During 2025, we continued to enroll patients in our ongoing Phase II study for the treatment of GC/GEJC with FGFR2b overexpression and/or FGFR2 amplification. Our preliminary results for the trial of ABSK061 in combination with ABSK043, with or without chemotherapy, observed a favorable safety profile and promising efficacy in HER2-negative GC/GEJC patients with FGFR2 amplification or overexpression.



BUSINESS HIGHLIGHTS

First Patient Dosed in ACH Phase II Study

- In June 2025, we completed first patient enrollment in a phase II study for the treatment of children aged 3 to 12 with ACH. Upon completing the observational run-in stage, we dosed the first patient in December 2025.

ABSK131, MTA-cooperative PRMT5 inhibitor

First Patient Dosed in Phase I Study

- In July 2025, we dosed the first patient in a phase I clinical trial of ABSK131 in patients with advanced or metastatic solid tumors with MTAP deficiency.

UPDATES FROM OUR EARLY-STAGE CANDIDATES

IND Clearance Obtained for ABSK141

- ABSK141 is a novel, potent, and highly orally bioavailable small-molecule KRAS-G12D inhibitor. The US FDA and the China NMPA both cleared the IND application for ABSK141 in December 2025.

Selected Promising Pre-Clinical Projects

- We selected a PCC for our Pan-KRAS program in the first half of 2025 and have rapidly advanced ABSK211 to the IND-enabling stage.
- We have identified PCCs for ABSK191 (CDK4/2 inhibitor) and ABSK192 (CNS-penetrant CDK4 inhibitor) programs and initiated IND-enabling studies.
- We presented preclinical results for our SMARCA2 degrader and CDK4/2 inhibitor at the 2025 AACR-NCI-EORTC meeting in October 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

Our Vision

To discover and develop novel, differentiated therapies in oncology and beyond to address critical unmet medical needs for patients in China and worldwide.

Company Overview

We are a biopharmaceutical company committed to the research, discovery, and development of innovative and differentiated medicines designed to address unmet medical needs in China and globally. Since our establishment in 2016, we have strategically built a robust pipeline of 21 program candidates, with a primary focus on oncology. Among these, pimicotinib has received approval from the China NMPA, and several other candidates are currently in clinical development stages. Our product portfolio is primarily centered on small molecules, emphasizing precision oncology and immuno-oncology, with a growing expansion into both non-oncology therapeutic areas and other modalities. Through our dedication to scientific innovation, we aim to deliver transformative therapies that improve patient outcomes worldwide.

Product Pipeline

The following charts summarize our pipeline and development status for each candidate as at March 2, 2026.

Our Approved and Clinical-Stage Assets

Program	Preclinical	Phase I/Ia	Phase Ib/II	Pivotal	NDA/Commercial	Rights
<i>Precision / Targeted Oncology</i>						
Pimicotinib (ABSK021) CSF-1R	TGCT				China NMPA NDA approval	MERCK
	cGvHD					
Irpagratinib (ABSK011) FGFR4	FGF19+ HCC					Global
	FGF19+ HCC, combo with atezolizumab					
ABSK061 FGFR2-3	GC, combo with ABSK043 +/-chemo					Global
	Achondroplasia					
ABSK121 FGFR-resistant mutations	Solid tumors					Global
ABSK112 EGFR Exon20	NSCLC/BC					Global
ABK3376 (AST2303) EGFR C797S	EGFR-mut NSCLC	Partner-led development				Greater China: ALLIANT Ex-China: Abbisko
ABSK131 PRMT5+MTA	Solid tumors					Global
ABSK141 KRAS G12D	Solid tumors					Global
ABSK012 FGFR4 mutations	RMS & Solid tumors					Global
<i>Immuno-Oncology</i>						
ABSK043 Oral PD-L1	Solid tumors					Global
	NSCLC, combo with furmonertinib					
	NSCLC, combo with gleicirasib					
ABSK051 CD73	Solid tumors					Global

Oncology

Non-oncology

MANAGEMENT DISCUSSION AND ANALYSIS

Our Preclinical Pipeline

Program	Lead Identification	Lead Optimization	IND Enabling	IND Filing	Rights
ABSK211 Pan-KRAS	Solid tumors				Global
ABSK191 CDK4/2 selective	Solid tumors				Global
ABSK192 CNS-penetrant CDK4	Solid tumors				Global
P151 Undisclosed	Cardiometabolic				Global (co-owned with <i>Lilly</i>)
P023 GIPR	Obesity				Global
P011 4 th -gen EGFR	Solid tumors				Global
P018 SMARCA2	Solid tumors				Global
P020 ADC	Solid tumors				Global
P017 Synthetic lethal	Solid tumors				Global
P022 STAT6	Atopic Dermatitis, Asthma, COPD				Global

Oncology
Non-oncology

Notes:

Abbreviations: BC = breast cancer; cGvHD = chronic graft-versus-host disease; CNS = central nervous system; COPD = chronic obstructive pulmonary disease; GC = gastric cancer; HCC = hepatocellular carcinoma; NSCLC = non-small cell lung cancer; RMS = rhabdomyosarcoma; TGCT = tenosynovial giant cell tumor; UC = urothelial cancer

- **Approved Asset**
- **Pimicotinib (ABSK021), CSF-1R Inhibitor**

Pimicotinib is an orally bioavailable, highly selective, and potent small molecule CSF-1R inhibitor. It has been approved for the treatment of TGCT and is also being evaluated for chronic graft versus host disease (“cGvHD”).

Pimicotinib is the first CSF-1R inhibitor approved in China, and the approval was based on results of the global, multi-center MANEUVER phase III clinical trial for TGCT. Outside of China, marketing authorisation applications for pimicotinib have been submitted to various regulatory authorities, including the US FDA, and are currently under regulatory review. Our partner Merck KGaA, Darmstadt, Germany, is responsible for the commercialization of pimicotinib globally.

Pimicotinib has been granted BTM by both the China NMPA and the US FDA, as well as PRIME designation by the European Medicines Agency (“EMA”), for the treatment of TGCT patients who are not amenable to surgery. Additionally, pimicotinib has received Fast Track Designation from the US FDA and Orphan Drug Designation (“ODD”) from the EMA for the treatment of TGCT.

Recent progress of pimicotinib is as follows:

Recent Progress for TGCT

In December 2025, the China NMPA approved pimicotinib for the treatment of adult patients with symptomatic TGCT for which surgical resection will potentially cause functional limitation or relatively severe morbidity.

In January 2026, the US FDA officially accepted the NDA submission for pimicotinib for the systemic treatment of patients with TGCT.

MANAGEMENT DISCUSSION AND ANALYSIS

Topline results from Part 1 of the global phase III MANEUVER study were shared in November. These data showed that once-daily pimicotinib demonstrated a statistically significant improvement in the primary endpoint of ORR assessed by Blinded Independent Review Committee (“**BIRC**”) based on RECIST v1.1 at week 25 (54.0% vs. 3.2% for placebo; $p < 0.0001$). The study also demonstrated statistically significant and clinically meaningful improvements in all secondary endpoints related to key patient-reported outcomes in TGCT, including improvements in active range of motion and physical function and reductions in stiffness and pain. Treatment with oral, once-daily pimicotinib was well-tolerated, with very low rates of discontinuation due to treatment-related adverse events. The data were orally presented at the American Society of Clinical Oncology (“**ASCO**”) 2025 Annual Meeting in June 2025.

In October 2025, we also orally presented the longer-term follow-up data at the 2025 European Society for Medical Oncology (“**ESMO**”) Congress, which further demonstrated that pimicotinib provides robust and durable tumor responses for patients with TGCT. With a median follow-up of 14.3 months, ORR per RECIST v1.1 increased from 54.0% at week 25 to 76.2% (95% CI: 63.8, 86.0), including four patients achieving a Complete Response (“**CR**”).

Recent Progress for cGvHD

In December 2024, we orally presented preliminary phase II study results of pimicotinib for the treatment of cGvHD at the 66th American Society of Hematology (“**ASH**”) Annual Meeting. As of November 22, 2024, a preliminary 64% ORR was observed in the subset of patients receiving pimicotinib 20mg QD, with responses observed in all affected organs, including the gastrointestinal tract, oral cavity, eyes, liver, joints and fascia, esophagus, skin, and lungs. The results also show that pimicotinib is well tolerated in heavily pretreated patients with cGvHD, and the majority of adverse events were Grade 1 and reversible.

WE MAY NOT BE ABLE TO ULTIMATELY COMMERCIALIZE ABSK021 SUCCESSFULLY.

- **Clinical Stage Assets**
- **Irpagratinib (ABSK011), FGFR4 Inhibitor**

Irpagratinib is a potent and highly selective small-molecule inhibitor of FGFR4, currently in development for the treatment of HCC patients. The FGFR4 signalling pathway represents a promising target for molecularly targeted therapies in HCC. Approximately 30% of HCC patients worldwide exhibit overexpression of FGF19.

We believe irpagratinib represents a new and novel mechanism for the treatment of HCC with global first-in-class potential, and we are actively conducting clinical trials of irpagratinib as monotherapy and in combination with other therapies in late- and first-line treatment settings for HCC.

Recent progress of irpagratinib is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS

Monotherapy

In June 2025, we completed first patient dosing in a registrational study of irpagratinib for the treatment of HCC patients with FGF19 overexpression who have previously been treated with systemic therapy. Patient enrolment is progressing steadily across more than 50 clinical sites in China.

This registrational study of irpagratinib is a multi-center, randomized, double-blind, placebo-controlled clinical trial designed to evaluate the efficacy and safety of irpagratinib in combination with BSC versus placebo in combination with BSC, in patients with advanced or unresectable HCC with FGF19 overexpression and who have previously been treated with systemic therapy. Eligible patients will be randomized in a 2:1 ratio to receive irpagratinib or placebo. Approximately 141 patients are designed to be enrolled for this trial and the primary endpoint is ORR.

In February 2026, we also completed the first US patient dosing in a global multi-center phase I study of irpagratinib for the patients with FGF19 overexpression advanced HCC.

Irpagratinib was granted BTM by China NMPA, Fast Track Designation and ODD by US FDA for the treatment of HCC in May 2025, December 2025 and April 2024 respectively.

Combination with Anti-PD-L1 Antibody

We are conducting a phase II trial of irpagratinib in combination with the anti-PD-L1 antibody, atezolizumab, in patients with advanced HCC with FGF19 overexpression in China.

In July 2025, we presented updated phase II clinical trial results investigating irpagratinib in combination with atezolizumab for the treatment of advanced HCC at the 2025 ESMO-GI Congress. The treatment combination with irpagratinib showcases an ORR of $\geq 50\%$ and a median PFS of ≥ 7 months in the 220 mg BID cohort.

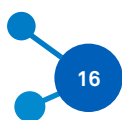
WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK011 SUCCESSFULLY.

- **ABSK043, Oral PD-L1 Inhibitor**

ABSK043 is an orally bioavailable, highly selective small molecule PD-L1 inhibitor, with an emerging clinical profile exhibiting antibody-like efficacy with improved and differentiated safety, flexibility and cost-effectiveness.

We are actively exploring various combination therapy clinical strategies, as we view ABSK043's combinability with oral TKIs a key strategic differentiator.

Recent progress of ABSK043 is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS

Combination with Furmonertinib

In December 2025, we presented the preliminary clinical results for the dose-escalation phase of ABSK043 in combination with furmonertinib, demonstrating manageable safety, favourable tolerability and promising anti-tumor activity. As of the data cutoff, no DLTs and no ILDs were observed. The most common TEAEs were all Grade 1-2, with no Grade 4 or 5 TEAEs observed. Based on RECIST v1.1, the Disease Control Rate (“DCR”) reached 71% with 14 patients achieving target lesion size regression.

Based on these positive results from the dose-escalation phase, regulatory authorities approved the advancement of this study into the dose-expansion phase for first-line treatment of patients with EGFR-mutant, PD-L1-positive NSCLC. Accordingly, we completed the first patient dosing in the first-line setting in December 2025.

Combination with Gleicirasib

In November 2025, we completed the first patient dosing in a phase II study of ABSK043 in combination with gleicirasib, a KRAS-G12C inhibitor, for the treatment of NSCLC patients harboring KRAS-G12C mutations.

Monotherapy

In December 2024, we presented updated phase I study results of ABSK043 during an oral presentation at ESMO Asia 2024. Among the 49 response-evaluable IO-naïve patients, ABSK043 achieved an ORR of 20.4% at active doses (600-1000mg BID). Within the set of patients, 15 IO-naïve patients with NSCLC achieved an ORR of 33.3% and a DCR of 73.3%. Greater levels of efficacy were observed in NSCLC patients with high PD-L1 expression (TPS \geq 50%), demonstrating an ORR of 41.7%, including those with EGFR or KRAS mutations. Safety and tolerability were notable as well. Among the 90 patients who had received ABSK043, no ILD was observed and only 8.9% of patients reported Grade 3 or higher TEAEs.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK043 SUCCESSFULLY.

- **ABSK061, FGFR2/3 Inhibitor**

ABSK061 is an orally bioavailable, highly potent, and selective small molecule inhibitor targeting FGFR2/3. By reducing FGFR1 activity, ABSK061 minimizes off-target adverse effects and offers a broader therapeutic window compared to non-selective FGFR inhibitors. These advantages could potentially lead to improved treatment outcomes in oncology and non-oncology indications, such as ACH.

We believe ABSK061 has the potential to be a next-generation FGFR inhibitor due to its improved selectivity compared to currently marketed pan-FGFR inhibitors.

MANAGEMENT DISCUSSION AND ANALYSIS

Recent Progress for Oncology Indication

Combination with ABSK043 for GC/GEJC

In November 2024, we dosed the first gastric cancer patient as part of a phase II clinical study of ABSK061 in combination with ABSK043, our internally developed oral PD-L1. During 2025, we continued to enroll patients in our ongoing Phase II study for the treatment of GC/GEJC with FGFR2b overexpression and/or FGFR2 amplification. Our preliminary results for the trial of ABSK061 in combination with ABSK043, with or without chemotherapy, observed a favorable safety profile and promising efficacy in HER2-negative GC/GEJC patients with FGFR2 amplification or overexpression. As of the data cutoff, only one patient (1/23, 4%) experienced a Grade 3 ocular event, with no treatment discontinuations due to ocular toxicities. Among 4 patients who received at least one cycle of ABSK061 in combination with ABSK043 and chemotherapy in 1L HER2-negative GC/GEJC patients with FGFR2 amplification or overexpression, 3 achieved partial responses.

Recent Progress for ACH

In June 2025, we completed first patient enrollment in a phase II study for the treatment of children aged 3 to 12 with ACH. Upon completing the observational run-in stage, we dosed the first patient in December 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK061 SUCCESSFULLY.

- **ABSK131, PRMT5*MTA Inhibitor**

ABSK131 is a potent and selective next-generation MTA-cooperative PRMT5 inhibitor with brain-penetrant activity. In preclinical studies, ABSK131 demonstrated excellent selectivity for MTAP-deleted cancer cells, as well as favourable drug metabolism and pharmacokinetic properties for oral dosing.

In October 2024 and April 2025, we presented our latest preclinical research progress for ABSK131 during the 2024 EORTC-NCI-AACR Conference and 2025 AACR, respectively.

Current Status

We obtained IND clearance from the US FDA and the China NMPA in December 2024 and in March 2025, respectively. In July 2025, we dosed the first patient in a phase I clinical trial of ABSK131 in patients with advanced or metastatic solid tumors with MTAP deficiency.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK131 SUCCESSFULLY.

- **ABSK141, KRAS-G12D Inhibitor**

ABSK141 is a novel, potent, and highly orally bioavailable small-molecule KRAS-G12D inhibitor. In preclinical studies, ABSK141 demonstrates high binding affinity, good biochemical activity and strong anti-tumor activity in multiple KRAS-G12D xenograft models. We presented our preclinical research progress for ABSK141 at the 2024 EORTC-NCI-AACR Conference in October 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Current Status

The US FDA and the China NMPA both cleared the IND application for ABSK141 in December 2025.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK141 SUCCESSFULLY.

- **ABSK121, FGFR1-3 Resistant Mutations Inhibitor**

ABSK121 is a highly selective, next-generation small molecule FGFR inhibitor that targets both wild-type and mutations of FGFR1-3, including those resistant to currently approved and clinical-stage FGFR inhibitors. ABSK121 can potentially bring clinical benefits to patients who have relapsed or have seen disease progression following initial treatment with first-generation FGFR inhibitors.

Current Status

We are concurrently conducting phase I clinical trials in China and the US for the treatment of patients with advanced solid tumors. First-patient dosing was completed in China in June 2023.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK121 SUCCESSFULLY.

- **ABSK112, EGFR Exon20ins Inhibitor**

ABSK112 is a next-generation EGFR Exon20ins inhibitor with improved selectivity over wild-type EGFR and strong brain-penetration activity. EGFR exon 20 mutations occur in 3-5% of patients with NSCLC, and are resistant to currently available first-, second- and third-generation EGFR inhibitors. By increasing selectivity, improvements in target modulation and anti-tumor efficacy may be observed.

Current Status

In February 2024, we completed first patient dosing for the treatment of NSCLC in China. Phase I studies are currently being conducted in the US and China.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK112 SUCCESSFULLY.



MANAGEMENT DISCUSSION AND ANALYSIS

- **ABK3376 (AST2303): EGFR-C797S inhibitor**

ABK3376 (AST2303) is a highly potent, selective, and brain-penetrant next-generation EGFR inhibitor, discovered using our proprietary drug discovery platform. ABK3376 is designed to efficiently target and inhibit the EGFR-C797S mutation, which can arise after treatment with third-generation EGFR-TKIs. In May 2023, we out-licensed Greater China rights for ABK3376 to Allist.

Current Status

In April 2025, the first patient was enrolled for the clinical trial of ABK3376 (AST2303).

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABK3376 (AST2303) SUCCESSFULLY.

- **ABSK012, FGFR4 Mutation Inhibitor**

ABSK012 is an orally bioavailable, highly selective, next-generation small molecule FGFR4 inhibitor with strong potency against both wild-type and FGFR4 mutations. In preclinical studies, ABSK012 demonstrated strong activity in vitro against both wild-type FGFR4 and FGFR4 mutations resistant to current FGFR4 inhibitors, and excellent in vivo efficacy in FGF19-driven and FGFR4-mutant models.

Current Status

In November 2023, we obtained IND clearance from the US FDA for a first-in-human phase I study in patients with advanced solid tumors. In April 2023, ABSK012 was granted ODD by the US FDA for the treatment of soft tissue sarcoma.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK012 SUCCESSFULLY.

- **ABSK051, CD73 Inhibitor**

ABSK051 is a small molecule CD73 inhibitor in development for the treatment of various tumor types, including lung and pancreatic cancer. In preclinical studies, ABSK051 demonstrated strong potency in inhibiting the activities of soluble and surface-expressed CD73. It has also shown strong efficacy in vivo across various animal models.

Current Status

We are currently conducting a phase I trial in China to assess safety, tolerability and PK/PD, as well as preliminary anti-tumor activity in patients with advanced solid tumors. In January 2024, we completed first patient dosing.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK051 SUCCESSFULLY.

MANAGEMENT DISCUSSION AND ANALYSIS

- **IND-enabling Candidates**

ABSK211 is a highly potent, selective, and orally bioavailable pan-KRAS inhibitor that targets multiple KRAS mutations, including KRAS G12D, G12V, G13D and other mutations, for which there are currently no approved targeted therapies. In preclinical studies, ABSK211 demonstrates broad in vitro activity against different KRAS mutations and induces dose-dependent tumor regression in KRAS-mutated xenograft models. It also exhibits favourable oral bioavailability and drug-like properties across preclinical species. ABSK211 is currently in IND-enabling studies, supporting its progression as a promising clinical candidate for KRAS driven cancers.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK211 SUCCESSFULLY.

ABSK191 is a next-generation, selective CDK4/2 inhibitor designed to overcome key limitations of first-generation CDK4/6 inhibitors. It aims to circumvent CDK6-mediated toxicity and overcome resistance driven by cyclin E/CDK2 activation. Preclinical studies have demonstrated that ABSK191 possesses potent activity against CDK4 and CDK2 with excellent selectivity over CDK6, strong anti-tumor efficacy including in palbociclib-resistant models, and favorable pharmacokinetic properties. ABSK191 can potentially provide a promising differentiated therapeutic option, particularly for patients who have progressed on existing CDK4/6 inhibitor therapies. ABSK191 is currently at IND-enabling stage.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK191 SUCCESSFULLY.

ABSK192 is a brain-penetrant, selective CDK4 inhibitor designed to offer an enhanced therapeutic profile for the treatment of cancer. It demonstrates superior CDK4 potency and good selectivity over CDK6, which aims to minimize CDK6-mediated toxicity. In preclinical studies, ABSK192 has shown potent anti-tumor activity and favorable pharmacokinetic properties, supporting its potential as a differentiated therapeutic option, particularly for patients with brain metastases. ABSK192 is currently at IND-enabling stage.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ABSK192 SUCCESSFULLY.

- **Other Updates on Our Pipeline**

We proactively adapt our development pipeline in response to market and competitive assessments.

After evaluating the current competitive landscape for first-generation pan-FGFR inhibitors, we have decided to wind down the clinical development of fexagratinib (ABSK091) at this stage, following our earlier decision to deprioritize the development of fexagratinib as disclosed in the announcement of the Company dated March 3, 2025 in relation to, among others, change in use of net proceeds. Consequently, development efforts are now more allocated to our other programs including irpagratinib, ABSK061 and ABSK043. Those candidates have demonstrated encouraging potential, and are being developed in multiple indications and across various regions globally.

We will continuously monitor the competitive landscape and evaluate the overall development strategy.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Development

One of our core strategies is growth through strategic collaboration. We have assembled a team focused on identifying and fostering new partnerships and business development activities. By actively engaging in various initiatives, our goal extends beyond preclinical or clinical development success; we aspire to unleash the full potential of our innovative drug pipeline while fostering synergistic relationships that drive progress.

- **Commercial Partnership with Merck**

In December 2023, we entered into an exclusive licensing agreement with Merck regarding pimicotinib, a CSF-1R inhibitor, and Merck is responsible for worldwide commercialization of pimicotinib.

The agreement initially granted Merck commercialization rights for pimicotinib in the Mainland China, Hong Kong, Macau and Taiwan. In February 2024, we received the one-time, non-refundable up-front payment of USD70 million pursuant to the terms of the license agreement with Merck.

In April 2025, we announced that Merck exercised its option to obtain the license right to commercialize pimicotinib worldwide. Accordingly, in May 2025, we received the global commercialization option exercise fee of USD85 million from Merck.

In total, we are eligible to receive up to USD605.5 million in payments, including upfront, option exercise fee, development, and commercial milestones, as well as double-digit percentage royalties on annual net sales.

- **Clinical Development Collaboration with Allist**

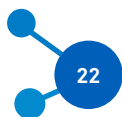
In March 2023, we entered into an exclusive license agreement with Allist regarding ABK3376, a next-generation EGFR TKI. Under the terms of the agreement, Allist will be responsible for the research, development, manufacture, use, and sales of ABK3376 (AST2303) in Greater China (the Mainland China, Hong Kong, Macau and Taiwan). We also granted Allist a time-limited option to expand the licensed territory worldwide in accordance with terms and conditions as agreed upon by both parties. We are eligible to receive up to USD187.9 million in payments, including upfront, development and sales milestones, plus tiered royalties on net sales.

In September 2024, IND clearance for ABK3376 (AST2303) was granted by the China NMPA and we have received the relevant milestone payment.

Research and Development

Innovative discovery, research and development represent the foundation of our Company. We believe our focus and expertise in this area is critical not only to our growth, but also our ability to remain competitive in the Chinese and global biopharmaceutical market.

We are dedicated to enhancing our pipeline through leveraging our leading in-house R&D capabilities, spanning early-stage drug discovery to late-stage clinical development.



MANAGEMENT DISCUSSION AND ANALYSIS

As of December 31, 2025, our R&D team consists of 220 employees with broad and extensive clinical development experience, particularly in oncology. Among our R&D staffs, 72% have obtained at least one post-graduate degree, and 19% hold Ph.D. degrees. Among our preclinical R&D staffs, 82% have obtained at least post-graduate degrees, and 28% hold Ph.D. degrees.

Drug Discovery and Preclinical Development

Our drug discovery research and development efforts are led by our founders, Dr. Xu Yao-Chang (“**Dr. Xu**”) and Dr. Yu Hongping (“**Dr. Yu**”), who collectively have made profound contributions to dozens of discovery programs, many of which have achieved successful regulatory approval and marketing authorization both in China and globally, including Ameile (almonertinib), Cymbalta (duloxetine), Reyvow (lasmiditan), Fu Laimei (PEG-loxenate), Kisqali (ribociclib), and Xinfu (flumatinib).

We leverage advanced discovery and engineering technologies to identify and select lead compounds with optimal pharmaceutical properties and broad market potential. Our drug discovery team works closely with our Chemistry, Manufacturing, and Controls (“**CMC**”) team early in the process to align objectives, ensure regulatory compliance, and facilitate a smooth transition from discovery to clinical development. Additionally, our drug discovery team includes a translational medicine function that focuses on biomarker discovery and bioinformatics analysis to support our clinical studies. Through translational research, we assess treatment efficacy, explore methods for customizing therapies, and refine personalized medicine guidelines based on new data. These insights help inform our ongoing efforts in novel drug and biomarker discovery.

Clinical Development

Our clinical development team is led by Dr. Ji Jing, who holds a Doctor of Medicine (“**MD**”) degree from Fudan University and Shanghai Second Medical University, specializing in gastrointestinal and liver diseases. With over 25 years of experience in both early- and late-stage clinical development, Dr. Jing has held key leadership roles in global pharmaceutical companies, including Clinical Development Leader and Head of Therapeutic Area. She has successfully led and managed a wide array of functions, including medical affairs, clinical operations, quality control, clinical research, clinical pharmacology, and patient safety.

Our team oversees all phases of clinical trials, from design and implementation to drug supply and data collection and analysis. We have established partnerships with hospitals and principal investigators across China, the US, and other regions to support clinical trials for various indications at different stages. Our extensive experience in clinical trial execution enables us to accelerate the development of our drug portfolio.

Driven by our vision to address the unmet medical needs of patients in China and worldwide, we have consistently targeted broad and global markets. We believe this approach will maximize the commercial potential of our assets.



MANAGEMENT DISCUSSION AND ANALYSIS

As at December 31, 2025, we have received approximately 41 INDs or clinical trial clearances across multiple countries and regions. As at the date of this report, we have released the positive topline results of global phase III study in the US, Canada and Europe for pimicotinib. We have a phase I trial ongoing in Australia for ABSK043, and three phase I trials ongoing in the US for ABSK061, ABSK112, and ABSK121 respectively. We have completed a phase Ib trial in Taiwan for irpagratinib.

Events after the Reporting Period

Subsequent to December 31, 2025, the business-related significant events that took place are listed below:

In January 2026, the US FDA officially accepted the NDA submission for pimicotinib for the treatment of patients with TGCT.

In February 2026, we completed the first US patient dosing in a global multi-center phase I study of irpagratinib for the patients with FGF19 overexpression advanced HCC.

Future and Outlook

As Abbisko approaches its 10th anniversary in 2026, we look back on a year of renewed confidence and progress across the biotechnology sector in 2025, and we are actively moving with the dynamics and encouraging transformations unfolding both within and beyond our industry. During the year, we delivered key clinical and operational milestones as promised, strengthening our foundation for sustainable growth and preparing us for the decade ahead.

Our strategy remains centered on delivering best- and first-in-class therapies by embracing innovation. We will continue to:

- Pioneer global innovation through cutting-edge science
- Advance a high-potential clinical and early-stage pipeline
- Pursue strategic partnerships and collaborations
- Embrace AI to accelerate productivity and efficiency across the organization
- Optimize operational and financial performance
- Deliver long-term value to all stakeholders

MANAGEMENT DISCUSSION AND ANALYSIS

II. FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	612,119	503,992
Cost of sales		–	–
Gross profit		612,119	503,992
Other income and gains	5	109,770	104,090
Research and development expenses	6	(508,441)	(451,376)
Administrative expenses	7	(75,774)	(74,210)
Other expenses	8	(17,881)	(2,859)
Finance costs	9	(3,334)	(1,608)
PROFIT BEFORE TAX		116,459	78,029
Income tax expense	10	(61,212)	(49,727)
PROFIT FOR THE YEAR		55,247	28,302
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(356)	533
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company		(31,193)	22,084
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(31,549)	22,617
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		23,698	50,919
Total comprehensive income attributable to:			
Owners of the parent		23,698	50,919
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
		12	
Basic			
– For profit for the year		RMB0.09	RMB0.04
Diluted			
– For profit for the year		RMB0.09	RMB0.04

MANAGEMENT DISCUSSION AND ANALYSIS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		20,234	29,347
Right-of-use assets		12,084	23,471
Other intangible assets		4,200	4,828
Financial assets at amortized cost	13	141,751	–
Other non-current assets	14	47,598	28,967
Total non-current assets		225,867	86,613
CURRENT ASSETS			
Prepayments and other receivables	15	27,750	61,013
Financial assets at fair value through profit or loss	13	72,509	233
Time deposits over three months	16	1,277,967	1,669,657
Cash and cash equivalents	16	749,007	289,531
Total current assets		2,127,233	2,020,434
CURRENT LIABILITIES			
Other payables and accruals	17	126,742	124,425
Interest-bearing bank and other borrowings		291,699	–
Lease liabilities		8,634	11,017
Total current liabilities		427,075	135,442
NET CURRENT ASSETS		1,700,158	1,884,992
TOTAL ASSETS LESS CURRENT LIABILITIES		1,926,025	1,971,605
NON-CURRENT LIABILITIES			
Lease liabilities		3,147	13,269
Total non-current liabilities		3,147	13,269
Net assets		1,922,878	1,958,336
EQUITY			
Equity attributable to owners of the parent			
Share capital		44	44
Treasury shares		(3)	(3)
Reserves		1,922,837	1,958,295
Total equity		1,922,878	1,958,336

MANAGEMENT DISCUSSION AND ANALYSIS

NOTES

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and wealth management products which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

1.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</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



MANAGEMENT DISCUSSION AND ANALYSIS

2 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated 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 judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development expenses

Development expenses incurred on the Group's drug product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the Reporting Period, all expenses incurred for research and development activities were expensed when incurred.

Estimation uncertainty

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

Share-based payments

The Group has set up an equity share option plan for the Company's Directors and the Group's employees. The fair value of the options is determined by the binomial model at the grant dates.

Estimating the fair value for share-based payment transactions requires the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them.

For the fair value measurement of equity-settled transactions with employees at the grant date, the Group uses a binomial model.

MANAGEMENT DISCUSSION AND ANALYSIS

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

3. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the development of innovative medicines. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

- (a) Revenue from external customers
Revenue from external customers is disclosed in note 4.

- (b) Non-current assets
Since nearly all of the Group’s non-current assets were located in Chinese mainland, no geographical information about non-current assets in accordance with IFRS 8 Operating Segments is presented.

4. REVENUE

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	612,119	503,992

MANAGEMENT DISCUSSION AND ANALYSIS

(a) *Disaggregated revenue information*

	2025 RMB'000	2024 RMB'000
Type of goods or services		
Licensing revenue	612,119	503,992
Geographical market		
European Union	612,119	497,273
Chinese mainland	–	6,719
Total	612,119	503,992
Timing of revenue recognition		
At a point in time	612,119	503,992

Revenue increased to RMB612.1 million for the year ended December 31, 2025 from RMB504.0 million for the year ended December 31, 2024, by RMB108.1 million. During the year, the Group recorded one-time licensing revenue of RMB612.1 million, which was generated from an exclusive licensing agreement with Merck.

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

(b) *Performance obligations*

Out-licensing revenue

The Group's out-licensing revenue is intellectual property licenses during the year. For the intellectual property licenses, the performance obligation is satisfied upon the control of the license is transferred to the customer and the payment is generally due upon completion of transfer or payment in advance is required.

MANAGEMENT DISCUSSION AND ANALYSIS

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Other income		
Interest income		
Time deposits over three months	67,960	66,556
Financial assets at amortized cost	1,194	–
Other savings	23,765	22,543
Total income	92,919	89,099
Other gains		
Government grants*	14,794	13,196
Foreign exchange gains	–	1,795
Fair value gains on financial assets at fair value through profit or loss	2,026	–
Others	31	–
Total gains	16,851	14,991
Total	109,770	104,090

* The government grants mainly represent subsidies received from the Chinese mainland governments for the purpose of supporting research and clinical trial activities, allowances for new drug development. There were no unfulfilled conditions or contingencies relating to these grants received during the year.

Other income and gains increased to RMB109.8 million for the year ended December 31, 2025, from RMB104.1 million for the year ended December 31, 2024, by RMB5.7 million, primarily attributable to an increase in interest income and fair value gains on wealth management product.

6. RESEARCH AND DEVELOPMENT EXPENSES

An analysis of research and development expenses is as follows:

	2025 RMB'000	2024 RMB'000
Third-party contracting costs	310,650	235,902
Employee cost	167,133	166,494
Others	30,658	48,980
Total	508,441	451,376

Research and development expenses increased to RMB508.4 million for the year ended December 31, 2025, from RMB451.4 million for the year ended December 31, 2024, by RMB57.0 million, primarily attributable to an increase in third-party contracting costs by RMB74.7 million as we advanced our clinical trials to later stage while expanding early discovery and research activities at the same time.

MANAGEMENT DISCUSSION AND ANALYSIS

7. ADMINISTRATIVE EXPENSES

An analysis of administrative expenses is as follows:

	2025 RMB'000	2024 RMB'000
Employee cost	54,351	51,078
Third-party advisory service costs	10,344	12,912
Others	11,079	10,220
Total	75,774	74,210

Administrative expenses increased to RMB75.8 million for the year ended December 31, 2025, from RMB74.2 million for the year ended December 31, 2024 by RMB1.6 million.

8. OTHER EXPENSES

An analysis of other expenses is as follows:

	2025 RMB'000	2024 RMB'000
Foreign exchange losses	17,292	–
Fair value losses on financial assets at fair value through profit or loss	–	692
Fair value loss on derivative financial instruments	–	1,860
Others	589	307
Total	17,881	2,859

Other expenses increased to RMB17.9 million for the year ended December 31, 2025, from RMB2.9 million for the year ended December 31, 2024, by RMB15.0 million, primarily attributable to the increase of the foreign exchange loss.

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	851	1,608
Interest on bank borrowings	2,483	–
Total	3,334	1,608

Finance costs increased to RMB3.3 million for the year ended December 31, 2025, from RMB1.6 million for the year ended December 31, 2024. Increase in finance cost is mainly due to the increase of borrowing costs.

MANAGEMENT DISCUSSION AND ANALYSIS

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 operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to income tax under the two-tiered profits tax rates regime on the estimated assessable profits arising in Hong Kong during the year. The first HKD2.0 million of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Chinese mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the “CIT Law”), the subsidiaries which operate in Chinese mainland are subject to CIT at a rate of 25% on the taxable income. A subsidiary was accredited as a “High and New Technology Enterprise” (“HNTE”) in October 2022 and was reaccredited as “HNTE” in December 2025. Therefore it was entitled to a preferential CIT rate of 15% from January 2022 to December 2025. This qualification is subject to review by the relevant tax authority in Chinese mainland for every three years.

Australia

No provision for Australia income tax has been made as the Group had no assessable profits derived from or earned in Australia during the year. The subsidiary incorporated in Australia is subject to income tax at the rate of 30% on the estimated assessable profits arising in Australia during the year.

Germany

The Group was subject to German withholding tax on licensing revenue received from a Germany-based customer.

The income tax expense of the Group is analysed as follows:

	2025 RMB'000	2024 RMB'000
Current tax		
German withholding tax	61,212	49,727

During 2025, the Group is subject to a Germany withholding tax on licensing revenue received from a Germany-based customer, amounting to RMB61,211,900.

11. DIVIDENDS

No dividend was paid or declared by the Company during the year ended 31 December 2025 (year ended 31 December 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 624,666,284 (year ended 31 December 2024: 633,992,967) outstanding during the year, as adjusted to reflect the shares repurchased during the year.

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

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

	2025 RMB'000	2024 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	55,247	28,302
Numbers of shares		
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation*	624,666,284	633,992,967
Effect of dilution – weighted average number of ordinary shares:		
Share incentive plan	15,093,392	15,601,842
Total	639,759,676	649,594,809

* The weighted average number of shares was after taking into account the effect of treasury shares held.

MANAGEMENT DISCUSSION AND ANALYSIS

13. FINANCIAL ASSETS

	2025 RMB'000	2024 RMB'000
Financial assets at fair value through profit or loss		
Wealth management product	72,509	233
Financial assets at amortized cost		
Wealth management product	141,751	-

The wealth management products were purchased from creditworthy commercial banks offshore. Among these, the product mandatorily classified as financial assets measured at fair value through profit or loss as its contractual cash flows is not solely payments of principal and interest. The fair values are based on cash flows discounted using the expected yield rate and are within Level 2 of the fair value hierarchy.

14. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Tax deduction related to withholding tax*	-	28,967
Input VAT to be deducted	47,598	-
Total	47,598	28,967

*The other non-current assets as at December 31 2024 was an excess withholding tax in relation to the Group's licensing revenue from the customer. As at 31 December 2025, the excess withholding tax has been repaid to us from the Tax Bureau.

15. PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepayments to suppliers	12,760	9,054
Input VAT to be deducted	-	35,870
Others	14,990	16,089
Total	27,750	61,013

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

MANAGEMENT DISCUSSION AND ANALYSIS

16. TIME DEPOSITS OVER THREE MONTHS AND CASH AND CASH EQUIVALENTS

The details of cash and bank balances (including time deposits over three months and cash and cash equivalents) are as follows:

	2025 RMB'000	2024 RMB'000
Cash and bank balances	2,026,974	1,959,188
Less:		
Time deposits over three months*	1,277,967	1,669,657
Cash and cash equivalents	749,007	289,531

* They represent time deposits with initial terms of over three months, acquired from commercial banks, with annual return rates ranging from 3.58% to 5.20% (year ended 31 December 2024: 4.13% to 5.30%) as at 31 December 2025. None of these deposits are either past due or impaired. None of these deposits are pledged.

The breakdown of cash and bank balances by the denomination of currency is as follows:

	2025 RMB'000	2024 RMB'000
Denominated in:		
RMB	29,766	198,216
USD	1,994,963	1,749,408
HKD	567	6,029
AUD	1,678	5,535
Cash and bank balances	2,026,974	1,959,188

17. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Payables for research and development services	82,092	67,632
Payroll payable	26,684	26,105
Other tax payables	3,528	16,142
Payables of construction and purchase of equipment	47	1,977
Other payables	14,391	12,569
Total	126,742	124,425

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals as at the end of each of the Reporting Periods approximated to their fair values due to their short-term maturities.

MANAGEMENT DISCUSSION AND ANALYSIS

NON-IFRS MEASURE

To supplement the Group's Consolidated Financial Statements, which are presented in accordance with the IFRS, the Company also uses adjusted profit for the year and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The Company believes that these adjusted measures provide useful information to shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations.

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

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

	2025 RMB'000	2024 RMB'000
Profit for the year	55,247	28,302
Added:		
Share-based payment expenses	32,608	20,739
Adjusted profit for the year	87,855	49,041

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

	2025 RMB'000	2024 RMB'000
Research and development expenses for the year	(508,441)	(451,376)
Added:		
Share-based payment expenses	21,203	13,771
Adjusted research and development expenses for the year	(487,238)	(437,605)

MANAGEMENT DISCUSSION AND ANALYSIS

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

	2025 RMB'000	2024 RMB'000
Administrative expenses for the year	(75,774)	(74,210)
Added:		
Share-based payment expenses	11,405	6,968
Adjusted administrative expenses for the year	(64,369)	(67,242)

Employee and Remuneration Policy

The following table sets forth a breakdown of our employees as at December 31, 2025, by function:

Functions	Numbers	%
Research	88	31.9%
Pre-clinical development	38	13.8%
Clinical development	94	34.1%
Scientific Strategy and Operations	10	3.6%
Others	46	16.7%
Total	276	100.0%

As at December 31, 2025, the Group had 276 employees, where their salaries and allowances were determined based on their performance, experience and the then prevailing market rates. We have also invested in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries, project and share incentive plans to our employees especially key employees.

Liquidity and Financial Resources

The Group's cash and bank balances including time deposits over three months and cash and cash equivalents as at December 31, 2025 were RMB2,027.0 million, representing a increase of 3.5% compared to RMB1,959.2 million as at December 31, 2024. The increase of cash was due to the receipt of licensing revenue and the increase in interest-bearing bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

Gearing ratio

Gearing ratio is calculated using total liabilities divided by total assets and multiplied by 100%. As at December 31, 2025, our gearing ratio was 18% (as at December 31, 2024: 7%).

Other Financial Information

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

The Group had no material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this report, we do not have any future plans for material investments or capital assets as at the date of this report.

Foreign Exchange Risk

Our financial statements are expressed in RMB, but certain of our financial assets measured at fair value through profit or loss and other payables are denominated in foreign currencies and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Bank Loans and Other Borrowings

As at December 31, 2025, our borrowings were all interest-bearing bank borrowings, were all at fixed interest rates, and were RMB291.70 million (as at December 31 2024: Nil.).

Contingent Liabilities

The Group had no material contingent liability as at December 31, 2025.

Charges on Group Assets

As at December 31, 2025, we did not have any charges on our assets.



DIRECTORS AND SENIOR MANAGEMENT

The biography details of the Directors and senior management are set out as follows as at March 2, 2026:

EXECUTIVE DIRECTORS

Dr. XU Yao-Chang (徐耀昌), aged 69, is a co-founder of the Group. Dr. Xu founded the Group on April 12, 2016 and was appointed as a Director, Chairman of the Board and Chief Executive Officer (“**CEO**”) of the Company on March 28, 2018. Dr. Xu was designated as an executive Director on June 10, 2021.

Dr. Xu has over 30 years of experience in R&D in oncology and other disease areas. Dr. Xu began his career at the University of Sherbrooke in Canada as a postdoctoral researcher in 1988. He then worked at BioChem Pharma Inc., a company engaged in new drug R&D for anti-virus and antitumor in the early 1990s. Dr. Xu served as senior organic chemist from October 1993 and subsequently Head of Discovery Chemistry Research until January 2006 at Eli Lilly and Company (Lilly), a pharmaceutical company engaged in the development of pharmaceutical products for treatment in areas of oncology, diabetes, immunology and neurodegeneration. From January 2006 to March 2012, Dr. Xu served as the Executive Director at Novartis International AG, a pharmaceutical company principally engaged in the development, manufacture and marketing of branded and generic prescription drugs, active pharmaceutical ingredients (“**APIs**”), biosimilars and ophthalmic products. From March 2012 to March 2016, Dr. Xu served as the General Manager of the Hansoh Pharmaceutical Group Shanghai Research and Development Centre (豪森醫藥集團上海新藥研發中心) of Shanghai Hansoh BioMedical Co., Ltd. (上海翰森生物醫藥科技有限公司) (“**Hansoh Shanghai**”), a subsidiary of 江蘇豪森藥業集團有限公司 (“**Hansoh**”), a pharmaceutical company engaged in the development of pharmaceutical products in areas of antitumor, central nervous system and diabetes. During his tenure at Hansoh, Dr. Xu also served as the Chairman of Hengrui-Hansoh New Drug Discovery Committee (恒瑞－豪森醫藥研發委員會).

Dr. Xu has served as a Director at Abbisko Hongkong Limited (“**Abbisko Hong Kong**”) since April 2018, a Director and the CEO at Abbisko Therapeutics Co., Ltd. (上海和譽生物醫藥科技有限公司) (“**Abbisko Shanghai**”) since April 2016, a Director at Wuxi Abbisko Biomedical Technology Co., Ltd. (無錫和譽生物醫藥科技有限公司) (“**Abbisko Wuxi**”) since July 2020 and a Director at Abbisko Therapeutics Australia Pty Ltd (“**Abbisko Australia**”) since December 2020, a Director at Beijing Qianyu Therapeutics Co. Ltd. (北京千譽生物醫藥科技有限公司) (Abbisko Beijing) since November 2021, all five of which are wholly-owned subsidiaries of the Company.

Dr. Xu obtained his Bachelor’s degree in chemistry from Nanjing University in the People’s Republic of China (“**PRC**”) in July 1982, and his Doctoral degree in organic chemistry from the University of Chicago in the United States in July 1988. He served as an Industrial Alternate Councilor from 2010 to 2012 for American Chemical Society, the Division of Medicinal Chemistry. He also has been an elected member of the Medicinal Chemistry Committee of the Chinese Pharmaceutical Association.

DIRECTORS AND SENIOR MANAGEMENT

Dr. YU Hongping (喻紅平), aged 58, is a co-founder of the Group. Dr. Yu founded the Group on April 12, 2016 and was appointed as a Director and Senior Vice President, Chemistry on March 28, 2018. Dr. Yu was designated as an executive Director on June 10, 2021 and was re-designated as Chief Scientific Officer (“CSO”) in March, 2022, and served as joint company secretary of the Company from April 29, 2024 to March 2, 2026.

Dr. Yu worked as a senior research chemist at the Merck Frosst Centre for Therapeutic Research from October 2002 to April 2007, a pharmaceutical company engaged in the development, manufacture and marketing of pharmaceutical drugs, vaccines and animal-health products. From April 2007 to February 2012, Dr. Yu served as a Senior Research Investigator I at Novartis Institutes for BioMedical Research Co., Ltd., a pharmaceutical company engaged in the development, manufacture and marketing of branded and generic prescription drugs, APIs, biosimilars and ophthalmic products. From October 2012 to February 2016, Dr. Yu served as the deputy General Manager of medicinal chemistry at Hansoh Shanghai (formerly known as 上海捷森藥物化學科技有限公司).

Dr. Yu has served as a Director at Abbisko Hong Kong since April 2018 and as a Director at Abbisko Shanghai since April 2016, both of which are wholly-owned subsidiaries of the Company.

Dr. Yu obtained his Bachelor’s degree in chemistry and his Master’s degree in science from Tsinghua University in the PRC in July 1991 and March 1994, respectively. He obtained his Doctoral degree in chemistry from the University of British Columbia in Canada in November 2000 and was a postdoctoral research fellow at that university between July 2001 and September 2002.

Dr. JI Jing (嵇靖), aged 55, joined the Group as Chief Medical Officer on February 1, 2021, was appointed as an executive Director on March 3, 2025, and has served as a Director at Abbisko Shanghai since September 2025. Dr. Ji is responsible for leading cross-functional teams and overseeing company-wide clinical development and regulatory strategies.

Dr. Ji worked as a doctor at Shanghai First People’s Hospital from July 1995 to December 1997. She served as the Clinical Research Manager at Merck Sharp & Dohme, a pharmaceutical company engaged in the development of vaccines, medicines and health products, from December 1997 to March 2003. From September 2003 to June 2006, Dr. Ji served as the Clinical Research Unit Head at Sanofi S.A., a biopharmaceutical company engaged in manufacture of pharmaceutical products. From June 2006 to January 2010, Dr. Ji served as the Head of Clinical Development and Medical Affairs at GlaxoSmithKline plc, a pharmaceutical company engaged in the development, manufacture and marketing of pharmaceutical products. From January 2010 to April 2015, Dr. Ji served as Director in early clinical development at Johnson & Johnson Medical (Shanghai) Ltd. (強生(上海)醫療器材有限公司), a pharmaceutical company that engaged in the development of medical devices, pharmaceuticals, and consumer packaged goods. From April 2015 to May 2020, Dr. Ji served as the Head of Cardiovascular, Renal and Metabolism Therapy Area and Vice President at AstraZeneca plc, a pharmaceutical and biotechnology company engaged in the development and manufacture of pharmaceutical products. From May 2020 to January 2021, Dr. Ji served as the Senior Vice President of medical and clinical development at Shanghai Lianbio Development Co., Ltd. (上海聯拓生物科技有限公司).

DIRECTORS AND SENIOR MANAGEMENT

Dr. Ji obtained her Bachelor of Medicine degree from Fudan University and Shanghai Second Medical University in the PRC in July 1993 and Master's degree in medicine from Fudan University and Shanghai Second Medical University in the PRC in July 1995.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. SUN Piaoyang (孫飄揚), aged 67, was appointed as an independent non-executive Director on September 30, 2021.

Dr. Sun has served as a Director of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恒瑞醫藥股份有限公司) (Shanghai Stock Exchange Code: 600276, HKEX Stock Code: 1276) ("**Jiangsu Henrui Pharmaceuticals**") since April 1997 and the Chairman of the strategic committee and a member of the nomination committee. He also served as the Chairman of the Board of Jiangsu Hengrui Pharmaceuticals from April 1997 to January 2020 and from August 2021 until now. Dr. Sun has served as an executive Director and CEO of Jiangsu Hengrui Pharmaceutical Group Co., Ltd. (江蘇恒瑞醫藥集團有限公司) since February 2020.

Dr. Sun obtained his Bachelor's degree in pharmaceutical chemistry from China Pharmaceutical University in the PRC in July 1982. He obtained his Doctoral degree in organic chemistry from Nanjing University in December 2004.

Mr. SUN Hongbin (孫洪斌), aged 50, was appointed as an independent non-executive Director on September 30, 2021.

Mr. Sun has served as an independent non-executive Director of New Century Healthcare Holding Co. Limited (HKEX Stock Code: 1518) ("**New Century Healthcare**") since December 2016. He has served as an independent non-executive Director of CStone Pharmaceuticals (HKEX Stock Code: 2616) from February 2019 to June 2025. He has served as an independent non-executive Director of Mobvista Inc. (HKEX Stock Code: 1860) since July 2020. Mr. Sun has served as a Director of Shanghai MicroPort MedBot (Group) Co., Ltd. (HKEX Stock Code: 2252) from April 2020 to November 2025. He has been the chief financial officer ("**CFO**") of MicroPort Scientific Corporation (微創醫療科學有限公司) (HKEX Stock Code: 0853), since July 2010 and served as its executive Director from July 2010 to September 2012. Mr. Sun has also served as a Director and the Chairman of the Board of Directors of Shanghai MicroPort Endovascular MedTech (Group) Co., Ltd., (Stock Code: 688016.SH) since December 2025.

Mr. Sun has over 23 years of finance and audit experience. Mr. Sun was the deputy Financial Director of Otsuka (China) Investment Co., Ltd. (大冢(中國)投資有限公司) from January 2004 to January 2006 and served as its General Manager from January 2006 to August 2010. From August 1998 to January 2004, he was an Assistant Manager in the audit department of KPMG Huazhen (畢馬威華振會計師事務所) in Shanghai.

Mr. Sun obtained his Bachelor's degree in accounting from Shanghai Jiaotong University in the PRC in July 1998. Mr. Sun became a member of the Chinese Institute of Certified Public Accountants in December 2009 and a Chartered Financial Analyst in April 2010.

On June 11 2025, Stock Exchange publicly criticized Mr. Sun, for his conduct during his tenure as an independent non-executive director of New Century Healthcare, as disclosed in the announcement of the Company dated June 12, 2025. As disclosed in the announcement published by New Century Healthcare on December 18, 2025 (the "**Announcement**"), it confirmed that Mr. Sun had completed the Training (as defined in that Announcement) in accordance with the directions of the Listing Committee (as defined in that Announcement).

DIRECTORS AND SENIOR MANAGEMENT

Ms. CHUI Hoi Yam (alias: 徐海瑛) (former name: 徐海英), aged 58, was appointed as an independent non-executive Director of the Company on February 28, 2025.

Ms. Chui is an independent non-executive Director, chairperson of the remuneration committee and member of the audit committee and nomination committee of Everest Medicines Limited (雲頂新耀有限公司), a company listed on The Stock Exchange of Hong Kong Limited (HKEX Stock Code: 1952), since January 19, 2023. Ms. Chui was an executive director of China Biotech Services Holdings Limited (中國生物科技服務控股有限公司), a company listed on the GEM of The Stock Exchange of Hong Kong Limited (HKEX Stock Code: 8037), from December 2022 to June 2023 and was a non-executive director with effect from June 30, 2023 to June 13, 2024. Previously, she was the president of Harbin Pharmaceutical Group Co., Ltd. (哈藥集團股份有限公司) (“**Harbin Pharmaceutical**”), a company listed on the Shanghai Stock Exchange (stock code: 600664), from March 2019 to May 2022 and a director of Harbin Pharmaceutical from January 2021 to May 2022, where she was responsible for the overall business operation. Ms. Chui has also previously worked in China Hewlett-Packard Co., Ltd. (中國惠普有限公司) and Novartis International.

Ms. Chui received her bachelor’s degree in Economic Administration and master’s degree in Finance from Peking University, the People’s Republic of China in July 1990 and July 2001, respectively.

SENIOR MANAGEMENT

Dr. ZHANG Zhen (張臻), aged 52, joined the Group on April 1, 2021, now is the Senior Vice President and Head of CMC and is responsible for overseeing the Group’s chemistry, manufacturing and controls in the drug development cycle. Dr. Zhang served as a Senior Director of the research and development department of Shanghai Chempartner Co. Ltd. from December 2009 to January 2013. He served as the Director at Bristol Myers Squibb from January 2013 to July 2013. He served as a Director of small molecule development at Johnson & Johnson from July 2013 to March 2021.

Dr. Zhang obtained his Bachelor of Science degree in chemistry from Nanjing University in the PRC in July 1994. He obtained his Doctoral degree from the Rutgers University in the United States in October 2002.

Dr. ZHANG Zidong (張子棟), aged 46, joined the Group as CFO on May 16, 2022, and is responsible for the Company’s financial management, capital market, investor relations and other related activities. He served as the CFO at Novotech Health Holdings Pte. Ltd. prior to joining the Group, overseeing all aspects of financial management. He also previously served as the CFO at Shanghai Henlius Biotech, Inc. (a company listed on The Stock Exchange of Hong Kong Limited (HKEX Stock Code: 2696), where he built and managed the finance team and played a crucial role in its initial public offering in 2019. Prior to that, Dr. Zhang was an equity analyst at UBS in New York, covering U.S. large cap and specialty pharmaceutical sector. He also served as a senior consultant for Bayer A.G. in its healthcare group. Before entering the industry, Dr. Zhang conducted his postdoctoral research in diabetes-related drug discovery at Boston University.

Dr. Zhang obtained his Bachelor’s degree in chemistry from Fudan University and Master’s degree of business administration from Duke University in the United States. He obtained his Doctoral degree in biochemistry from Boston University.



DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

We are a biopharmaceutical company dedicated to the discovery and development of innovative and differentiated therapies. Since our establishment in 2016, we have strategically built a robust pipeline of 21 program candidates, with a primary focus on oncology. Among these, pimicotinib has received approval from the China NMPA, and several other candidates are currently in clinical development stages. Our product portfolio is primarily centered on small molecules, emphasizing precision oncology and immuno-oncology, with a growing expansion into both non-oncology therapeutic areas and other modalities.

There were no significant changes in the nature of the Group's principal activities during the Reporting Period. Please refer to note 1 to the consolidated financial statements on page 117 of this report for details of the principal activities of the principal subsidiaries of the Group.

BUSINESS REVIEW

A fair review of the business of the Group, the outlook of future development of the business of the Group as well as a discussion and analysis of the Group's performance during the Reporting Period and the material factors underlying its financial performance and financial position as required by section 388(2) and Schedule 5 to the Companies Ordinance can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this report. The financial risk management objectives and policies of the Group are set out in note 33 to the consolidated financial statements.

For further details, please refer to the section headed "Management Discussion and Analysis" on pages 13 to 39.

RESULTS AND FINAL DIVIDENDS

Details of the consolidated profits of the Group for the Reporting Period and the Group's financial position as at December 31, 2025 are set out in the consolidated financial statements.

The Board does not recommend payment of a final dividend for the year ended December 31, 2025. No dividend was paid or declared by the Company or other members of the Group during the year ended December 31, 2025 (2024: nil). In addition, there was no arrangement under which a Shareholder has waived or agreed to waive any dividends.

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

For further details, please refer to the Company's "2025 Environmental, Social and Governance (ESG) Report" ("**ESG Report**") which will be uploaded to the website of the Company and the website of the Stock Exchange at the same time as the publication of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

There are certain risks involved in our operations, many of which are beyond our control. Some of the major risks we face include:

- We face fierce competition from existing products and product candidates under development in the entire market. Our competitors may discover, develop or commercialize competing drugs earlier or more successfully than we do. If we fail to effectively compete with our competitors, our competitive position in our target markets may be undermined, our drug candidates, if and when approved, may fail to be commercially successful and our business, financial condition, results of operations and prospects could suffer;
- Our business and financial prospects depend substantially on the success of our clinical stage and pre-clinical stage drug candidates. If we are unable to successfully complete their clinical development, obtain relevant regulatory approvals or achieve their commercialization, or if we experience significant delays in any of the foregoing, our business, results of operations and financial condition may be adversely affected;
- We rely on certain third-party licensors for some of our clinical development activities;
- If safety, efficacy or other issues arise with any drug or medical product used in combination with or to facilitate the use of our drug candidates, we may be unable to market such drug candidate or may experience significant regulatory delays;
- All critical aspects of the research, development, manufacturing, and commercialization of biopharmaceutical products are subject to strict regulations. Any failure to comply with applicable laws, regulations, and industry standards, or any adverse actions taken by regulatory authorities against us, could severely impact our reputation, business, financial condition, operational results, and future prospects;
- The regulatory approval processes of the China NMPA, the US FDA, and other comparable regulatory authorities are not only time-consuming but also highly uncertain. If we fail to obtain the necessary regulatory approvals for our drug candidates in our targeted markets within a reasonable timeframe, our business could face significant actual or perceived harm;
- We have entered into license and collaboration agreements with third parties in the development of our drug candidates, and may seek additional license and collaboration opportunities in the future, and we may not realize the benefits of such partnerships as expected;
- The future commercial success of our drug candidates will depend on the degree of their market acceptance among physicians, patients and others in the medical community;
- We may be restricted from transferring our scientific data abroad;



DIRECTORS' REPORT

- We have incurred significant net losses since our inception, and expect to continue to incur net losses for the foreseeable future and may fail to achieve or maintain profitability. Potential investors are at risk of losing substantially all of their investments in our Shares.

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

DIRECTORS

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

Executive Directors

Dr. Xu Yao-Chang (徐耀昌博士)

Dr. Yu Hongping (喻紅平博士)

Dr. Chen Zhui (陳椎博士) (resigned as an executive Director with effect on March 3, 2025)

Dr. Ji Jing (嵇靖博士) (appointed as an executive Director with effect on March 3, 2025)¹

Independent Non-Executive Directors

Dr. Sun Piaoyang (孫飄揚博士)

Mr. Sun Hongbin (孫洪斌先生)

Mr. Wang Lei (王磊先生) (resigned as an independent non-executive Director with effect on February 28, 2025)

Ms. Chui Hoi Yam (徐海音女士) (appointed as an independent non-executive Director with effect on February 28, 2025)²

Notes:

1. Dr. Ji Jing obtained the legal advice referred to in Rule 3.09D of the Listing Rules on February 10, 2025, and Dr. Ji Jing confirmed that she understood her obligations as a director of the Company.
2. Ms. Chui Hoi Yam obtained the legal advice referred to in Rule 3.09D of the Listing Rules on January 21, 2025, and Ms. Chui Hoi Yam confirmed that she understood her obligations as a director of the Company.

In accordance with Article 16.19 of the Articles of Association, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to, but not less than one-third) shall retire from office by rotation at every Annual General Meeting (“AGM”) and, being eligible, offer themselves for re-election.

In accordance with Article 16.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

In accordance with Article 16.3 of the Articles of Association, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors.

Details of the Directors to be re-elected at the forthcoming AGM are set out in the circular to Shareholders to be dispatched in due course.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 40 to 43 of this report.

CHANGES IN INFORMATION OF DIRECTORS

So far as the Directors are aware and save as disclosed below, there has been no other change of information of Directors during the Reporting Period and up to the date of this report pursuant to Rule 13.51B(1) of the Listing Rules.

Name of Director	Details of changes
Mr. Wang Lei	Resigned as an independent non-executive Director and ceased to be the chairperson of the remuneration committee of the Company and a member of the audit committee of the Company with effect on February 28, 2025
Dr. Sun Piaoyang	Ceased to be a member of the nomination committee of the Company with effect on February 28, 2025 Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恒瑞醫藥股份有限公司), in which Dr. Sun Piaoyang is an executive director, was listed on the Stock Exchange (Stock Code: 1276) with effect from May 23, 2025
Dr. Chen Zhui	Resigned as an executive Director with effect on March 3, 2025
Ms. Chui Hoi Yam	Appointed as an independent non-executive Director, the chairperson of the remuneration committee of the Company, a member of the audit committee of the Company and a member of the nomination committee of the Company with effect on February 28, 2025
Dr. Ji Jing	Appointed as an executive Director with effect on March 3, 2025
Mr. Sun Hongbin	Resigned as a Director of Shanghai MicroPort MedBot (Group) Co., Ltd. (HKEX Stock Code: 2252) on November 2025. Resigned as an independent non-executive director of CStone Pharmaceuticals (a company listed on the Stock Exchange, Stock Code: 2616) with effect from June 25, 2025 Appointed as a Director and the Chairman of the Board of Directors of Shanghai MicroPort Endovascular MedTech (Group) Co., Ltd., (Stock Code: 688016.SH) since December 2025. The Stock Exchange has publicly criticised Mr. Sun Hongbin for his conduct during his tenure as an independent non-executive director of New Century Healthcare, stating that he failed to procure the board of directors of New Century Healthcare to take adequate steps to collect the receivables and safeguard the interests of New Century Healthcare, thereby constituting a violation of Rule 3.08 and Rule 3.09B(2) of the Listing Rules on June 11, 2025. For further details, please refer to the Company's announcement dated June 12, 2025.



DIRECTORS' REPORT

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

We have received from each of the independent non-executive Directors, the confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company has duly reviewed their respective confirmation of independence and considers that each of the independent non-executive Directors has been independent during the year ended December 31, 2025 and remain so as at the date of this report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

As at December 31, 2025, we had approximately 276 employees. Our employees' remuneration comprises salaries, bonuses, employee provident fund and social security contributions and other welfare payments. In accordance with applicable PRC laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees in the PRC. During the Reporting Period, no forfeited contributions had been used by the Group to reduce the existing level of contributions.

We have developed a systematically training structure, which covers both management and professional career development paths. Our employees regularly receive training from management, technology, regulatory and other internal speakers and external consultants. Our employees can also improve their skills through mutual learning among colleagues. New employees will receive pre-job training and general training.

Our Directors receive compensation in the form of fees, salaries, bonuses, other allowances, benefits in kind, contribution to the pension scheme and other share-based compensation. We determine the compensation of our Directors based on each Director's responsibilities, qualification, position and seniority. Details of the Directors' remuneration during the year are set out in note 10 to the consolidated financial statements. No amount was paid to any Director or any of the five highest paid individual disclosed in note 11 to the consolidated financial statements as an inducement to join or upon joining the Company or as a compensation for loss of office. In addition, there was no arrangement under which a Director waived or agreed to waive any remuneration.

PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Articles of Association provide that the Directors or other officers of the Company are entitled to be indemnified out of the assets of the Company against all losses and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the Reporting Period.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, no Director or an entity connected with a Director was materially interested, either directly or indirectly, in any transaction, arrangement or contract which is significant in relation to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during the Reporting Period and up to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period and up to the date of this report between the Company and a person other than a Director or any person engaged in the full-time employment of the Company.

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Save as disclosed in this report, each of the Directors other than the independent non-executive Directors confirms that during the Reporting Period and up to the date of this report, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules. From time to time our independent non-executive Directors may serve on the Boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as Directors would render us incapable of carrying on our business independently from the other companies in which these Directors may hold directorships from time to time.

DIRECTORS' REPORT

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

As far as the Company is aware, as at December 31, 2025, the interests and short positions of our Directors and chief executives in the shares, underlying shares or debentures of the Company or any of our associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), which were required (a) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

Name of Director or chief executive	Nature of Interest	Total number of shares/ underlying shares	Approximate Percentage of Shareholding Interest ⁽²⁾
Dr. Xu Yao-Chang ⁽³⁾	Founder of discretionary trust; beneficial owner	81,724,968 (L) ⁽¹⁾	12.02 %
Dr. Yu Hongping ⁽⁴⁾	Interest in controlled corporation; beneficial owner	18,277,530 (L) ⁽¹⁾	2.69 %
Dr. Ji Jing	Beneficial owner	5,562,136 (L) ⁽¹⁾	0.82 %

Notes:

- (1) "L" means holding a long position in Shares.
- (2) Refers to the percentage of the number of relevant Shares involved divided by the total number of Shares in issue of the Company (including 7,744,000 treasury shares) as at December 31, 2025, being 680,105,350 Shares.
- (3) Includes (1) Dr. Xu is the settlor of a discretionary trust, the Xu Wang Trust, of which Trident Trust Company (HK) Limited acts as its trustee and the beneficiaries of which are Dr. Xu's family members. Yaochang Family Holding Limited is wholly owned by Hery International Development Limited, which is in turn wholly owned by Trident Trust Company (HK) Limited as the trustee of the Xu Wang Trust. Each of Dr. Xu (as settlor of the Xu Wang Trust), Trident Trust Company (HK) Limited and Hery International Development Limited are deemed to be interested in the 70,290,520 Shares in the Company held by Yaochang Family Holding Limited.; and (2) Dr. Xu directly holds 11,434,448 Shares.
- (4) Includes (1) Dr. Yu through his interest in controlled corporation, Panorama HY Investment Limited, held 9,897,370 Shares; and (2) Dr. Yu directly holds 8,380,160 Shares.

Dr. Xu, Dr. Yu and Dr. Chen Zhui entered into an acting-in-concert agreement ("**Acting-in-concert Agreement**") on May 26, 2021, pursuant to which they acknowledged and confirmed that (i) since 2016, each of Dr. Xu, Dr. Yu, Dr. Chen and their controlled entities has been acting in concert at the Shareholders' meetings of Abbisko Therapeutics Co., Ltd. and the Company; (ii) they will continue to act in concert at the Shareholders' meeting of the Company; and (iii) in the event that the parties are unable to reach consensus on matters of the Company, each of the parties shall exercise their respective voting rights in accordance with the instructions of Dr. Xu. As such, each of Dr. Xu, Dr. Chen and Dr. Yu (i.e. the "**Concert Parties**") are deemed to be interested in the Shares each other is interested in.

As Dr. Chen tendered his resignation as an executive Director of the Company, a director of Abbisko Hongkong Limited and a director of Abbisko Therapeutics Co., Ltd., and ceased to be our chief scientific officer with effect from March 3, 2025, the Concert Parties entered into a termination agreement to terminate the Acting-in-concert Agreement (the "**Termination Agreement**") with effect from March 3, 2025. Upon the execution of the Termination Agreement, the Concert Parties are no longer obliged to, among other things, act in concert by aligning their votes at the Shareholders' meetings of Abbisko Therapeutics Co., Ltd. and the Company, nor be deemed to be interested in each other's interest in the Shares. For further details, please refer to the announcement of the Company dated March 3, 2025.

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

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at December 31, 2025, to the best of the knowledge of the Company and the Directors, the following are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO.

Name of Shareholder	Nature of Interest	Total number of shares/ underlying shares	Approximate Percentage of Shareholding Interest ⁽²⁾
Yi Shi ⁽³⁾	Interest in controlled corporation	40,905,790 (L) ⁽¹⁾	6.01%
LAV Asset Management (Hong Kong) Limited ⁽³⁾	Investment Manager	40,905,790 (L) ⁽¹⁾	6.01%
Qiming Venture Partners VI, L.P. ⁽⁴⁾	Beneficial owner	40,778,906 (L) ⁽¹⁾	6.00%
Qiming GP VI, L.P. ⁽⁴⁾	Interest in controlled corporation	40,778,906 (L) ⁽¹⁾	6.00%
Trident Trust Company (HK) Limited ⁽⁵⁾	Trustee	80,187,890 (L) ⁽¹⁾	11.79%
Futu Trustee Limited	Trustee	40,857,293 (L) ⁽¹⁾	6.01%
Morgan Stanley ⁽⁶⁾	Interest in controlled corporation	52,486,000 (L) ⁽¹⁾ 21,108,000 (S) ⁽¹⁾	7.72% 3.10%
Allianz SE ⁽⁷⁾	Interest in controlled corporation	40,692,000 (L) ⁽¹⁾	5.98%

Notes:

- (1) "L" means holding a long position in Shares, while "S" means holding a short position in Shares.
- (2) Refers to the percentage of the number of relevant Shares involved divided by the total number of Shares in issue of the Company (including 7,744,000 treasury shares) as at December 31, 2025, being 680,105,350 Shares.
- (3) Absolute Investment Limited, Sky Infinity Investment Limited and LAV Biosciences Fund V, L.P. directly owns 6,810,700 Shares, 3,405,360 Shares and 11,235,730 Shares respectively. Absolute Investment Limited is wholly-owned by LAV Biosciences Fund III, L.P.. Sky Infinity Investment Limited is wholly-owned by Lilly Asia Ventures Fund III, L.P.. The general partner of both LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. is LAV GP III, L.P., whose general partner is LAV Corporate GP, Ltd., a company owned by Yi Shi. LAV Biosciences Fund V, L.P. is a Cayman exempted limited partnership fund. The general partner of LAV Biosciences Fund V, L.P. is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd., a company owned by Yi Shi.

Each of LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited directly owns 8,482,000 Shares, 8,482,000 Shares and 2,490,000 Shares. LAV Star Limited is wholly-owned by LAV Fund VI, L.P. and LAV Star Opportunities Limited is wholly-owned by LAV Fund VI Opportunities, L.P. The ultimate beneficial owner of LAV Star Limited and LAV Star Opportunities Limited is Yi Shi. LAV Amber Limited is wholly owned by LAV Biosciences Fund V, L.P.

Based on the above, under the SFO, LAV Biosciences Fund III, L.P. is deemed to be interested in the 6,810,700 Shares held by Absolute Investment Limited. Each of LAV GP III, L.P. and LAV Corporate GP, Ltd. (through its interests in controlled corporations) is interested in the 6,810,700 Shares held by Absolute Investment Limited and the 3,405,360 Shares held by Sky Infinity Investment Limited. LAV Biosciences Fund V, L.P. is deemed to be interested in the 2,490,000 Shares held by LAV Amber Limited. Yi Shi (through his interests in controlled corporations) is deemed to be interested in the 6,810,700 shares held by Absolute Investment Limited, the 3,405,360 shares held by Sky Infinity Investment Limited, the 8,482,000 shares, 8,482,000 shares and 2,490,000 shares held by LAV Star Limited, LAV Star Opportunities Limited and LAV Amber Limited respectively and the 11,235,730 shares LAV Biosciences Fund V, L.P. is interested in.

- (4) Qiming Venture Partners VI, L.P. directly owns 40,778,906 Shares. Qiming Venture Partners VI, L.P. is an exempted limited partnership managed and controlled by its ultimate general partner Qiming GP VI, L.P. Based on the above, under the SFO, Qiming GP VI, L.P. is deemed to be interested in (through its interests in controlled corporations) the 40,778,906 Shares held by Qiming Venture Partners VI, L.P.
- (5) Please also refer to note 3 to the table under the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" as disclosed in this report.
- (6) Morgan Stanley & Co. International plc directly holds 52,486,000 and 21,108,000 in long position and short position in Shares respectively. Morgan Stanley & Co. International plc is directly wholly owned by Morgan Stanley Investments (UK), which is in turn wholly owned by Morgan Stanley International Limited, which is in turn wholly owned by Morgan Stanley International Holdings Inc., which is in turn wholly owned by Morgan Stanley. Therefore, Morgan Stanley is deemed to be interested in the 52,486,000 long position in Shares and 21,108,000 short position in Shares held by Morgan Stanley & Co. International plc.
- (7) PT Allianz Global Investors Asset Management Indonesia and Allianz Global Investors Asia Pacific Ltd directly hold 1,451,000 Shares and 39,241,000 Shares respectively. Allianz Global Investors Asia Pacific Ltd is wholly-owned by Allianz Global Investors GmbH. Allianz Global Investors GmbH is wholly-owned by Allianz Asset Management GmbH, which is in turn wholly-owned by Allianz SE. PT Allianz Global Investors Asset Management Indonesia is 99% owned by Allianz Global Investors Asia Pacific Ltd.

Based on the above, under the SFO, Allianz SE is deemed to be interested in the 39,241,000 Shares held by Allianz Global Investors Asia Pacific Ltd and the 1,451,000 Shares held by PT Allianz Global Investors Asset Management Indonesia.

Save as disclosed above, as at December 31, 2025, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

LARGEST SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

At no time during the Reporting Period had the Company or any of its subsidiaries, and its largest Shareholders of the Company or any of their subsidiaries (as the case may be) entered into any contract of significance or any contract of significance for the provision of services by any such largest Shareholders or their subsidiaries (as the case may be) to the Company or any of its subsidiaries.



DIRECTORS' REPORT

EQUITY INCENTIVE PLANS

2019 Share Incentive Plan (“2019 Share Incentive Plan” or “2019 Plan”)

The 2019 Share Incentive Plan was a pre-IPO share incentive plan adopted and approved by resolutions in writing by the Board and the Shareholders on July 4, 2019 and was further amended on June 10, 2021. The purpose of the 2019 Plan is to attract and retain the best available personnel and to provide additional incentives to employees, Directors and consultants of the Company and to promote the success of the Company's business. All shares underlying the awards and options which may be granted under the 2019 Plan have been allotted and issued prior to the listing of the Company's shares on the Stock Exchange. No further shares of the Company would be or have been issued pursuant to the 2019 Plan after the listing of the Company's shares on the Stock Exchange.

1. *Summary of terms*

(a) Duration

The 2019 Plan shall be valid and effective for the period of ten years commencing from the adoption date after which period no further options, share appreciation right, dividend equivalent right, restricted shares and restricted share units (the “**Award**”) will be granted, unless terminated sooner. Therefore, as at December 31, 2025, the remaining life of the 2019 Plan was approximately 3.5 years.

(b) Participants

The participants of the 2019 Plan include employees who are in the employment of the Company and its affiliates, Directors and consultants of the Company and its affiliates.

(c) Administration

The 2019 Plan shall be subject to the administration of (i) the Board; (ii) one of the officers or Directors or a committee designated by the Board (the “**Administrator**”); and (iii) the Shareholders. The Board shall have the authority to (i) approve the 2019 Plan and the separate programs under the 2019 Plan; (ii) select the core management team and Directors to which Awards may be granted from time to time; (iii) to determine whether and to what extent the Awards are granted for the core management team and Directors; (iv) to determine the type or the number of Awards to be granted for the core management team and Directors and the number of shares to be covered by each Award granted; (v) to determine the terms and conditions of any Award granted for the core management team and Directors; (vi) amend the terms of any outstanding Award granted for the core management team and Directors under the 2019 Plan; (vii) amend, suspend or terminate the 2019 Plan at any time provided, however, that no such amendment shall be made without the approval of the Shareholders to the extent that such approval is required by the applicable laws; (viii) terminate the grant of Award during any suspension of the 2019 Plan or after termination of the 2019 Plan; and (ix) to take such other major action, not inconsistent

with the terms of the 2019 Plan and the applicable laws, as the Board deems appropriate, such as the early exercise of the Awards and the loan plan and the amount of consideration to be covered by each Award granted. The Shareholders shall have the power to approve and determine the maximum aggregate number of ordinary shares which may be issued pursuant to all Awards under the 2019 Plan.

The Administrator shall have the authority to (i) propose amendments to the 2019 Plan and separate programs under the 2019 Plan and report the propose amendments of the 2019 Plan to the Board for approval; (ii) to select employees (not including the core management team and consultants) whom Awards may be granted from time to time; (iii) to determine whether and to what extent Awards are granted for the employees (not including the core management team and consultants); (iv) to determine the type or the number of Awards to be granted for the employees (not including the core management team and consultants), the number of ordinary shares to be covered by each Award; (v) to approve forms of Award agreements for use under the 2019 Plan and the separate programs and to amend the terms of the Award agreements; (vi) to determine the terms and conditions of any Award granted for the employees (not including the core management team and consultants); (vii) to amend the terms any outstanding Award granted for the employees (not including the core management team) and consultants under the 2019 Plan; (viii) to construe and interpret the terms of the 2019 Plan and Awards; and (ix) to take such other action, not inconsistent with the terms of the 2019 Plan and the applicable laws, as the Administrator deems appropriate.

(d) Award Agreement, Exercise Period and Vesting Period

Each Award granted under the 2019 Plan shall be evidenced by an award agreement between the Company and the eligible participant, approved by the Administrator and the Board.

The Awards to be issued under the 2019 Plan shall be subject to the vesting schedule and exercise period as specified in the award agreement. The Board shall have the right to adjust the vesting schedule of the options granted to the grantees.

(e) Type of Award

The 2019 Plan provides for awards of options, share appreciation right, dividend equivalent right, restricted share and restricted share units (“RSUs”).

- (i) **Options.** Subject to the 2019 Plan, the Administrator or the Board (as the case may be) shall be entitled to make an offer to any eligible participant to take up options in respect of such number of Shares as the Administrator may determine and at the exercise price determined by the Administrator or the Board (as the case may be) in its sole discretion and disclosed in the notices of stock option award and the award agreement. An option shall be deemed exercised when the Company receives (i) application from the eligible participant to the Company in the specified incentive management systems; and (ii) full payment for the Shares with respect to which the option is exercised. The period within which the option may be exercised by the grantee under the 2019 Plan is subject to the terms and conditions as set out in the notices of stock option award and the award agreement.



DIRECTORS' REPORT

- (ii) **Share Appreciation right and dividend equivalent right.** Subject to the 2019 Plan, the Administrator or the Board (as the case may be) shall be entitled to make an offer to any eligible participant to take up share appreciation right or dividend equivalent right in respect of such number of Shares as the Administrator may determine and at the exercise or purchase price determined by the Administrator or the Board (as the case may be) in its sole discretion and disclosed in the award agreement.
- (iii) **Restricted Share.** Subject to the 2019 Plan, a restricted share may be issued to the eligible participant for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions established by the Administrator or the Board (as the case may be).
- (iv) **Restricted Share Units.** A restricted share unit may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator or the Board (as the case may be) and may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator or the Board (as the case may be).

(f) *Payment*

The consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Board according to the specific circumstances and subject to the applicable laws. The tax withholding to be paid for the Shares shall be determined according to the provisions in the 2019 Plan and the applicable laws.

(g) *Non-transferability of Awards*

Subject to the applicable laws, the Awards shall not be transferrable unless otherwise approved by the Administrator. Upon the Administrator's approval, the eligible participant may designate one or more beneficiaries of the eligible participant's award in the event of the participant's death on a beneficiary designation form provided by the Administrator.

(h) *Maximum number of ordinary shares*

Subject to the terms of the 2019 Plan, the maximum aggregate number of ordinary shares which may be issued pursuant to all Awards was 8,360,280 Shares (which was subsequently adjusted to 83,602,800 Shares upon completion of the Share Subdivision, representing 12.43% of the total issued shares (excluding treasury shares) of the Company as at the date of this report), or any other share as approved by the Board or the Shareholders' meeting according to the Shareholders' agreement and the Articles of Association of the Company. As at January 1, 2025, (i) the aggregate number of underlying ordinary shares pursuant to the outstanding options and RSUs granted under the 2019 Plan was 11,218,945 Shares; and (ii) the aggregate number of underlying ordinary shares pursuant to the outstanding RSUs available for grant under the 2019 Plan was 28,364,948 Shares. As at December 31, 2025, (i) the aggregate number of underlying ordinary shares pursuant to the outstanding options and RSUs granted under the 2019 Plan was 11,423,987 Shares; and (ii) the aggregate number of underlying ordinary shares pursuant to the outstanding RSUs available for grant under the 2019 Plan was 24,047,326 Shares. No shares are available for issue under the 2019 Plan, as all shares underlying the awards and options which may be granted under the 2019 Plan have already been allotted and issued. Thus,

the total number of shares available for issue under the 2019 Plan together with the percentage of the issued shares (excluding treasury shares) that it represents as at the date of this report were both zero. No service provider sublimit has been set for the 2019 Plan.

Unless approved by the Shareholders in general meeting, the total number of the ordinary shares issued and to be issued upon the vesting or exercise of the Awards granted to each participant in any 12-month period shall not exceed 1% of the Shares in issue for the time being.

On December 16, 2019, 910,676 ordinary shares were issued to Affluent Bay Limited, which was owned and managed by The Core Trust Company Limited (匯聚信託有限公司), the trustee of Affluent Bay Trust. On September 18, 2021, 3,705,480 ordinary shares were issued to Computershare Hong Kong Trustees Limited, the trustee of Abbisko Cayman Limited Trust, and were transferred out to share award scheme participants as of December 7, 2022. On September 18, 2021, 1,909,023 ordinary shares were issued to Abbisko Galaxy Myth Limited and on September 18, 2021, 1,835,101 ordinary shares were issued to Abbisko Glorious Ode Limited, both of which were owned and managed by Futu Trustee Limited, the trustee of Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust. The Affluent Bay Trust, Abbisko Cayman Limited Trust, Abbisko Galaxy Myth Trust and Abbisko Glorious Ode Trust are all trusts set up by the Company to facilitate the administration of the ordinary shares Incentive Plan. Above mentioned share numbers were made corresponding changes upon completion of the Company's Share Subdivision. In July 2023, the remaining shares held by Affluent Bay Trust were transferred to Futu Trustee Limited.

(i) *Change in Control*

In the event of a Corporate Transaction, each Award can be assumed or replaced immediately prior to the specified effective date of such Corporate Transaction. For the portion of each Award that is neither assumed or substituted, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights for all of the ordinary shares at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the eligible participant's continuous service has not terminated prior to such date. All outstanding Awards under the 2019 Plan shall terminate effective upon the consummation of a Corporate Transaction, provided however that all such Awards shall not terminate to the extent that they are assumed or replaced in connection with the Corporate Transaction.

For the above purpose, a "Corporate Transaction" means the following events as determined by the Board: (i) a merger, amalgamation, consolidation or other business combination of the Company with or into any person, in which the Company is not the surviving entity, as a result of which the Shareholders of the Company immediately prior to such transaction will cease to own a majority of the voting power of the surviving entity immediately after consummation of such transaction; (ii) the sale, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company and its Subsidiaries and Affiliates; (iii) the complete liquidation or dissolution of the Company; (iv) any reverse merger or series of related transactions culminating in a reverse merger in which the Company is the surviving entity but the ordinary shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or in which securities possessing more than fifty percent (50%) of the total combined voting



DIRECTORS' REPORT

power of the Company's outstanding securities are transferred to a person different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger but excluding any such transaction or series of related transactions that the Board determines shall not be a Corporate Transaction; or (v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities, but excluding any such transaction or series of related transactions that the Board determines shall not be a Corporate Transaction.

2. Outstanding options, share appreciation right, dividend equivalent right, restricted shares and RSUs

As at December 31, 2025, the aggregate number of underlying ordinary shares pursuant to the outstanding options granted was 4,773,115 Shares, representing approximately 0.71% of the total issued Shares (excluding treasury shares). The exercise price of all the options granted under the 2019 Plan is between RMB0.01 and RMB2.61/HKD 2.87 per share. No options under the 2019 Plan have been or could be granted after the date when the Company's shares are listed on the Hong Kong Stock Exchange ("**Listing Date**").

As at December 31, 2025, the aggregate number of underlying ordinary shares pursuant to the outstanding RSUs granted under the 2019 Plan is 6,650,872 Shares, representing approximately 0.99% of the total issued Shares (excluding treasury shares).

As at December 31, 2025, no shares appreciation right or dividend equivalent right had been granted pursuant to the 2019 Plan.

3. *Movements of the Awards*

During the Reporting Period, no share options were granted under the 2019 Plan Scheme. Details of movements of share options under the 2019 Plan Scheme during the year ended December 31, 2025 are as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the options were granted	Number of shares underlying options										Exercise price	Performance targets		
			Outstanding as of the beginning of the Reporting Period	Granted during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Exercised during the Reporting Period	Outstanding as of the ending of the Reporting Period	Vesting period	Exercise period						
Directors																
Ji Jing (Note 14)	June 1, 2021	N/A	1,800,000	0	0	0	0	0	0	1,800,000	Note 3	Note 5	RMB1.45	Note 8		
Employee participants																
	Note 9	N/A	4,993,695	0	2,500	0	0	2,018,080	2,973,115	Note 4	Note 5	Note 7	Note 8			
Total			6,793,695	0	2,500	0	0	2,018,080	4,773,115							
5 highest paid individuals during the Reporting Period (Note 10)																
	June 1, 2021	N/A	2,524,556	0	0	0	0	75,000	2,449,556	Note 3	Note 5	RMB1.45	Note 8			
Total (5 highest paid individuals)			2,524,556	0	0	0	0	75,000	2,449,556							

Notes:

1. 20%, 30%, 50% respectively of the options shall vest on each of the 1st, 2nd, 3rd anniversary of the date of grant.
2. 25% of the options shall vest on each of the 1st, 2nd, 3rd and 4th anniversary of the date of grant.
3. 25% of the options shall vest on 6 months, 18 months, 30 months and 42 months from the date of grant.
4. Note 1, Note 2 and Note 3 vesting situations exist for different batches. Note 1 and Note 2 vesting situations exist for batches granted on December 1, 2019. Note 2 vesting situations exist for batches granted on December 1, 2020, and September 1, 2021. Note 3 vesting situations exist for batches granted on June 1, 2021.
5. The exercise period of the options commences on any day after the date upon which the option is accepted or deemed to be accepted and in any event shall end not later than the 10th anniversary of the relevant date of the letter by which an option is offered, subject to the provisions for early termination or the relevant document of grant or other notification issued by the Board.
6. In respect of the exercise of share options by employee participants (For the avoidance of doubt, Directors are not included) during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the share options under the 2019 Plan were exercised was HKD8.52. In respect of the exercise of share options by 5 highest paid individuals (For the avoidance of doubt, three Directors (namely, Xu Yao-Chang, Ji Jing and Yu Hongping) here are included) during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the share options under the 2019 Plan were exercised was HKD10.24.
7. RMB1.34 and RMB 2.61 for batches granted on December 1, 2019, and RMB1.45 for batches granted on December 1, 2020, June 1, 2021, and September 1, 2021.
8. Subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally:
 - (i) Group level performance: The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales volume of the Group as a whole and of the applicable business.
 - (ii) Individual level performance: The Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year.
9. December 1, 2019, December 1, 2020, June 1, 2021, and September 1, 2021.
10. No option under the 2019 Share Incentive Plan has been granted to any of the Directors which have not been identified in the table; no option under the 2019 Share Incentive Plan has been granted to any of the five highest paid individuals during the financial year which has not been identified in the table. For the avoidance of doubt, 5 highest paid individuals comprise three Directors (namely, Xu Yao-Chang, Ji Jing and Yu Hongping) and two other non-Director employees. In the calculation of the movements of options under the 2019 Share Incentive Plan held by these 5 highest paid individuals, the options held by the three forth-mentioned Directors are also included.
11. Employee participants include employees of the Company and its subsidiaries.
12. No option is available for grant under the 2019 Share Incentive Plan as at the beginning and the end of the Reporting Period.
13. The fair value of the equity-settled options granted under the 2019 Share Incentive Plan will be estimated as at the dates of grant using a binomial model, taking into account the terms and conditions upon which the options are granted. For the accounting standard and policy adopted for the fair value of options, please refer to Note 26 to the consolidated financial statements in this report.
14. Ji Jing was appointed as an executive Director with effect on March 3, 2025. For further details, please refer to the announcement of the Company dated March 3, 2025.

On September 29, 2025, the Company granted 4,606,372 RSUs to 66 employees of the Company under the 2019 Plan Scheme. For further details, please refer to the announcement of the Company dated September 29, 2025. Other than such grant of RSUs, no RSUs were granted under the 2019 Plan Scheme during the Reporting Period. Details of movements of RSUs under the 2019 Plan Scheme during the year ended December 31, 2025 are as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the awards were granted	Number of shares underlying awards						Outstanding as of the ending of the Reporting Period	Vesting period	Performance targets	Fair value of awards at the date of grant
			Outstanding as of the beginning of the Reporting Period	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of the ending of the Reporting Period				
Directors												
Xu Yao-Chang	November 1, 2022	HKD2.62	225,000	0	150,000	0	0	75,000	Note 1	Note 4	HKD3.20	
Chen Zhi (Note 9)	November 1, 2022	HKD2.62	187,500	0	62,500	125,000	0	0	Note 1	Note 4	HKD3.20	
Yu Hongping	November 1, 2022	HKD2.62	187,500	0	125,000	0	0	62,500	Note 1	Note 4	HKD3.20	
Ji Jing (Note 9)	November 1, 2022	HKD2.62	62,500	0	31,250	0	0	31,250	Note 1	Note 4	HKD3.20	
Employee participants												
	September 29, 2025	HKD16.95	0	4,606,372	0	0	0	4,606,372	Note 1	Note 4	HKD 17.50	
	March 17, 2023	HKD3.16	281,250	0	75,000	56,250	0	150,000	Note 1	Note 4	HKD2.85	
	June 1, 2023	HKD2.74	412,500	0	137,500	0	0	275,000	Note 1	Note 4	HKD2.68	
	FY 2022 and prior periods	N/A	3,069,000	0	1,513,250	105,000	0	1,450,750	Note 1 and Note 2 for different batches	Note 4	N/A	
Total			4,425,250	4,606,372	2,094,500	286,250	0	6,650,872				
5 highest paid individuals during the Reporting Period (Note 6)												
	June 1, 2022	HKD3.78	1,750,000	0	875,000	0	0	875,000	Note 1	Note 4	HKD3.21	
	November 1, 2022	HKD2.62	525,000	0	331,250	0	0	193,750	Note 1	Note 4	HKD3.20	
	September 29, 2025	HKD16.95	0	451,948	0	0	0	451,948	Note 1	Note 4	HKD17.50	
Total (5 highest paid individuals)			2,275,000	451,948	1,206,250	0	0	1,520,698				

Notes:

1. 25% of the Share Awards shall vest on each of the 1st, 2nd, 3rd and 4th of anniversary of the Grant Date.
2. 50%, 25% of the Share Awards shall vest on 18 months, 30 months and 42 months from the Grant Date.
3. No consideration or any form of purchase price is payable by the grantee upon acceptance or vesting of the Share Awards.
4. Subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally:
 - (i) Group level performance: The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales volume of the Group as a whole and of the applicable business.
 - (ii) Individual level performance: The Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year.
5. For the accounting standard and policy adopted for the fair value of the share awards, please refer to Note 26 to the consolidated financial statements in this report.
6. No RSU under the 2019 Share Incentive Plan has been granted to any of the directors which have not been identified in the table. No RSU under the 2019 Share Incentive Plan has been granted to any of the five highest paid individuals during the financial year which has not been identified in the table. For the avoidance of doubt, 5 highest paid individuals comprise three Directors (namely, Xu Yao-Chang, Ji Jing and Yu Hongping) and two other non-Director employees. In the calculation of the movements of RSUs under the 2019 Share Incentive Plan held by these 5 highest paid individuals, the RSUs held by the three forth-mentioned Directors are also included.
7. Employee participants include employees of the Company and its subsidiaries.
8. In respect of the vesting of RSUs to Xu Yao-Chang during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the 2019 Share Incentive Plan were vested was HKD9.49. In respect of the vesting of RSUs to Chen Zhui during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the 2019 Share Incentive Plan were vested was HKD4.42. In respect of the vesting of RSUs to Yu Hongping during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the 2019 Share Incentive Plan were vested was HKD9.49. In respect of the vesting of RSUs to Ji Jing during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the 2019 Share Incentive Plan were vested was HKD14.56. In respect of the vesting of RSUs to employee participants (For the avoidance of doubt, Directors are not included) during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the 2019 Share Incentive Plan were vested was HKD10.58. In respect of the vesting of RSUs to 5 highest paid individuals (For the avoidance of doubt, three Directors (namely, Xu Yao-Chang, Ji Jing and Yu Hongping) here are included) during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the 2019 Plan were exercised was HKD9.79.
9. Chen Zhui tendered his resignation as an executive Director of the Company with effect from March 3, 2025, and Ji Jing was appointed as an executive Director with effect on March 3, 2025. For further details, please refer to the announcement of the Company dated March 3, 2025.

Post-IPO Restricted Share Units Scheme (“Post-IPO RSU Scheme”)

The Company has conditionally adopted the Post-IPO RSU Scheme by Shareholders' resolutions dated September 16, 2021. The Company may appoint a trustee (the “**RSU Trustee**”) to administer the Post-IPO RSU Scheme with respect to the grant of any Award RSUs, by way of which may vest in the form of Shares (the “**Award Shares**”) or the actual selling price of the Award Shares in cash in accordance with the Post-IPO RSU Scheme.

On April 17, 2025, the Board considered and approved the adoption of the treasury share mechanism and the corresponding amendments to the rules of the Post-IPO RSU Scheme to the effect that the Company may satisfy the grant of the RSUs under the Post-IPO RSU Scheme using treasury shares of the Company at the Board's discretion. For further details, please refer to the announcement of the Company dated April 17, 2025.

1. *Eligible Persons to the Post-IPO RSU Scheme*

Any individual, being an employee, Director (including Executive Directors, Non-Executive Directors and Independent Non-Executive Directors) or consultant of any member of the Group or any affiliate (an “**Eligible Person**” and, collectively “**Eligible Persons**”) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an award granted by the Board by way of RSUs, which may vest in the form of Award Shares or the actual selling price of the Award Shares of RSUs in cash in accordance with the Post-IPO RSU Scheme. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Post-IPO RSU Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO RSU Scheme.

2. *Purpose of the Post-IPO RSU Scheme*

The purpose of the Post-IPO RSU Scheme is to align the interests of Eligible Persons' with those of our Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of our Group.

3. *Awards*

An Award gives a selected participant a conditional right, when the RSU vests, to obtain the Award Share or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, the cash equivalent from the sale of the Award Shares. An Award includes all cash income from dividends in respect of those Shares from the date the Award is granted (the “**Grant Date**”) to the date the Award vests (the “**Vesting Date**”). For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by our Company in relation to the Award Shares be paid to the selected participant even though the Award Shares have not yet vested.



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4. *Grant of Award*

(i) *Making the Grant*

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a selected participant by way of an award letter. The award letter will specify the Grant Date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary. No amount is payable by the grantee on the acceptance of an Award, and no purchase price is payable by the grantee on vesting of an Award.

Each grant of an Award to any Director, chief executive or substantial shareholder of our Company shall be subject to the prior approval of the Independent Non-Executive Directors of our Company (excluding any Independent Non-Executive Director who is a proposed recipient of an Award). Our Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of our Company.

(ii) *Restrictions on Grants and Timing of Grants*

The Board and its delegate(s) may not grant any Award to any selected participant in any of the following circumstances:

- (A) where any requisite approval from any applicable regulatory authorities has not been granted;
- (B) where any member of our Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Post-IPO RSU Scheme, unless the Board determines otherwise;
- (C) where such Award would result in a breach by any member of our Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (D) where such grant of Award would result in a breach of the Post-IPO RSU Limit (as defined below) or the minimum public float requirement as required under the Listing Rules, or would otherwise cause our Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders;
- (E) where an Award is to be satisfied by way of issue of new Shares to the RSU Trustee, in any circumstances that cause the total Shares issued or allotted to connected persons to be in excess of the amount permitted in the mandate approved by the Shareholders;
- (F) where any Director of our Company is in possession of unpublished inside information in relation to our Company or where dealings by Directors of our Company are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules or regulations, from time to time;

- (G) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met, in accordance with the Listing Rules;
- (H) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met, in accordance with the Listing Rules; and
- (I) during any period of delay in the publication of a results announcement.

5. *Maximum Number of Shares to be Granted*

The aggregate number of Shares underlying all grants made pursuant to the Post-IPO RSU Scheme (excluding Award which have been forfeited in accordance with the Post-IPO RSU Scheme) will not exceed 10% of the issued share capital of the Company (excluding treasury shares) as of the date of approval of the Post-IPO RSU Scheme without Shareholders' approval (the "**Post-IPO RSU Scheme Limit**"), being 4,872,343 ordinary shares, which was subsequently adjusted to 48,723,430 Shares following the Share Subdivision, representing 7.25% of the total issued shares (excluding treasury shares) of the Company as at the date of this report. As at January 1, 2025, (i) the aggregate number of underlying ordinary shares pursuant to the outstanding RSUs granted was 7,482,500 shares; and (ii) the aggregate number of underlying ordinary shares pursuant to the RSUs available for grant was 41,240,930 shares. As at December 31, 2025, (i) the aggregate number of underlying ordinary shares pursuant to the outstanding RSUs granted was 7,601,924 shares; and (ii) the aggregate number of underlying ordinary shares pursuant to the RSUs available for grant was 39,465,881 shares, which represented approximately 5.87% of the Company's total number of issued shares (excluding treasury shares). As such, the total number of shares available for issue under the Post-IPO RSU Scheme was 39,465,881 at December 31, 2025, which represented approximately 5.87% of the Company's total number of issued shares (excluding treasury shares) as at the date of this report. No service provider sublimit has been adopted for the Post-IPO RSU Scheme.

Unless approved by the Shareholders in general meeting, the total number of the ordinary shares issued and to be issued upon the vesting or exercise of the Awards granted to each participant in any 12-month period shall not exceed 1% of the Shares in issue (excluding treasury shares) for the time being.

6. *Rights attached to the Award*

Save that the Board at its discretion may from time to time determine that any dividends declared and paid by our Company in relation to the Award Shares be paid to the selected participants even though the RSUs have not yet vested in the form of Award Shares, the selected participant only has a contingent interest in the Award Shares underlying an Award unless and until such Award Shares are actually transferred to the selected participant, nor does he/she have any rights to any related income until the RSUs vest in the form of Award Shares.

The RSU Trustee shall not exercise the voting rights in respect of any Award Shares which are held under the Trust that have not yet vested.



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7. Issue of Shares and/or transfer of funds to the RSU Trustee

Our Company shall, as soon as reasonably practicable and no later than 30 business days from the Grant Date, (i) issue and allot Shares to the RSU Trustee and/or (ii) transfer to the RSU Trustee the necessary funds and instruct the RSU Trustee to acquire Shares through on-market transactions at the prevailing market price, so as to satisfy the Awards.

Our Company shall not issue or allot Award Shares nor instruct the RSU Trustee to acquire Shares through on-market transactions at the prevailing market price, where such action (as applicable) is prohibited under the Listing Rules, the Securities and Futures Ordinance or other applicable laws from time to time. Where such a prohibition causes the prescribed timing imposed by the Post-IPO RSU Scheme Rules or the trust deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first Business Day on which the prohibition no longer prevents the relevant action.

8. Assignment of Awards

Unless express written consent is obtained from the Board or the committee of the Board or person(s) to which the Board has delegated its authorities, any Award granted under the Post-IPO RSU Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred. A selected participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter into any agreement to do so.

9. Vesting of Awards

The Board or its delegate(s) may from time to time while the Post-IPO RSU Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

Within a reasonable time period as agreed between the RSU Trustee and the Board from time to time prior to any Vesting Date, the Board or its delegate(s) will send a vesting notice to the relevant selected participant and instruct the RSU Trustee the extent to which the Award Shares held in the trust shall be transferred and released from the trust to the selected participant. Subject to the receipt of the vesting notice and notification from the Board or its delegate(s), the RSU Trustee will transfer and release the relevant Award in the manner as determined by the Board or its delegate(s).

If, in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, solely due to legal or regulatory restrictions with respect to the selected participant's ability to receive the Award in Shares or the RSU Trustee's ability to give effect to any such transfer to the selected participant, the Board or its delegate(s) will direct and procure the RSU Trustee to sell, on-market at the prevailing market price, the number of RSUs so vested in the form of Award Shares in respect of the selected participant and pay the selected participant the proceeds arising from such sale based on the actual selling price of the Award Shares following vesting of such RSUs in cash as set out in the vesting notice.

If there is an event of change in control of our Company by way of a merger, a privatization of our Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated to an earlier date.

10. Consolidation, subdivision, bonus issue and other distribution

In the event our Company undertakes a subdivision or consolidation of the Shares, corresponding changes will be made to the number of outstanding RSUs that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Post-IPO RSU Scheme for the selected participants. All fractional shares (if any) arising out of such consolidation or subdivision in respect of the Award Shares of a selected participant shall be deemed as returned shares and shall not be transferred to the relevant selected participant on the relevant Vesting Date. The RSU Trustee shall hold returned shares to be applied towards future Awards in accordance with the provisions of the Post-IPO RSU Scheme rules for the purpose of the Post-IPO RSU Scheme.

In the event of an issue of Shares by our Company credited as fully paid to the holders of the Shares by way of capitalization of profits or reserves (including share premium account), the Shares attributable to any Award Shares held by the RSU Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the RSU Trustee as if they were Award Shares purchased by the RSU Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.

In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding RSUs of each selected participant as the Board shall consider as fair and reasonable, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Post-IPO RSU Scheme for the selected participants. Our Company shall provide such funds, or such directions on application of the returned shares or returned trust funds, as may be required to enable the RSU Trustee to purchase Shares on-market at the prevailing market price to satisfy the additional Award.

In the event of other non-cash and non-scrip distributions made by our Company not otherwise referred to in the Post-IPO RSU Scheme rules in respect of the Shares held upon trust, the RSU Trustee shall sell such distribution and the net sale proceeds thereof shall be deemed as related income of the Post-IPO RSU Scheme or returned trust funds of the returned Shares held upon trust as the case may be.

11. Cessation of employment and other events

Except as otherwise determined by the Board or the committee of the Board or person(s) to which the Board has delegated its authority, upon termination of employment, office or service with our Company during the applicable restriction period, Awards that are at that time unvested shall be forfeited or repurchased in accordance with the terms and provisions of the grant letter and/or award agreement to be entered into by such selected participant; provided, however, that the Board or the committee of the Board or person(s) to which the Board has delegated its authority may (a) provide in any grant letter and/or award agreement that restrictions or forfeiture and repurchase conditions relating to the Awards will be waived in whole or in part in the event of terminations resulting from specified causes; and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to the Awards.

If a selected participant ceases to be an Eligible Person for reasons other than those stated in this paragraph, any outstanding RSUs and related income not yet vested in the form of Award Shares shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.



DIRECTORS' REPORT

12. Alteration of the Post-IPO RSU Scheme

The Post-IPO RSU Scheme may be altered in any respect (save for the Post-IPO RSU Scheme Limit) by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any selected participant unless otherwise provided for in the rules of the Post-IPO RSU Scheme, except:

- (i) with the consent in writing of selected participants amounting to three-fourths in nominal value of all RSUs held by the RSU Trustee on that date; or
- (ii) with the sanction of a special resolution that is passed at a meeting of the selected participants amounting to three-fourths in nominal value of all RSUs held by the RSU Trustee on that date.

13. Termination

The Post-IPO RSU Scheme shall terminate on the earlier of:

- (i) the end of the period of ten years commencing on the Listing Date except in respect of any non-vested RSUs granted hereunder prior to the expiration of the Post-IPO RSU Scheme, for the purpose of giving effect to the vesting in the form of Award Shares of such RSUs or otherwise as may be required in accordance with the provisions of the Post-IPO RSU Scheme; and
- (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the Post-IPO RSU Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the RSUs already granted to a selected participant.

As such, the remaining life of the Post-IPO RSU Scheme is approximately 5.5 years.

14. Administration of the Post-IPO RSU Scheme

Our Company has established a committee comprising of, among others, Directors and senior management members, for the administration of the Post-IPO RSU Scheme. In the event that the Company has treasury shares listed on the Stock Exchange, the Board may, after taking into account of relevant circumstances, use treasury shares listed on the Stock Exchange to fund the Award Shares to be granted under the Post-IPO RSU Scheme.

15. General

During the Reporting Period, the aggregate number of underlying ordinary shares pursuant to the outstanding RSUs granted under the Post-IPO RSU Scheme was 2,981,924 Shares, all of which don't involve issue of new shares. Details of movements of RSUs under the Post-IPO RSU Scheme during the year ended December 31, 2025 are as follows:

Name of Participant or Category of Participant	Date of grant	Closing price of shares immediately before the date on which the awards were granted	Number of shares underlying awards (with existing shares as underlying shares)							Outstanding as of the ending of the Reporting Period	Vesting period	Performance targets	Fair value of awards at the date of grant
			Outstanding as of the beginning of the Reporting Period	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as of the ending of the Reporting Period					
Directors													
Xu Yao-Chang	September 29, 2025	HKD16.95	0	1,019,988	0	0	0	0	0	1,019,988	Note 1	Note 3	Note 4
Xu Yao-Chang	September 1, 2024	HKD3.14	680,000	0	170,000	0	0	0	0	510,000	Note 1	Note 3	Note 4
Chen Zhui (Note 8)	September 1, 2024	HKD3.14	680,000	0	0	680,000	0	0	0	0	Note 1	Note 3	Note 4
Yu Hongping	September 29, 2025	HKD16.95	0	543,568	0	0	0	0	0	543,568	Note 1	Note 3	Note 4
Yu Hongping	September 1, 2024	HKD3.14	680,000	0	170,000	0	0	0	0	510,000	Note 1	Note 3	Note 4
Ji Jing (Note 8)	September 29, 2025	HKD16.95	0	543,568	0	0	0	0	0	543,568	Note 1	Note 3	Note 4
Ji Jing (Note 8)	September 1, 2024	HKD3.14	600,000	0	150,000	0	0	0	0	450,000	Note 1	Note 3	Note 4
Employee participants													
	September 29, 2025	HKD16.95	0	124,800	0	0	0	0	0	124,800	Note 1	Note 3	Note 4
	April 22, 2025	HKD6.84	0	750,000	0	0	0	0	0	750,000	Note 1	Note 3	Note 4
	September 1, 2024	HKD3.14	4,235,000	0	1,013,750	330,000	0	0	0	2,891,250	Note 1	Note 3	Note 4
	April 1, 2024	HKD2.88	607,500	0	151,875	196,875	0	0	0	258,750	Note 1	Note 3	Note 4
Total			7,482,500	2,981,924	1,655,625	1,206,875	0	0	7,601,924				
5 highest paid individuals during the Reporting Period (Note 5)	September 1, 2024	HKD3.14	2,960,000	0	740,000	0	0	0	0	2,220,000	Note 1	Note 3	Note 4
	September 29, 2025	HKD16.95	0	2,107,124	0	0	0	0	0	2,107,124	Note 1	Note 3	Note 4
Total (5 highest paid individuals)			2,960,000	2,107,124	740,000	0	0	0	4,327,124				

Notes:

1. 25% of the share awards shall vest on each of the 1st, 2nd, 3rd and 4th of anniversary of the Grant Date.
2. No consideration or any form of purchase price is payable by the grantee upon acceptance or vesting of the share awards.
3. Subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally:
 - (i) Group level performance: The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales volume of the Group as a whole and of the applicable business.
 - (ii) Individual level performance: The Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year.
4. For the accounting standard and policy adopted for the fair value of the share awards, please refer to Note 26 to the consolidated financial statements in this report. The fair value of the RSUs granted on April 1, 2024 is HKD2.88; the fair value of the RSUs granted on September 1, 2024 is HKD3.14; the fair value of the RSUs granted on April 22, 2025 is HKD7.07; and the fair value of the RSUs granted on September 29, 2025 is HKD17.50.

During the year ended December 31, 2025, the aggregated fair value of the RSUs granted on April 22, 2025 under the Post-IPO RSU Scheme was HKD5,302,500, all of which were granted to employee participants (For the avoidance of doubt, Directors are not included). The aggregated fair value of the RSUs granted on September 29, 2025 under the Post-IPO RSU Scheme was HKD39,058,670. The estimated value of the RSUs granted on September 29, 2025 to Xu Yao-Chang, Ji Jing, Yu Hongping, employee participants (For the avoidance of doubt, Directors are not included) and 5 highest paid individuals (For the avoidance of doubt, three Directors (namely, Xu Yao-Chang, Ji Jing and Yu Hongping) here are included) was HKD17,849,790, HKD9,512,440, HKD9,512,440, HKD2,184,000 and HKD36,874,670, respectively.

Participant	Date of grant	Total number granted	Fair value of RSUs granted HKD
Xu Yao-Chang	September 29, 2025	1,019,988	17,849,790
Ji Jing	September 29, 2025	543,568	9,512,440
Yu Hongping	September 29, 2025	543,568	9,512,440
Employee participants	September 29, 2025	124,800	2,184,000
Total	September 29, 2025	2,231,924	39,058,670
5 highest paid individuals	September 29, 2025	2,107,124	36,874,670

- No RSU under the Post-IPO RSU Scheme has been granted to any of the directors which have not been identified in the table. No RSU under the Post-IPO RSU Scheme has been granted to any of the five highest paid individuals during the financial year which has not been identified in the table. For the avoidance of doubt, 5 highest paid individuals comprise three Directors (namely, Xu Yao-Chang, Ji Jing and Yu Hongping) and two other non-Director employees. In the calculation of the movements of RSUs under the Post-IPO RSU Scheme held by these 5 highest paid individuals, the RSUs held by the three forth-mentioned Directors are also included.
- Employee participants include employees of the Company and its subsidiaries.
- In respect of the vesting of RSUs to Xu Yao-Chang, Ji Jing and Yu Hongping during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the Post-IPO RSU Scheme were vested was HKD17.12. In respect of the vesting of RSUs to employee participants (For the avoidance of doubt, Directors are not included) during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the Post-IPO RSU Scheme were vested was HKD15.99. In respect of the vesting of RSUs to 5 highest paid individuals (For the avoidance of doubt, three Directors (namely, Xu Yao-Chang, Ji Jing and Yu Hongping) here are included) during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the RSUs under the Post-IPO RSU Scheme were vested was HKD17.12.
- Chen Zhui tendered his resignation as an executive Director of the Company with effect from March 3, 2025, and Ji Jing was appointed as an executive Director with effect on March 3, 2025. For further details, please refer to the announcement of the Company dated March 3, 2025.



DIRECTORS' REPORT

Post-IPO Share Option Scheme

A summary of the principal terms of the Post-IPO Share Option Scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by resolutions of our Shareholders on September 16, 2021 is as follows. As at December 31, 2025, the aggregate number of underlying ordinary shares pursuant to the outstanding options granted was 9,567,537 Shares, representing approximately 1.42% of the total issued Shares (excluding treasury shares).

On April 17, 2025, the Board considered and approved the adoption of the treasury share mechanism and the corresponding amendments to the rules of the Post-IPO Share Option Scheme to the effect that the Company may satisfy the exercise of share options under the Post-IPO Share Option Scheme using treasury shares of the Company at the Board's discretion. For further details, please refer to the announcement of the Company dated April 17, 2025.

1. Purpose

The Post-IPO Share Option Scheme is established to reward employees, Directors or Consultants for their past contribution to the success of the Company, and to provide incentives to them to further contribute to the Company.

2. Eligible persons

Any individual, being an employee, Director or Consultant of any member of our Group ("**Selected Participant**") who the Board may in its absolute discretion select to grant an option to subscribe for such number of Shares as the Board may determine at the Exercise Price (as defined below).

3. Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Post-IPO Share Option Scheme shall not exceed 10% of the issued share capital (excluding treasury shares) of the Company as of the date of approval of the Post-IPO Share Option Scheme by the Shareholders of the Company, being 4,872,343 ordinary shares, which was subsequently adjusted to 48,723,430 Shares following the Share Subdivision, representing 7.25% of the total issued shares (excluding treasury shares) of the Company as at the date of this report. As at January 1, 2025 and December 31, 2025, the number of options available for grant under the Post-IPO Share Option Scheme was 44,645,930 Shares and 38,458,672 Shares respectively. As at December 31, 2025, the total number of shares available for issue under the Post-IPO Share Option Scheme, comprising the options available for grant and the number of granted outstanding options which remained unexercised, as at the date of this report is 48,026,209 Shares, representing approximately 7.14% of the total number of issued shares (excluding treasury shares) of the Company as at the date of this report. Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme shall not be counted for the purpose of calculating the Limit of the Scheme. The total number of Shares to be issued upon exercise of all outstanding options under the Post-IPO Share Option Scheme and all other schemes of the Company granted and yet to be exercised shall not exceed 30% of all the Shares in issue (excluding treasury shares) from time to time. No option may be granted under the Post-IPO Share Option Scheme if this will result in the limit being exceeded. No service provider sublimit has been adopted for the Post-IPO Share Option Scheme.

The maximum number of Shares shall be adjusted, in such manner as the auditor of the Company shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction to which the Company is a party.

4. *Maximum entitlement of a grantee*

Except with the approval of Shareholders in general meeting with the prospective Grantee and his associates abstaining from voting, no option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of options and any other option or Award over the Shares (including exercised, cancelled and outstanding options) granted and to be granted to such person in any 12-month period up to the date of the latest grant exceeds 1% of the Shares in issue (excluding treasury shares) from time to time. The Company shall send a circular to its Shareholders containing the information required under the Listing Rules. The number and terms of the options to be granted to such prospective Grantee shall be fixed before the Shareholders' approval of the grant of such options and the date of Board meeting for proposing such further grant should be taken as the Offer Date for the purpose of calculating the Exercise Price.

5. *Performance target*

The Post-IPO Share Option Scheme does not set out any performance targets that must be achieved before the options may be exercised. However, subject to the provisions of the Listing Rules, the Board may in its absolute discretion specify such event, time limit or conditions (if any) as it thinks fit including, without limitation, conditions as to performance criteria to be satisfied and/or the Company and/or the Group which must be satisfied before an option can be exercised, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the Post-IPO Share Option Scheme.

6. *Exercise price*

The amount payable for each Share to be subscribed for under an option ("**Exercise Price**") in the event of the option being exercised shall be determined by the Board at its absolute discretion, but shall be not less than the greater of:

- (i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of our Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share on the date of grant, provided that, for the purpose of determining the Exercise Price where the Shares have been listed on the Stock Exchange for less than five business days, the issue price of the Shares in the Company's Global Offering of the Shares shall be used as the closing price of the Shares for any business day falling within the period before the listing of the Shares on the Stock Exchange.



DIRECTORS' REPORT

7. Rights are personal to grantee

An option is personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option, except for the transmission of an option on the death of the grantee to his personal representative(s) on the terms of the Post-IPO Share Option Scheme.

8. Grant offer letter and notification of grant of options

An offer of the grant of an option shall be made to any Grantee by letter in such form as the Board may from time to time determine specifying the number of Shares, the Exercise Price, the Option Period, the date by which the grant must be accepted being a date not more than 28 days after the Offer Date (provided such offer shall be open for acceptance after the effective period of the Post-IPO Share Option Scheme) and further requiring the employee to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Post-IPO Share Option Scheme. The letter shall also state that the offer of an option shall be personal to the employee concerned and shall not be transferable. The inadvertent non-compliance with the requirements of the above shall not render the grant of an option invalid if the Board so determines and makes such remedial action, if any, as it deems appropriate in its absolute discretion.

An option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the option duly signed by the Grantee together with a payment to the Company and/or any of its Subsidiaries of HKD1 (or the equivalent of HKD1 in the local currency of any jurisdiction where the company and/or its Subsidiaries operate, as the Board may in its absolute discretion determine) by way of consideration for the grant thereof is received by the Company within the time period specified in the offer of the grant of the option. Such remittance shall not be refundable.

Any offer of the grant of an option may be accepted or deemed to have been accepted in respect of any number of Shares up to the number in respect of which the option is offered provided that it is accepted in respect of a Board Lot or an integral multiple thereof. To the extent that the offer of the grant of an option is not accepted within 28 days after the Offer Date, it will be deemed to have been irrevocably declined and will lapse, unless the Board in its absolute discretion determines otherwise.

9. *Restriction of grant of options*

No option shall be offered or granted:

- (a) to any employee after inside information has become to the Company's knowledge until (and including) the trading day after the Company has announced the information;
- (b) to any employee during the period commencing one month immediately before the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. No option shall be granted during any period of delay in publishing a results announcement.
- (c) to any director of the Company (except where the Exercise Price is to be determined by the Board at the time of exercise of the option):
 - (i) during the period of 60 days immediately preceding the publication of the annual results of the Company or, if shorter, the period from the end of the relevant financial year up to the publication of the results; or
 - (ii) during the period of 30 days immediately preceding the publication of the quarterly (if any) or half – yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication of the results.

10. *Time of exercise of an option*

Subject as provided in the Post-IPO Share Option Scheme and any conditions specified by the Board, an option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.



DIRECTORS' REPORT

11. Lapse of option

Any option shall elapse automatically and not be exercisable on the earliest of:

- (a) the expiry of the Option Period;
- (b) subject to the date of the commencement of the winding-up of the Company;
- (c) the date on which the Grantee ceases to be an employee, Director or Consultant of the Company by reason of the summary termination of his employment, office or service on any one or more of the grounds that he has been guilty of misconduct, or has been convicted of any criminal offense involving his integrity or honesty or (if so determined by the Board in its absolute discretion) on any other ground on which the relevant company in the Group would be entitled to terminate his employment, office or service summarily at common law or pursuant to any applicable laws or under the Grantee's service contract with relevant company in the Group;
- (d) where the Grantee is an employee, Director or Consultant of a subsidiary of the Company, the date on which such subsidiary ceases to be a member of the Group;
- (e) the date on which the option is cancelled by the Board;
- (f) the date on which the Grantee commits a breach of Post-IPO Share Option Scheme rule; or
- (g) the occurrence or non-occurrence of any event, expiry of any period, or nonsatisfaction of any condition, as specified in the letter containing the offer or grant of the relevant option.

12. Voting and dividend rights

No dividends shall be payable and no voting rights shall be exercisable in relation to any options or Shares that are the subject of options that have not been exercised.

13. Effects of alterations in the capital structure of our Company

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (a) the number or nominal amount of Shares, the subject matter of the option (insofar as it is unexercised); and/or
- (b) the aggregate number of Shares subject to outstanding options; and/or
- (c) the Exercise Price; and/or

- (d) the method of exercise of the option, as the auditor of the Company shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustment shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustment shall remain the same, or as nearly as possible the same as that to which he was entitled to subscribe had he exercised all the options held by him immediately before such adjustment, but so that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value, or to alter any terms of the relevant option to the advantage of the Grantee without the approval of the shareholders of the Company.

If there has been any alteration in the capital structure of the Company as referred to in the Company shall, upon receipt of a notice from the Grantee, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the auditor of the Company obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditor of the Company to issue a certificate in that regard.

14. Rights on takeover and schemes of compromise or arrangement

If a general or partial offer (whether by way of take-over offer, share repurchase offer or otherwise in like manner other than by way of a scheme of arrangement) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) the Company shall use its best endeavors to procure that such offer is extended to all the Grantees (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, shareholders of the Company). If such offer becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his outstanding option(s) in full at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

15. Rights on a voluntary winding up

In the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court being made for the winding-up of the Company, notice thereof shall be given by the Company to Grantees with options outstanding in full or in part at such date. If a Grantee immediately prior to such event had any outstanding options, the Grantee (or his legal personal representative(s)) may by notice in writing to the Company within 21 days after the date of such resolution elect to be treated as if the options had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given, whereupon the Grantee shall be duly issued and allotted with the relevant Shares (or treated as such by the Company) and entitled to receive out of the assets available in the liquidation pari passu with the holders of Shares such sum as would have been received in respect of the Shares that are the subject of such election.



DIRECTORS' REPORT

16. Ranking of Shares

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends and other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor falls before the date of allotment.

17. Duration

The Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date when the Post-IPO Share Option Scheme becomes unconditional, after which period no further options will be granted by the provisions of the Post-IPO Share Option Scheme, but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme. The remaining life of the Post-IPO Share Option Scheme is approximately 5.5 years.

18. Alteration of the Post-IPO Share Option Scheme

The Board may subject to the rules of the Post-IPO Share Option Scheme amend any of the provisions of the Post-IPO Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the Post-IPO Share Option Scheme, which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Those specific provisions of the Post-IPO Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of selected participants, and no changes to the authority of the administrator of the Post-IPO Share Option Scheme in relation to any alteration of the terms of the Post-IPO Share Option Scheme shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms of the Post-IPO Share Option Scheme which are of a material nature, or any change to the terms and conditions of options granted (including those granted to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates), must also, to be effective, be approved by our Shareholders in general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Post-IPO Share Option Scheme. The options and the Post-IPO Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Directors or Post-IPO Share Option Scheme administrators in relation to any alteration to the terms of the Post-IPO Share Option Scheme must be approved by Shareholders in general meeting.

Notwithstanding any provisions to the contrary in the Post-IPO Share Option Scheme, if on the relevant date of exercise there are restrictions or conditions imposed by the relevant laws and regulations to which the grantee is subject and the grantee has not obtained approval, exemption or waiver from the relevant regulatory authorities for the subscription of and dealing in our Shares, the grantee may sell the options to such transferee, subject to the approval by the Board, which shall not unreasonably withhold or delay such approval. In the event that the options are transferred to a connected person of our Company, no Shares shall be allotted and issued upon the exercise of the options by a connected person of our Company unless the Board is satisfied that the allotment and issue of Shares will not trigger any breach of the Listing Rules, the Articles of Association, the Companies Act or the Takeovers Code.

19. Termination

The Company by an ordinary resolution in general meeting or the Board may at any time terminate the operation of the Post-IPO Share Option Scheme and in such event no further options will be offered but the provisions of the Post-IPO Share Option Scheme shall remain in full force in all other respects. All options granted but unexercised prior to such termination shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Post-IPO Share Option Scheme.

20. Administration of the Post-IPO Share Option Scheme

Our Company has established a committee comprising of, among others, Directors and senior management members, for the administration of the Post-IPO Share Option Scheme. In the event that the Company has treasury shares listed on the Stock Exchange, the Board may, after taking into account of relevant circumstances, use treasury shares listed on the Stock Exchange to fund the options to be exercised under the Post-IPO Share Option Scheme.

Notes:

1. 25% of the options shall vest on each of the 1st, 2nd, 3rd and 4th anniversary of the Grant Date.
2. The exercise period of the options commences on any day after the date upon which the option is accepted or deemed to be accepted and in any event shall end not later than the 10th anniversary of the relevant date of the letter by which an option is offered, subject to the provisions for early termination or the relevant document of grant or other notification issued by the Board.
3. Subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally:
 - (i) Group level performance: The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales volume of the Group as a whole and of the applicable business.
 - (ii) Individual level performance: The Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Company will determine whether the Grantees meet the individual performance target based on their performance appraisal results for the relevant year.
4. No option has been granted to any of the directors, chief executive or substantial shareholders of the Company, or their respective associates under the Post-IPO Share Option Scheme; no participant has been granted with options under the Post-IPO Share Option Scheme in excess of the 1% individual limit; no related entity participant or service provider has been granted with options under the Post-IPO Share Option Scheme.
5. Employee participants include employees of the Company and its subsidiaries.
6. In respect of the exercise of share options by employee participants (For the avoidance of doubt, Directors are not included) during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the share options under the Post-IPO Share Option Scheme were exercised was HKD8.50.
7. The fair value of the equity-settled options granted under the Post-IPO Share Option Scheme will be estimated as at the dates of grant using a binomial model, taking into account the terms and conditions upon which the options are granted. For the accounting standard and policy adopted for the fair value of options, please refer to Note 26 to the consolidated financial statements in this report.
8. No option under the Post-IPO Option Scheme has been granted to any of the directors which have not been identified in the table. No option under the Post-IPO Option Scheme has been granted to any of the 5 highest paid individuals during the financial year which has not been individually identified in the table.
9. Ji Jing was appointed as an executive Director with effect on March 3, 2025. For further details, please refer to the announcement of the Company dated March 3, 2025.

During the Reporting Period, the Company granted a total of 6,343,508 options under the Post-IPO Share Option Scheme. Other than this, the Company did not grant any share options or RSUs involving issue of new shares under all schemes of the Company (including the 2019 Share Incentive Plan, Post-IPO RSU Scheme and the Post-IPO Share Option Scheme). Therefore, the number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the Reporting Period as required under Rule 17.07(3) of the Listing Rules is 0.87%.



DIRECTORS' REPORT

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

For the year ended December 31, 2025, certain related parties transactions as disclosed in note 30 to the consolidated financial statements constitute connected transactions or continuing connected transactions as defined under the Listing Rules. As disclosed in Note 30 to the consolidated financial statements, the Group had outstanding balances due from certain Directors as at the end of the reporting period. As of the disclosure date of this report, these balances have been fully repaid by the Directors. For the year ended December 31, 2025, we have not entered into any non-exempt connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules. During the Reporting Period, the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the share capital of the Company during the Reporting Period are set out in note 25 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company's reserves available for distribution from share premium plus profits, calculated in accordance with the provisions of Companies Act of the Cayman Islands, was RMB5,418 million (2024: RMB5,490 million). Though we recorded positive reserves available for distribution as at December 31, 2025, a dividend may not be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business, and the distribution of dividends is further subject to the Board's resolution.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company were listed on the Stock Exchange on October 13, 2021 and the Company obtained net proceeds of approximately HK\$1,674 million (after deducting the underwriting commissions and other estimated expenses in connection with the global offering and the exercise of the over-allotment option). On March 3, 2025, the Board has resolved to change the use of unutilised net proceeds of HKD699.73 million ("**Change in the Use of Proceeds**"). Please refer to the announcement of the Company dated March 3, 2025 ("**Announcement**") and the 2024 annual report of the Company ("**2024 Annual Report**") published on April 15, 2025. The net proceeds have been and will be utilized in accordance with the purposes set out in the prospectus of the Company dated September 30, 2021 under the section headed "Future Plans and Use of Proceeds", the Announcement and 2024 Annual Report.

DIRECTORS' REPORT

For the year ended December 31, 2025, HKD551.51 million out of the net proceeds had been utilized, and HKD159.58 million remained unutilized as at December 31, 2025. The table below sets out the planned allocations of the net proceeds and actual usage up to December 31, 2025:

Planned usage	% of use of net proceeds (Approximately, after Change in the Use of Proceeds)	Net proceeds from the IPO (after Change in the Use of Proceeds) (HKD million)	Amount of unutilized net proceeds as at January 1, 2025 (Note 1) (HKD million)	Actual usage during the Reporting Period (HKD million)	Unutilized net proceeds as at December 31, 2025 (HKD million)	Expected timeline for application of the unutilized net proceeds
Fund the ongoing and future R&D including planned clinical trials, preparation of registration filings, and future commercialization of our Core Product Candidate irpagratinib (ABSK011)	16.95%	283.78	157.22	89.56	67.66	Expected to be fully utilized by December 31, 2026
Fund the ongoing and future R&D including planned clinical trials, preparation of registration filings and future commercialization of our Core Product candidate fexagratinib (ABSK091, AZD4547)	6.79%	113.72	14.94	5.61	9.33	Expected to be fully utilized by December 31, 2026
Fund our other clinical stage products and product candidates in our pipeline	44.35%	742.36	273.64	273.64	0.00	Expected to be fully utilized by December 31, 2026
Fund our pre-clinical research and studies, including continued development of our R&D platform and R&D of new pre-clinical candidates	17.02%	284.98	144.36	103.93	40.43	Expected to be fully utilized by December 31, 2026
Fund the construction of manufacturing facility in Shanghai	2.66%	44.53	0.00	0.00	0.00	-
Working capital and general corporate purposes	12.22%	204.63	120.93	78.77	42.16	Expected to be fully utilized by December 31, 2026
Total	100% (Note 2)	1,674.00	711.09	551.51	159.58	

Note 1: The amount of unutilized net proceeds as at January 1, 2025 was restated as if the Change in the Use of Proceeds had taken place at January 1, 2025.

Note 2: The discrepancies between total and sums of percentage in the table above are due to rounding.

DIRECTORS' REPORT

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company's sufficiency of public float complies with the requirements of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On March 3, 2025, the Board approved an amount of no more than HKD200.0 million be utilized by the Company to repurchase shares of the Company on-market (the "Share Repurchase Plan"). During the Reporting Period, the Company repurchased a total of 10,229,000 shares on-market for a total consideration of HKD84,667,080 pursuant to the Share Repurchase Plan, of which 7,744,000 shares with a consideration of HKD66,589,300 were held as treasury shares ^(Note 1). As at the end of the Reporting Period, none of the shares repurchased by the Company were cancelled. The purposes of share repurchase by the Board is to reflect the intrinsic value of the shares and are in the best interests of the Company and the shareholders.

Details of the share repurchases during the Reporting Period are as follow:

Month of share repurchases	Number of shares repurchased	Repurchase price per share (HKD)		Total consideration paid
		Highest price paid	Lowest price paid	
March 2025	1,485,000	8.09	6.38	11,366,250
April 2025	2,713,000	7.77	6.42	18,958,700
May 2025	3,697,000	8.79	7.12	29,001,810
June 2025	1,650,000	10.26	9.07	15,951,290
July 2025	200,000	10.34	10.24	2,060,340
August 2025	484,000	16.36	10.82	7,328,690
Total	10,229,000			84,667,080

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (or sale of treasury shares ^(Note 1), if any) listed on the Stock Exchange during the Reporting Period. As at December 31, 2025, there were 7,744,000 treasury shares ^(Note 1) held by the Company.

Note 1: as defined under the Listing Rules.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

MAJOR CUSTOMERS AND SUPPLIERS

As at December 31, 2025, the Company generated revenue from licensing agreements. For the year ended December 31, 2025, 100% of the Group's revenue is Merck's licensing revenue. Save for the customer afore-mentioned, the Company didn't have other customers for the year ended December 31, 2025. Therefore, the disclosure of a statement of the percentage of revenue from sales of goods or rendering of services attributable to the 5 largest customers combined as required under Paragraph 31(4) of Appendix D2 to the Listing Rules is not applicable.

During the year ended December 31, 2025, the respective percentage of purchases attributable to the Group's largest and five largest suppliers in relation to total procurement amount was 12.53% and 29.75%, respectively.

None of our Directors or any of their close associates or any Shareholder (which to the best knowledge of our Directors owned more than 5% of the Company's issued share capital) had any interest in any of our all customers and five largest suppliers in relation to R&D activities and business operations.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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



DIRECTORS' REPORT

KEY RELATIONSHIP WITH STAKEHOLDERS

The details of an account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company are set out in the ESG Report of the Company.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Particulars of the Company's significant events affecting the Company or any of its subsidiaries after the year ended December 31, 2025 and as at the date of this report are listed below:

For particulars of the Company's business-related significant events affecting the Company or any of its subsidiaries after the year ended December 31, 2025, please refer to the section headed "Management Discussion and Analysis – Events after the Reporting Period" of this report.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this report.

EQUITY-LINKED AGREEMENT

Other than the 2019 Share Incentive Plan, the Post-IPO RSU Scheme and the Post-IPO Share Award Scheme as disclosed above and in note 26 to the financial statements respectively and the grant letters issued pursuant to the schemes, the Company has not entered into any equity-linked agreement during the Reporting Period.

REVIEW BY AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Sun Hongbin, Dr. Sun Piaoyang and Ms. Chui Hoi Yam. The Audit Committee with the management of the Company have reviewed the audited consolidated financial statements of the Group for the Reporting Period.

AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by Ernst & Young.

Ernst & Young shall retire and being eligible, offer itself for re-appointment at the forthcoming annual general meeting.

There has been no change of independent auditor of the Company in the preceding three years.

By order of the Board of Directors

Abbisko Cayman Limited

Dr. Xu Yao-Chang

Chairman and Chief Executive Officer

Shanghai, March 2, 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate our business strategies and policies, and enhance its transparency and accountability. The Company has adopted the principles and code provisions contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices. In the opinion of the Directors, during the Reporting Period, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules ("**CG Code**"), except for code provision C.2.1 of the CG Code which provides that the roles of Chairman and CEO should be separated and should not be performed by the same individual, details of which are set out on page 90 under the section headed "Board of Directors – Chairman and Chief Executive Officer" of this Corporate Governance Report.

CORPORATE CULTURE

The Board is committed to achieve high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. All Directors are committed to acting with integrity, lead by example, and promote the desired culture. Such culture should instil and continually reinforce across the organization values of acting lawfully, ethically and responsibly.

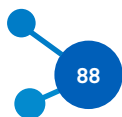
The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately; and
- that high standards of ethics are maintained.

The Group promotes its corporate culture in alignment with its core values and vision, which enables the Group to deliver its long-term strategies and create sustainable value for Shareholders and other stakeholders. The Group adopts a top-down approach in implementation and promotion of our corporate culture by providing continuous training to all staff within the Group. All staff are reminded to uphold their highest integrity during daily operations.

High corporate governance standards are being promoted across the Group and embedded in the daily operations of our various business segments. Employees are encouraged to raise their concern and provide feedback to the Company in relation to the incorporation of corporate culture into our daily operations during our training sessions. Senior management should collect and consolidate the staff's responses and monitor the progress of implementing corporate culture and report to the Board periodically.

During the year ended December 31, 2025, the Board is satisfied with the progress of implementation of our desired corporate culture to daily operations.



DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding dealings in the securities of the Company by the Directors. Specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the Model Code during the Reporting Period (or during the period of tenure). The Company’s employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance of the Model Code by the employees was noted by the Company during the Reporting Period.

BOARD OF DIRECTORS

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

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing such responsibilities.

Board Composition

As at the date of this report, the Board currently comprises six Directors, consisting of three executive Directors and three independent non-executive Directors as follows:

Executive Directors

Dr. Xu Yao-Chang (*Chairman and CEO*)

Dr. Yu Hongping

Dr. Ji Jing

Independent Non-Executive Directors

Dr. Sun Piaoyang

Mr. Sun Hongbin

Ms. Chui Hoi Yam

The biographical information of the Directors is set out in the section headed “Directors and Senior Management” on pages 40 to 43 of this report.

Except for the relationships between the Directors set forth in the respective Director’s biography under the section headed “Directors and Senior Management”, the Directors do not have financial, business, family or other material/relevant relationships with one another.



CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

The roles of the Chairman and CEO of the Company are held by Dr. Xu Yao-Chang who is also an Executive Director. Therefore, the Board considers that there is a deviation from the code provision C.2.1 of the CG Code. The Board believes that, in view of Dr. Xu's experience, personal profile and his roles in our Company as mentioned in the section headed "Directors and Senior Management – Executive Directors", Dr. Xu is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our CEO. The Board also believes that the combined role of Chairman and CEO can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Further, the decisions to be made by the Board require approval by at least a majority of our Directors and that the Board comprises three independent non-executive Directors, which the Company believes that there are sufficient checks and balances in the Board. Dr. Xu and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that they shall act for the benefit and in the best interest of the Company and will make decisions for the Group accordingly. The Board will continue to review and consider splitting the roles of Chairman and the CEO of our Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

Independent Non-Executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise in accordance with Rules 3.10 and 3.10A. 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 and the Company is of the view that the independent non-executive Directors are independent.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company under which the initial term of their service agreement shall commence from the date of their appointment for a period of three years until terminated in accordance with the terms and conditions of the service agreement and subject to re-election as and when required under the Articles of Association or by either party giving to the other not less than three months' prior notice.

Each of the independent non-executive Directors has entered into an appointment letter with the Company. The initial term of their appointment letters shall commence from the date of their appointment for a period of three years (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than two month's prior notice in writing (as the case may be). The appointments of Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

CORPORATE GOVERNANCE REPORT

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

Responsibilities of the Directors

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

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

All Directors, including 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 coordinating the daily operation and management of the Company are delegated to the management.

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

The Board has established mechanisms of independent views. The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors. Further, independent non-executive Directors will be appointed to committees of the board as required, under the Listing Rules and as far as practicable to ensure independent views and input are presented. The Nomination Committee strictly adheres to the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure that they can continually exercise independent judgment. These mechanisms of independent views also cover the system of abstention from voting by Directors on relevant proposals considered by the Board.

CORPORATE GOVERNANCE REPORT

The Board has annually reviewed “Independent Views Mechanism” and “Shareholders’ communication policy”. Both of the policies remained effective.

Continuous Professional Development of Directors

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

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

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

For the year ended December 31, 2025, the Company has arranged regular training and conferences held by other external professional parties or reading relevant materials on the respective obligations of the Directors. The training sessions covered a wide range of relevant topics including Directors’ duties and responsibilities, business development and regulatory updates. In addition, relevant reading materials including ESG policy introduction materials, compliance manual, legal and regulatory updates on anti-corruption and seminar handouts have been provided to the Directors for their reference and studying.

The record of continuous professional development relating to current Director’s duties and regulatory and business development that have been received by the Directors for the year ended December 31, 2025 is summarized as follows:

Directors	Participated in continuous professional development ^{Note 1}
<i>Executive Directors</i>	
Dr. Xu Yao-Chang (<i>Chairman and CEO</i>)	√
Dr. Yu Hongping	√
Dr. Ji Jing (appointed as an executive Director with effect on March 3, 2025)	√
<i>Independent Non-Executive Directors</i>	
Dr. Sun Piaoyang	√
Mr. Sun Hongbin	√
Ms. Chui Hoi Yam (appointed as an independent non-executive Director with effect on February 28, 2025)	√

Note:

1 Attended training/seminar/conference arranged by the Company or other external parties or read relevant materials.

Board Diversity and Board Diversity Policy

The Board has adopted a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of the Board, in order to enhance the effectiveness of the Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board. The Board will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

Pursuant to the Board Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. The Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of chemistry, biotechnology, clinical research and life sciences, business management and finance and accounting. They obtained degrees in various areas including chemistry, biology, biological science, pharmaceutical chemistry, pharmacy, business administration, economics, finance and accounting. The Company has also taken, and will continue to take steps to promote gender diversity at the Board level of our Company. The Board currently comprises 4 male members (including 2 executive Directors and 2 independent non-executive Directors) and 2 female members (an executive Director and an independent non-executive Director). The Board of Directors is of the view that the Board satisfies the gender diversity and other aspects of diversity on the Board under the Board Diversity Policy. 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 Board Diversity Policy is well implemented as evidenced by the fact that there are both female and male Directors ranging from 50 years old to 69 years old with experience from different sectors.

The Company is also committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of the Company to enhance the effectiveness of corporate governance of the Company as a whole.

The Nomination Committee is delegated by the Board to be responsible for compliance with relevant codes governing Board diversity. 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 relevant criteria as set out in the Company's Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. The Nomination Committee would consider criteria such as candidate's character, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.



CORPORATE GOVERNANCE REPORT

Nomination Policy

The primary duties of the Nomination Committee include, without limitation, reviewing the structure, size and composition of the Board, assessing the independence of independent non-executive Directors and making recommendations to the Board of Directors on matters relating to the appointment of Directors. The Company has a Director Nomination Policy which sets out the objectives, selection criteria and nomination procedures for identifying and recommending candidates for appointment or reappointment of Directors.

BOARD COMMITTEES

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

Audit Committee

As at the date of this report, the Audit Committee consists of three members, including three independent non-executive Directors, namely Dr. Sun Piaoyang, Mr. Sun Hongbin and Ms. Chui Hoi Yam. Mr. Sun Hongbin, being the chairperson of the Audit Committee, holds the appropriate professional qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The main duties of the Audit Committee include but are not limited to:

- making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to consider any questions of resignation or dismissal of that auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- developing and implementing policy on the engagement of an external auditor to supply non-audit services and report to the Board, identifying and making recommendations on any matters in respect of which it considers that action or improvement is needed;
- discussing with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- discussing problems and reservations arising from the interim and final audits, and any matters the external auditor may wish to discuss (in the absence of Senior Management where necessary);

CORPORATE GOVERNANCE REPORT

- monitoring integrity of financial statements, annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;
- reviewing the Company's financial controls and, unless expressly addressed by a separate Board risk committee or by the Board itself, reviewing the Company's risk management and internal control systems;
- discussing the risk management and internal control system with the senior management of the Company and to ensure that the senior management of the Company has performed its duties in establishing and maintaining effective systems, including adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- considering major investigations findings on risk management and internal control matters as delegated by the Board or on its own initiative and the response of the senior management of the Company to those findings;
- where an internal audit function exists, ensuring co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and
- reviewing the Group's financial and accounting policies and practices.

During the Reporting Period, the Audit Committee has held 4 meetings to review material controls including the draft audited annual consolidated financial statements and significant issues on the financial reporting, the draft annual results announcement, the draft annual report, the independence of the both internal and external audit team of the Company, interim results, re-appointment of external auditor, remuneration and terms of engagement of external auditor.

Remuneration Committee

As at the date of this report, the Remuneration Committee consists of three members, including one executive Director, namely Dr. Xu Yao-Chang and two independent non-executive Directors, namely Mr. Sun Hongbin and Ms. Chui Hoi Yam. Ms. Chui Hoi Yam is the chairperson of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code.



CORPORATE GOVERNANCE REPORT

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

- making recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management of the Company remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- assessing performance of executive Directors and senior management;
- reviewing and approve management’s remuneration proposals with reference to the Board’s goals and objectives;
- being responsible for either: (i) determining with delegated responsibility, the remuneration packages of individual executive Directors and senior management of the Company; or (ii) making recommendations to the Board on the remuneration packages of individual executive Directors and senior management of the Company including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of non-executive Directors;
- considering salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
- reviewing and approving the compensation payable to executive Directors and senior management of the Company for any loss or termination of office or appointment in order to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;
- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct in order to ensure they are consistent with contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of his associates is involved in deciding his own remuneration;
- reviewing the Group’s policy on expense reimbursements for the Directors and senior management of the Company; and
- reviewing and/or approving matters relating to share schemes under chapter 17 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Remuneration Committee has held 3 meetings. The Remuneration Committee is responsible in making recommendations to the Board on the remuneration packages of individual executive Directors and senior management. During the Reporting Period, the Remuneration Committee had reviewed the remuneration policy and structure for the remuneration of directors and senior management, approved the remuneration of executive Directors and senior management, and approved granted RSUs to 66 employees of the Company under the 2019 Plan Scheme and granted options to three executive Directors and other 64 employees of the Company under the Post-IPO Share Option Scheme in September 2025. Save as disclosed above, there were no other material matters relating to the 2019 Plan, Post-IPO RSU Scheme and the Post-IPO Share Option Scheme that were required to be reviewed or approved by the Remuneration Committee during the Reporting Period in accordance with Rule 17.07A of the Listing Rules.

The remuneration payable to the senior management of the Company (who are not the Directors) is shown in the following table by band:

	2025 Number of Individual(s)	2024 Number of Individual(s)
Annual Remuneration		
HK\$100,001 to HK\$500,000	0	0
HK\$500,001 to HK\$1,000,000	0	0
HK\$4,000,001 to HK\$4,500,000	0	0
HK\$5,000,001 to HK\$5,500,000	1	0
HK\$5,500,001 to HK\$6,000,000	0	0
HK\$6,000,001 to HK\$6,500,000	1	0
HK\$6,500,001 to HK\$7,000,000	0	2
HK\$7,000,001 to HK\$12,500,000	0	0
HK\$12,500,001 to HK\$13,000,000	0	0

Nomination Committee

As at the date of this report, the Nomination Committee consists of three members, including one executive Director namely Dr. Xu Yao-Chang, and two independent non-executive Directors, namely, Mr. Sun Hongbin and Ms. Chui Hoi Yam. Dr. Xu Yao-Chang is the chairperson of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The main duties of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) required of the Board annually, assisting the Board in maintaining a Board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;



CORPORATE GOVERNANCE REPORT

- identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship;
- assessing the independence of independent non-executive Directors on an annual basis;
- reviewing annually the time required from non-executive Directors to assess whether the non-executive Directors are spending enough time in fulfilling their duties;
- keeping up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates; and
- formulating, or assisting the Board to formulate, a Board diversity policy for the Company.
- supporting the Company’s regular evaluation of the Board’s performance.

During the Reporting Period, the Nomination Committee has held 1 meeting. The structure, size and composition of the Board and the independence of the independent non-executive Directors have been reviewed by the Board. The Board didn’t have any female Directors following the resignation of Ms. Tang Yanmin on December 20, 2024 until Ms. Chui Hoi Yam was appointed on February 28, 2025. The Board had been actively considering suitable candidates for female Directors following the resignation of Ms. Tang Yanmin and managed to appoint Ms. Chui Hoi Yam within three months to meet the requirements for gender diversity for members of the Board under Rule 13.92 of the Listing Rules. Save as disclosed above, the Board considered that an appropriate balance of diversity perspectives of the Board is maintained for 2025.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of part 2 of the CG Code.

During the Reporting Period, the Board had reviewed and determined the Company’s corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company’s policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company’s compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS

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

During the Reporting Period, the Company has held 5 Board meetings to review and discuss the annual and interim results and operating performance and considering and approving the overall strategies and policies of the Company. During the Reporting Period, management of the Company has provided all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail. During the Reporting Period, the Chairman held 1 meeting with the independent non-executive Directors without the presence of the other Directors.

The attendance records of each Director at the Board and Board committee meetings and the general meeting(s) of the Company held during the Reporting Period are set out in the table below:

Name of Directors	Attendance/Number of meetings eligible for attendance				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual general meeting
<i>Executive Directors</i>					
Dr. Xu Yao-Chang (<i>Chairman and CEO</i>)	5/5	–	3/3	1/1	1/1
Dr. Yu Hongping	5/5	–	–	–	1/1
Dr. Chen Zhui (resigned as an executive Director with effect on March 3, 2025) ^(Note 1)	NA	–	–	–	NA
Dr. Ji Jing (appointed as an executive Director with effect on March 3, 2025)	4/4 ^(Note 3)	–	–	–	1/1
<i>Independent Non-Executive Directors</i>					
Dr. Sun Piaoyang	5/5	4/4	–	–	1/1
Mr. Sun Hongbin	5/5	4/4	3/3	1/1	1/1
Mr. Wang Lei (resigned as an independent non executive Director with effect on February 28, 2025) ^(Note 2)	NA	NA	0/1	–	NA
Ms. Chui Hoi Yam (appointed as an independent non executive Director with effect on February 28, 2025)	5/5	4/4	2/2 ^(Note 4)	1/1	1/1

Note 1: Since Dr. Chen resigned as a Director at the beginning of 2025, he was not present at the boarding meetings or annual general meeting held during the year.

Note 2: Mr. Wang was absent from one meeting of the Remuneration Committee during his tenure in 2025. Since he resigned as a Director at the beginning of 2025, he did not attend subsequent board meetings or annual general meeting held after his departure.

Note 3: During the year of 2025, 5 board meetings were held. Dr. Ji Jing attended 4 meetings that took place after her appointment as an executive Director.

Note 4: During the year of 2025, 3 Remuneration Committee meetings were held. Ms. Chui Hoi Yam attended both of the two meetings that took place after her appointment as an independent non-executive Director.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management

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

The Company has established a Whistle-blowing Policy and system for employees and those who deal with the Company, including but not limited to customers and suppliers, to raise concerns in confidence and anonymity with the Audit Committee or senior management or the Company's Legal and Compliance Department about possible improprieties in any matter related to the Company.

The Company has adopted risk management policies to identify, assess, evaluate and monitor key risks (including ESG risks) associated with its strategic objectives on an ongoing basis. Our Audit Committee and ultimately our Directors supervise the implementation of our risk management policies. Risks identified by our management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our Directors. The Board reviews and assesses the adequacy and effectiveness of risk management system of the Group semi-annually.

The following key principles outline our Group's approach to risk management and internal control:

- The Audit Committee and senior management of the Company oversees and manages the overall risks associated with the Group's business operations, including (i) reviewing and approving its risk management policy to ensure that it is consistent with the Group's corporate objectives; (ii) monitoring the most significant risks associated with the Group's business operations and its management's handling of such risks; and (iii) ensuring the appropriate application of the risk management framework across the Group.
- The CFO, Dr. Zhang Zidong, has been responsible for (i) reviewing and approving major risk management issues of the Company; (ii) providing guidance on the Company's risk management approach to the relevant departments in the Company; (iii) reviewing the relevant departments' reporting on key risks and providing feedback; (iv) supervising the implementation of the Company's risk management measures by the relevant departments; and (v) reporting to the Audit Committee on the Company's material risks.
- The relevant departments in the Company, including but not limited to the finance department, the legal department and the human resources department are responsible for developing and implementing the risk management policy and carrying out our day-to-day risk management practice, such as assessing risks on key business operations, advising risk responses and optimizing risk management policies. In order to formalize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; and (v) develop and maintain an appropriate mechanism to facilitate the application of the Group's risk management framework.

CORPORATE GOVERNANCE REPORT

The Company considers that its Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

The Board is responsible for establishing and ensuring effective internal controls to safeguard the Shareholder's investment at all times. The Board reviews and assesses the adequacy and effectiveness of internal control system of the Group semi-annually. The Company's internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with its strategic objectives on an ongoing basis.

The Company has established internal audit function for risk management and internal control systems with relevant policies and procedures that the Company believes are appropriate for our business operations. The Company has adopted various measures and procedures regarding each aspect of its business operation, such as protection of intellectual property, environmental protection, and occupational health and safety. The Company also constantly monitors the implementation of those measures and procedures through its on-site internal control for each stage of the drug development process. The Directors (who are responsible for monitoring the corporate governance of the Group), with help from the Company's legal advisors, will also periodically review its compliance status with all relevant laws and regulations.

The Audit Committee will (i) make recommendations to the Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting as well as oversee internal control procedures of the Group.

The Company had engaged a Hong Kong legal adviser to provide advice to the Directors and management team regarding matters relating to the Listing Rules. The Hong Kong legal adviser is expected to provide support and advice regarding the requirements of relevant regulatory authorities, including those relating to corporate governance, on a timely basis.

The Company has engaged a PRC law firm to advise it on and keep it abreast of PRC laws and regulations. The Company will continue to arrange various trainings sessions to be provided by external legal advisors from time to time when necessary, and/or any appropriate accredited institution to update the Directors, senior management and relevant employees on the latest PRC laws and regulations.

The Company maintains strict anti-corruption policies on personnel with external communication functions. The Company will also ensure that its commercialization team complies with applicable promotion and advertising requirements, which include restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities. During the Reporting Period, the Company has regularly reviewed and enhanced its internal control system.

CORPORATE GOVERNANCE REPORT

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, 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. The Board confirms its responsibilities for risk management and internal control systems, and for reviewing the effectiveness of such risk management and internal control systems. Such systems are designed to manage rather than eliminate the risk of failing to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the Reporting Period, the Company has reviewed the effectiveness of the internal audit system and the risk management and the internal control system of the Group, including qualifications and experience of staff in the aforementioned systems, and the adequacy of their training programs and budget and ESG risks. Accordingly, the Company believes that its risk management and internal control systems are effective and adequate.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the independent auditors' report in this report.

AUDITORS' REMUNERATION

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

Service category	Fees paid and payable for the year ended December 31, 2025 (RMB million)
Audit Services	1.75
Non-audit Services	0

JOINT COMPANY SECRETARIES

During the Reporting Period, Dr. Yu Hongping and Ms. Chan Yin Wah (an associate director of SWCS Corporate Services Group (Hong Kong) Limited) served as the joint company secretaries of the Company.

Dr. Yu Hongping and Ms. Chan Yin Wah resigned as joint company secretaries of the Company on March 2, 2026, and Ms. Zhang Hanxi and Ms. Lin Sio Ngo (a manager of SWCS Corporate Services Group (Hong Kong) Limited) were appointed as joint company secretaries of the Company on the same day. Ms. Zhang Hanxi currently does not possess the qualifications of a company secretary as required under Rule 3.28 of the Listing Rules. However, the Board considers that Ms. Zhang, being the Assistant to the President and Board Secretary of the Group, is capable of discharging the functions of a joint company secretary by virtue of her knowledge and experience. Therefore, the Company has applied for, and the Stock Exchange has granted to the Company a waiver from strict compliance with the requirements for the qualifications of a company secretary under Rules 3.28 and 8.17 of the Listing Rules for a period of three years from the date of appointment of Ms. Zhang as a joint company secretary. For further details, please refer to the announcement of the Company dated March 2, 2026. Dr. Yu Hongping, the Director, is the primary corporate contact person at the Group.

During the Reporting Period, Dr. Yu Hongping and Ms. Chan Yin Wah have complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training during the year. All Directors have access to the advice and services of the joint company secretaries on corporate governance and Board practices related matters.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Directors. 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.

Convening Shareholders' General Meetings

A Shareholders' annual general meeting is required to be held in each year, within six months (or such other period as may be permitted by the Listing Rules or the Exchange) from the end of last financial year.

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, call extraordinary general meetings. Extraordinary general meetings shall also be convened on the written requisition to the Board or the Secretary of the Company of one or more members holding at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, in the share of the Company carrying the right of voting at general meetings of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.



CORPORATE GOVERNANCE REPORT

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association or the Companies Law of the Cayman Islands regarding procedures for Shareholders to put forward proposals at general meetings other than a proposal of a person for election as a Director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such requisition. The contents of such proposals shall fall within the functions and powers of the general meeting, shall feature definite topics and specific issues for resolution, and shall be in compliance with relevant requirements of laws, administrative regulations, listing rules for stock exchanges where the Company's shares are listed and the Articles of Association. For proposal of a person for election as Director, pursuant to Article 16.4 of the Articles of Association, no person shall, unless recommended by the Board for election, be eligible for election to the office as a Director at any general meeting unless a notice in writing by member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected shall have been given to the joint company secretaries of the Company. The minimum length of the period during which such notice(s) are given shall be at least seven days, and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting. For procedures of nomination of candidates for directorship by Shareholders, please refer to the website of the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may supervise the operations of the Company, and to make suggestions and enquiries accordingly.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, by online feedback, a web-based enquiry form (https://www.computershare.com/hk/en/online_feedback), or calling its hotline at +852 2862 8555, or go in person to its public counter at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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. For this purpose, the Company has set up a website (www.abbisko.com), where relevant latest information, the up-to-date state of the Company's business operation and development, the Company's financial information and corporate governance practices and other data are available to the public. The Shareholders may send written enquiries to the Company, for the attention of the Board of Directors by mail to Building 3, No. 898, Halei Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai, PRC or by email to IR@abbisko.com.

Changes to the Articles of Association

During the year ended December 31, 2025, there was no significant change in the memorandum and articles of association of the Company.

Policies relating to Shareholders

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings, annual and interim earning release meetings, road shows and other communication meetings and social networks. At the forthcoming annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries. Also, the Company discloses information and publishes periodic reports and announcements to the public on the Stock Exchange's website in a timely manner in accordance with the Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and does not contain any material omission, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions. The Board reviewed the policy on a semi-year basis and the policy remained effective.

The Company's proactive approach to investor relations has widened and expanded the coverage of the Company. A number of local and international sell-side brokers published research reports on the Company. The Company's management and investor relations function take great efforts to maintain an open dialogue with the investment community to ensure a thorough understanding of the Company's business development, core strategies and corporate governance principles.

The Company announced its progresses in a timely manner to enhance Shareholders' understanding of business performance and strategy, 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; (f) a proxy form; and (g) voluntary announcements of material business progresses.



CORPORATE GOVERNANCE REPORT

The implementation and effectiveness of the shareholders' communication policy has been reviewed by the Board during the year ended December 31, 2025 and considered that it is adequate and effective, having considered the communication channels in place provided Shareholders and investment community with information about the latest development of the Group in a timely manner, and the Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders to allow the Company to receive feedback effectively.

Dividend Policy

The Company has adopted a policy on payment of dividends pursuant to paragraph M of the CG Code taking into consideration of various elements including but not limited to, among other things, the capital requirements of the Company, financial results and general business conditions of the Company and any other conditions which the Board may deem relevant. The policy sets out the factors in consideration, procedures and methods of the payment of dividends with an objective to provide the Shareholders with continuing, stable and reasonable returns on investment while maintaining the Company's business operation and achieving its long-term development goal. The distribution of dividends will be formulated by our Board, and will be subject to Shareholders' approval.

WORKFORCE DIVERSITY

The Company is committed to promote diversity in our Company to the extent practicable by taking into consideration a number of factors in respect of our corporate governance structure. The Company seeks to achieve Board diversity and workforce diversity through the consideration of a number of factors, including but not limited to gender, age, language, cultural background, educational background, industry experience and professional experience.

We have adopted the Board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. For more details, please refer to the section headed "Corporate Governance Report – Board of Directors – Board Diversity and Board Diversity Policy" in this report. As at December 31, 2025, our senior management consists of 5 employees (including executive Directors), and the gender ratio in the senior management was approximately 80% males to 20% females. As at December 31, 2025, we hired 276 full-time employees, of which 121 were male and 155 were female. The gender ratio in the workforce (excluding senior management) was approximately 43% males to 57% females. The Company will continue to monitor and evaluate the diversity policy from time to time to ensure its continued effectiveness.

INDEPENDENT AUDITOR'S REPORT



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To the shareholders of Abbisko Cayman Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Abbisko Cayman Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 112 to 182 which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

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

Key audit matter	How our audit addressed the key audit matter
Measurement of research and development costs	
<p>The Group incurred significant research and development (“R&D”) costs of approximately RMB508,441,000 as disclosed in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025. A large portion of the Group’s R&D costs comprised service fees paid to contract research organisations (“CROs”) and contract development and manufacturing organisations (“CDMO”) (collectively referred to as the “Outsourced Service Providers”).</p> <p>The R&D activities with these Outsourced Service Providers are documented in detailed agreements and are typically performed over an extended period. The expenses for R&D activities with these Outsourced Service Providers are charged to profit or loss based on the progress of the research and development projects.</p> <p>We identified the measurement of R&D costs as a key audit matter due to the significant amount of R&D costs and the risk of not recording R&D costs incurred in the appropriate financial reporting period.</p> <p>Related disclosures are included in notes 2.4 and 3 to the financial statements.</p>	<p>Our procedures included, among others:</p> <ol style="list-style-type: none"> 1. obtaining an understanding of and evaluating the design of controls, and testing the operating effectiveness of the controls in relation to the measurement of the R&D costs; 2. reviewing the contracts entered into with the Outsourced Service Providers, on a sampling basis, and evaluating the completion status of R&D projects based on inquiries with project managers, and inspection of supporting documents and external progress reports from the Outsourced Service Providers; 3. obtaining external confirmations from the Outsourced Service Providers; and 4. evaluating the method adopted by the management in setting up the calculation basis for R&D costs and re-calculating the accrued R&D costs using the management’s method. <p>We also read and assessed the Group’s disclosures of R&D.</p>

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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



INDEPENDENT AUDITOR'S REPORT

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

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

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

As part of an audit in accordance with 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.

INDEPENDENT AUDITOR'S REPORT

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the 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.

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 Wai Ling (practising certificate number: P05274).

Ernst & Young

Certified Public Accountants

Hong Kong

2 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	612,119	503,992
Cost of sales		–	–
Gross profit		612,119	503,992
Other income and gains	6	109,770	104,090
Research and development expenses		(508,441)	(451,376)
Administrative expenses		(75,774)	(74,210)
Other expenses	8	(17,881)	(2,859)
Finance costs	9	(3,334)	(1,608)
PROFIT BEFORE TAX	7	116,459	78,029
Income tax expense	12	(61,212)	(49,727)
PROFIT FOR THE YEAR		55,247	28,302
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(356)	533
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company		(31,193)	22,084
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(31,549)	22,617
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		23,698	50,919
Total comprehensive income attributable to:			
Owners of the parent		23,698	50,919
EARNINGS PER SHARE ATTRIBUTABLE TO			
ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the year	14	RMB 0.09	RMB0.04
Diluted			
– For profit for the year		RMB 0.09	RMB0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	20,234	29,347
Right-of-use assets	16	12,084	23,471
Other intangible assets	17	4,200	4,828
Financial assets at amortised cost	20	141,751	–
Other non-current assets	18	47,598	28,967
Total non-current assets		225,867	86,613
CURRENT ASSETS			
Prepayments and other receivables	19	27,750	61,013
Financial assets at fair value through profit or loss	20	72,509	233
Time deposits over three months	21	1,277,967	1,669,657
Cash and cash equivalents	21	749,007	289,531
Total current assets		2,127,233	2,020,434
CURRENT LIABILITIES			
Other payables and accruals	22	126,742	124,425
Interest-bearing bank borrowings	23	291,699	–
Lease liabilities	16	8,634	11,017
Total current liabilities		427,075	135,442
NET CURRENT ASSETS		1,700,158	1,884,992
TOTAL ASSETS LESS CURRENT LIABILITIES		1,926,025	1,971,605
NON-CURRENT LIABILITIES			
Lease liabilities	16	3,147	13,269
Total non-current liabilities		3,147	13,269
Net assets		1,922,878	1,958,336
EQUITY			
Equity attributable to owners of the parent			
Share capital	24	44	44
Treasury shares		(3)	(3)
Reserves	25	1,922,837	1,958,295
Total equity		1,922,878	1,958,336

Xu Yao-Chang
Director

Yu Hongping
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent						
	Share capital	Treasury shares	Share premium*	Share option reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	44	(3)	5,490,207	44,708	302,146	(3,878,766)	1,958,336
Profit for the year	-	-	-	-	-	55,247	55,247
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations and the Company	-	-	-	-	(31,549)	-	(31,549)
Total comprehensive income for the year	-	-	-	-	(31,549)	55,247	23,698
Repurchase of shares	-	-	(96,152)	-	-	-	(96,152)
Vesting of equity-settled share options and restricted share units	-	-	24,408	(20,020)	-	-	4,388
Share-based payment expenses	-	-	-	32,608	-	-	32,608
At 31 December 2025	44	(3)	5,418,463	57,296	270,597	(3,823,519)	1,922,878

* These reserve accounts comprise the consolidated reserves of approximately RMB1,922,837,000 (year ended 31 December 2024: RMB1,958,295,000) in the consolidated statement of financial position.

	Attributable to owners of the parent						
	Share capital	Treasury shares	Share premium*	Share option reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	46	(4)	5,492,986	115,613	279,529	(3,907,068)	1,981,102
Profit for the year	-	-	-	-	-	28,302	28,302
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations and the Company	-	-	-	-	22,617	-	22,617
Total comprehensive income for the year	-	-	-	-	22,617	28,302	50,919
Repurchase of shares	-	(2)	(76,316)	-	-	-	(76,318)
Cancellation of shares	(2)	2	-	-	-	-	-
Vesting of equity-settled share options and restricted share units	-	1	73,537	(91,644)	-	-	(18,106)
Share-based payment expenses	-	-	-	20,739	-	-	20,739
At 31 December 2024	44	(3)	5,490,207	44,708	302,146	(3,878,766)	1,958,336

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		116,459	78,029
Adjustments for:			
Finance costs	9	3,334	1,608
Interest income		(67,960)	(66,556)
Depreciation of property, plant and equipment	15	10,520	10,803
Depreciation of right-of-use assets	16	9,015	9,636
Amortisation of other intangible assets	17	2,786	3,133
Loss on disposal of items of property, plant and equipment		38	28
Share-based payment expenses	26	32,608	20,739
Fair value (gain)/loss, net:			
Fair value (gain)/loss on financial assets at fair value through profit or loss	7	(2,026)	692
Fair value loss on derivative financial instruments	7	–	1,860
Foreign exchange differences, net	7	17,292	(1,795)
		122,066	58,177
(Increase)/decrease in other assets		(14,782)	5,097
Increase in other payables and accruals		4,248	2,496
		111,532	65,770
Overseas taxes paid, net		(32,246)	(78,694)
Net cash flows from/(used in) operating activities		79,286	(12,924)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		56,908	54,222
Purchases of items of property, plant and equipment		(3,374)	(4,069)
Additions to other intangible assets		(2,158)	(3,327)
Withdrawal of pledged time deposits		–	7,437
Placement of financial assets at fair value through profit or loss		(70,288)	(2,297)
Placement of financial assets at amortised cost		(140,576)	–
Placement of time deposits over three months		(885,717)	(1,430,144)
Withdrawal of time deposits over three months		1,257,147	1,181,673
Net cash flows from/(used in) investing activities		211,942	(196,505)

continued/...

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal portion of lease payments	27	(10,133)	(9,463)
Interest portion of lease payments	27	(851)	(1,608)
Interest paid	27	(2,294)	–
Exercise of share options		4,807	6,527
Repurchases of shares		(96,152)	(76,318)
Proceeds from interest-bearing bank borrowings		291,510	–
Net cash flows generated from/(used in) financing activities		186,887	(80,862)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year		289,531	578,081
Effect of foreign exchange rate changes, net		(18,639)	1,741
CASH AND CASH EQUIVALENTS AT END OF YEAR		749,007	289,531
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	2,026,974	1,959,188
Less: Time deposits over three months	21	1,277,967	1,669,657
Cash and cash equivalents as stated in the statement of cash flows	21	749,007	289,531

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 28 March 2018. The registered address of the Company is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were involved in the research and development of pharmaceutical products.

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 13 October 2021.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Abbisko Hongkong Limited	Hong Kong 13 April 2018	Hong Kong Dollars ("HKD") 10,000	100%	-	Investment holding
Abbisko Therapeutics Co., Ltd. ^{1,2} (上海和譽生物醫藥科技有限公司)	Chinese mainland 12 April 2016	Renminbi ("RMB") 1,500,000,000	-	100%	Research and development
Wuxi Abbisko Biomedical Technology Co., Ltd. ^{1,2} (無錫和譽生物醫藥科技有限公司)	Chinese mainland 28 July 2020	United States Dollars ("USD") 50,000,000	-	100%	Research and development

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Abbisko Therapeutics Australia Pty Ltd.	Australia 25 September 2020	Australian Dollars ("AUD") 6,205,575	-	100%	Research and development
Beijing Qianyu Therapeutics Co. Ltd. ¹ (北京千譽生物醫藥科技有限公司)	Chinese mainland 24 November 2021	Renminbi ("RMB") 25,000,000	-	100%	Research and development
Abbisko Therapeutics (US) LLC.	The United States 27 March 2024	-	100%	-	Advisory and management service

¹ The English names of these companies represent the best effort made by the Directors to translate their Chinese names as these companies have not been registered with any official English names.

² These subsidiaries were registered as wholly-foreign-owned enterprises under PRC law.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and wealth management products which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand ("RMB'000") 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).

2. ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.2 Changes in accounting policies and disclosures

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

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

2.3 Issued but not yet effective ifrs accounting standards

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

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

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

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective ifrs accounting standards (continued)

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective ifrs accounting standards (continued)

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

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

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

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet effective ifrs accounting standards (continued)

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

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

IFRS 7 Financial instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs LG1, LG14 and LG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies

Fair value measurement

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

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

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

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Impairment of non-financial assets

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Property, plant and equipment and depreciation

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

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

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

	Principal annual rates	Estimated useful lives
Electronic equipment	19%	5 years
Office equipment	19%	5 years
R&D equipment	19%	5 years
Motor vehicles	19%	5 years
Leasehold improvements	–	Shorter of remaining lease terms and 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 recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Intangible assets (other than goodwill)

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

Intangible assets are amortised on the straight-line basis over the following useful economic lives:

Software for research and development activities	1 to 10 years
Software for management activities	1 to 10 years

The useful life of the software for R&D activities is estimated based on the authority period of the software, while the useful life of the software for management activities is estimated based on management's judgement.

Research and development expenses

All research costs are charged to the statement of profit or loss and other comprehensive income as incurred.

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

Leases

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

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

(a) *Right-of-use assets*

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

Property and office premises	5 to 6 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) *Lease liabilities*

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

(b) *Lease liabilities (continued)*

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 laptops that are considered to be of low value.

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

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

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.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and other comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss and other comprehensive income.



NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss and other comprehensive income. Dividends are recognised as other income in the statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

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

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 classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss (continued)

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

Derecognition of financial assets

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

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

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

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



NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Impairment of financial assets

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

General approach

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

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

The Group 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.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Impairment of financial assets (continued)

General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 - Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 - Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 - Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Financial liabilities (continued)

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.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income. The net fair value gain or loss recognised in the statement of profit or loss and other comprehensive income does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss and other comprehensive income, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss and other comprehensive income. The net fair value gain or loss recognised in the statement of profit or loss and other comprehensive income does not include any interest charged on these financial liabilities.

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

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Cash and cash equivalents

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Provisions

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

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

Income tax

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

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates. Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Income tax (continued)

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

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

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

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

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



NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Government grants

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

Revenue recognition

Revenue from contracts with customers

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

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

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

Licenses of Intellectual Property

Upfront non-refundable payments for licensing the Company's intellectual property are evaluated to determine if the license is distinct from the other performance obligations identified in the arrangement. For licenses determined to be distinct, the Company recognizes revenues from non-refundable up-front fees allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is able to use and benefit from the license.

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Revenue recognition (continued)

Other income

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

Share-based payments

The Company operates a share option scheme. Employees (including Directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 26 to the consolidated financial statements.

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

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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

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 recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

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

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

Other employee benefits

Pension scheme

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

Events after the reporting period

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

2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 13 to the consolidated financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Borrowing costs

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

Foreign currencies

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

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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



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2. ACCOUNTING POLICIES (continued)

2.4 Material accounting policies (continued)

Foreign currencies (continued)

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

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the average exchange rates for the year.

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

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated 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 judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Research and development expenses

Development expenses incurred on the Group's drug product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. During the reporting period, all expenses incurred for research and development activities were expensed when incurred.

Estimation uncertainty

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

Share-based payments

The Group has set up an equity share option plan for the Company's Directors and the Group's employees. The fair value of the options is determined by the binomial model at the grant dates.

Estimating the fair value for share-based payment transactions requires the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share options, volatility and dividend yield and making assumptions about them.

For the fair value measurement of equity-settled transactions with employees at the grant date, the Group uses a binomial model. The assumptions and models used for estimating the fair value for share-based payment transactions are disclosed in note 26.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

NOTES TO FINANCIAL STATEMENTS

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4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the development of innovative medicines. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
European Union	612,119	497,273
Chinese mainland	–	6,719
Total revenue	612,119	503,992

(b) Non-current assets

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

Information about a major customer

Revenue from operations of approximately RMB612,119,000 (year ended 31 December 2024: RMB497,273,000) was derived from licensing out to a single customer.

5. REVENUE

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	612,119	503,992

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Type of goods or services		
Licensing revenue	612,119	503,992
Geographical market		
European Union	612,119	497,273
Chinese mainland	–	6,719
Total	612,119	503,992
Timing of revenue recognition		
At a point in time	612,119	503,992

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

(b) Performance obligations

Out-licensing revenue

The Group's out-licensing revenue is intellectual property licenses during the year. For the intellectual property licenses, the performance obligation is satisfied upon the control of the license is transferred to the customer and the payment is generally due upon completion of transfer or payment in advance is required.

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6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Other income		
Interest income:		
Time deposits over three months	67,960	66,556
Financial assets at amortised cost	1,194	–
Other savings	23,765	22,543
Total income	92,919	89,099
Other gains		
Government grants*	14,794	13,196
Foreign exchange gains	–	1,795
Fair value gains on financial assets at fair value through profit or loss	2,026	–
Others	31	–
Total gains	16,851	14,991
Total	109,770	104,090

* The government grants mainly represent subsidies received from the Chinese mainland government for the purpose of supporting research and clinical trial activities, allowances for new drug development. There were no unfulfilled conditions or contingencies relating to these grants received during the year.

7. PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Depreciation of items of property, plant and equipment	15	10,520	10,803
Depreciation of right-of-use assets	16	9,015	9,636
Amortisation of other intangible assets	17	2,786	3,133
Research and development costs		489,956	431,230
Lease payments not included in the measurement of lease liabilities	16	184	770
Auditor's remuneration		1,750	1,800
Employee benefit expense (excluding Directors' and chief executive's remuneration (note 10)):			
Wages and salaries		146,230	156,437
Pension scheme contributions (defined contribution scheme)		26,734	30,457
Share-based payment expenses		24,145	8,592
Total		197,109	195,486
Foreign exchange differences, net	6/8	17,292	(1,795)
Fair value (gain)/loss on financial assets at fair value through profit or loss		(2,026)	692
Interest income	6	(92,919)	(89,099)
Loss on disposal of items of property, plant and equipment		38	28
Others		(31)	1,860

NOTES TO FINANCIAL STATEMENTS

31 December 2025

8. OTHER EXPENSES

An analysis of other expenses is as follows:

	2025 RMB'000	2024 RMB'000
Foreign exchange losses	17,292	–
Fair value losses on financial assets at fair value through profit or loss	–	692
Fair value loss on derivative financial instruments	–	1,860
Others	589	307
Total	17,881	2,859

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	851	1,608
Interest on bank borrowings	2,483	–
Total	3,334	1,608

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

	2025 RMB'000	2024 RMB'000
Fees	714	712
Other emoluments:		
Salaries, bonuses, allowances and benefits in kind*	12,450	9,681
Pension scheme contributions	252	260
Share-based payment expenses	8,464	12,145
Subtotal	21,166	22,086
Total	21,880	22,798

* The bonuses paid to or receivable by the Directors and chief executive of the Company are discretionary with reference to their performance, the Company's remuneration policy and the prevailing market conditions. The Remuneration Committee of the Company will review the remuneration package payable to the individual executive directors and chief executive each year.

During the year and prior years, certain Directors were granted restricted share units and share options in respect of their services to the Group under the 2019 Share Incentive Plan, Post-IPO Share Option Scheme and the Post-IPO Restricted Share Units Scheme of the Company, further details of which are set out in note 26 to the financial statements. The fair value of such restricted share units and share options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant, and the amount included in the financial statements for the current year is included in the above Directors' and the chief executive's remuneration disclosures.

(a) Independent non-executive Directors

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

	2025 RMB'000	2024 RMB'000
Dr. Sun Piaoyang	–	–
Mr. Sun Hongbin	357	356
Mr. Wang Lei (i)	–	356
Ms. Chui Hoi Yam (ii)	357	–
Total	714	712

There were no other emoluments payable to the independent non-executive Directors during the year (year ended 31 December 2024: Nil).

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

(b) Executive Directors, non-executive Directors and the chief executive

	Fees RMB'000	Salaries, bonuses, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total remuneration RMB'000
2025					
Executive Directors:					
Dr. Chen Zhui (iii)	–	347	33	(595)	(215)
Dr. Yu Hongping	–	2,832	131	2,678	5,641
Dr. Ji Jing (iv)	–	4,898	88	2,559	7,545
Subtotal	–	8,077	252	4,642	12,971
Executive Director and chief executive:					
Dr. Xu Yao-Chang	–	4,373	–	3,822	8,195
Total	–	12,450	252	8,464	21,166
2024					
Executive Directors:					
Dr. Yu Hongping	–	2,745	130	3,769	6,644
Dr. Chen Zhui (iii)	–	2,755	130	3,769	6,654
Subtotal	–	5,500	260	7,538	13,298
Non-executive Director:					
Ms. Tang Yanmin (v)	–	–	–	–	–
Executive Director and chief executive:					
Dr. Xu Yao-Chang	–	4,181	–	4,607	8,788
Total	–	9,681	260	12,145	22,086

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

- (i) Mr. Wang Lei was appointed as an independent non-executive Director of the Company on 30 September 2021 and resigned as an independent non-executive Director on 28 February 2025.
- (ii) Ms. Chui Hoi Yam was appointed as an independent non-executive Director of the Company on 28 February 2025.
- (iii) Dr. Chen Zhui was appointed as an executive Director of the Company on 28 March 2018 and resigned as an executive Director on 3 March 2025.
- (iv) Dr. Ji Jing was appointed as an executive Director of the Company on 3 March 2025.
- (v) Ms. Tang Yanmin was appointed as a Director of the Company on 10 June 2021 and resigned as a Director on 20 December 2024.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three Directors (year ended 31 December 2024: three Directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining two (year ended 31 December 2024: two) highest paid employees who are neither a Director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, bonuses, allowances, and benefits in kind*	6,358	8,183
Pension scheme contributions	267	200
Share-based payment expenses	3,961	4,048
Total	10,586	12,431

* The bonuses paid to or receivable by the Company's five highest paid employees are discretionary with reference to their performance, the Company's remuneration policy and the prevailing market conditions. The remuneration package of five highest paid employees (if they are also executive directors or senior management), will be reviewed by the Remuneration Committee of the Company each year.

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

	2025	2024
HKD5,000,001 to HKD5,500,000	1	–
HKD5,500,001 to HKD6,000,000	–	–
HKD6,000,001 to HKD6,500,000	1	–
HKD6,500,001 to HKD7,000,000	–	2
HKD7,000,001 to HKD7,500,000	–	–
Total	2	2

During the year and prior years, share options and restricted share units were granted to 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 26 to the financial statements. The fair value of such share options and restricted share units, which has been recognised in the statement of profit or loss over the vesting period was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-Director and non-chief executive highest paid employees' remuneration disclosures.

During the year, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office (year ended 31 December 2024: Nil).

NOTES TO FINANCIAL STATEMENTS

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12. 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 operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to income tax under the two-tiered profits tax rates regime on the estimated assessable profits arising in Hong Kong during the year. The first HKD2.0 million of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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. A subsidiary was accredited as a "High and New Technology Enterprise" ("HNTE") in October 2022 and was reaccredited as an "HNTE" in December 2025. Therefore it was entitled to a preferential CIT rate of 15% from January 2022 to December 2025. This qualification is subject to review by the relevant tax authority in the Chinese mainland every three years.

Australia

No provision for Australia income tax has been made as the Group had no assessable profits derived from or earned in Australia during the year. The subsidiary incorporated in Australia is subject to income tax at the rate of 30% on the estimated assessable profits arising in Australia during the year.

Germany

The Group was subject to German withholding tax on licensing revenue received from a Germany-based customer.

The income tax expense of the Group is analysed as follows:

	2025 RMB'000	2024 RMB'000
Current tax		
German withholding tax	61,212	49,727

During 2025, the Group is subject to a Germany withholding tax on licensing revenue received from a Germany-based customer, amounting to RMB61,211,900.

12. INCOME TAX (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	116,459	78,029
Tax at the statutory tax rates	16,746	8,353
Withholding tax	61,212	49,727
Effect of different tax rates enacted by local authorities	(10,412)	(8,640)
Income not subject to tax	(59)	(137)
Additional deductible allowance for qualified research and development expenses	(65,504)	(64,196)
Expenses not deductible for tax	5,468	3,639
Temporary difference not recognised	(235)	(14)
Tax losses not recognised	53,996	60,995
Tax charge at the Group's effective rate	61,212	49,727

The Group had accumulated tax losses in the Chinese mainland of approximately RMB2,694,606,000 as at 31 December 2025 (year ended 31 December 2024: RMB2,425,463,000), which will expire in five to ten years for offsetting against future taxable profits of the companies in which the losses arose:

	2025 RMB'000	2024 RMB'000
Expire in 2026	10,034	10,034
Expire in 2027	40,722	40,722
Expire in 2028	81,184	81,191
Expire in 2029	113,384	113,384
Expire in 2030	180,823	183,711
Expire in 2031	278,067	285,350
Expire in 2032	602,446	610,714
Expire in 2033	743,783	755,022
Expire in 2034	336,626	345,335
Expire in 2035	307,537	–
Total	2,694,606	2,425,463

The Group also had accumulated tax losses in overseas subsidiaries of approximately RMB143,049,000 as at 31 December 2025 (year ended 31 December 2024: RMB123,366,000), which will be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

13. DIVIDENDS

No dividend was paid or declared by the Company during the year ended 31 December 2025 (year ended 31 December 2024: Nil).

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 624,666,284 (year ended 31 December 2024: 633,992,967) outstanding during the year, as adjusted to reflect the shares repurchased during the year.

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

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

	2025 RMB'000	2024 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	55,247	28,302
	Numbers of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation*	624,666,284	633,992,967
Effect of dilution – weighted average number of ordinary shares: Share incentive plan (note 26)	15,093,392	15,601,842
Total	639,759,676	649,594,809

* The weighted average number of shares was after taking into account the effect of treasury shares held.

15. PROPERTY, PLANT AND EQUIPMENT

	Electronic equipment RMB'000	Office equipment RMB'000	R&D equipment RMB'000	Motor vehicles RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	3,071	367	42,926	1,244	16,601	481	64,690
Accumulated depreciation	(1,418)	(285)	(25,472)	(859)	(7,309)	-	(35,343)
Net carrying amount	1,653	82	17,454	385	9,292	481	29,347
At 1 January 2025,							
Net of accumulated depreciation	1,653	82	17,454	385	9,292	481	29,347
Additions	-	-	-	-	-	1,445	1,445
Disposals of cost	-	-	(321)	-	-	-	(321)
Disposals of depreciation	-	-	283	-	-	-	283
Transfer from construction in progress	381	-	1,065	-	-	-	1,446
Transfer to property, plant and equipment	-	-	-	-	-	(1,446)	(1,446)
Depreciation provided during the year	(553)	(44)	(5,196)	(162)	(4,565)	-	(10,520)
At 31 December 2025,							
Net of accumulated depreciation	1,481	38	13,285	223	4,727	480	20,234
At 31 December 2025:							
Cost	3,452	367	43,670	1,244	16,601	480	65,814
Accumulated depreciation	(1,971)	(329)	(30,385)	(1,021)	(11,874)	-	(45,580)
Net carrying amount	1,481	38	13,285	223	4,727	480	20,234
31 December 2024							
At 1 January 2024:							
Cost	2,643	367	41,075	1,244	3,931	9,804	59,064
Accumulated depreciation	(962)	(241)	(19,937)	(697)	(2,963)	-	(24,800)
Net carrying amount	1,681	126	21,138	547	968	9,804	34,264
At 1 January 2024,							
Net of accumulated depreciation	1,681	126	21,138	547	968	9,804	34,264
Additions	-	-	333	-	1,968	3,613	5,914
Disposals of cost	(39)	-	(249)	-	-	-	(288)
Disposals of depreciation	37	-	223	-	-	-	260
Transfer from construction in progress	467	-	1,767	-	10,702	-	12,936
Transfer to property, plant and equipment	-	-	-	-	-	(12,936)	(12,936)
Depreciation provided during the year	(493)	(44)	(5,758)	(162)	(4,346)	-	(10,803)
At 31 December 2024,							
Net of accumulated depreciation	1,653	82	17,454	385	9,292	481	29,347
At 31 December 2024:							
Cost	3,071	367	42,926	1,244	16,601	481	64,690
Accumulated depreciation	(1,418)	(285)	(25,472)	(859)	(7,309)	-	(35,343)
Net carrying amount	1,653	82	17,454	385	9,292	481	29,347

As at 31 December 2025, there were no pledged property, plant and equipment (year ended 31 December 2024: Nil).

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16. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties used in its operations. Leases of properties generally have lease terms between 5 and 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of use assets

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

	Property and office premises
	RMB'000
As at 1 January 2024	35,082
Disposals	(1,975)
Depreciation charge	(9,636)
As at 31 December 2024 and 1 January 2025	23,471
Disposals	(2,372)
Depreciation charge	(9,015)
As at 31 December 2025	12,084

(b) Lease liabilities

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

	2025	2024
	RMB'000	RMB'000
Carrying amount at 1 January	24,286	35,724
Disposals	(2,372)	(1,975)
Accretion of interest recognised during the year	851	1,608
Payments	(10,984)	(11,071)
Carrying amount at 31 December	11,781	24,286
Analysed into:		
Current portion	8,634	11,017
Non-current portion	3,147	13,269

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

16. LEASES (continued)

The Group as a lessee (continued)

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

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	851	1,608
Depreciation charge of right-of-use assets	9,015	9,636
Expense relating to short-term leases	184	770
Total amount recognised in profit or loss	10,050	12,014

(d) The total cash outflow for leases is disclosed in note 27(c) to the financial statements.

17. OTHER INTANGIBLE ASSETS

	Software RMB'000
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	4,828
Additions	2,158
Amortisation provided during the year	(2,786)
At 31 December 2025	4,200
At 31 December 2025:	
Cost	15,501
Accumulated amortisation	(11,301)
Net carrying amount	4,200
31 December 2024	
At 1 January 2024	
Cost	9,808
Accumulated amortisation	(5,174)
Net carrying amount	4,634
Cost at 1 January 2024, net of accumulated amortisation	4,634
Additions	3,327
Amortisation provided during the year	(3,133)
At 31 December 2024	4,828
At 31 December 2024:	
Cost	13,343
Accumulated amortisation	(8,515)
Net carrying amount	4,828

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18. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Tax deduction related to withholding tax*	–	28,967
Input VAT to be deducted**	47,598	–
Total	47,598	28,967

* The other non-current assets as at 31 December 2024 represented an excess of withholding tax in relation to the Group's licensing revenue from the customer. As at 31 December 2025, the excess of withholding tax has been repaid from the Tax Bureau.

** Input VAT will be continuing deductible in the future.

19. PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepayments to suppliers	12,760	9,054
Input VAT to be deducted	–	35,870
Other receivables*	14,990	16,089
Total	27,750	61,013

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

* Other receivables are primarily composed of due from related parties.

20. FINANCIAL ASSETS

	2025 RMB'000	2024 RMB'000
Financial assets at fair value through profit or loss Wealth management product	72,509	233
Financial assets at amortised cost Wealth management product	141,751	–

The wealth management products were purchased from creditworthy commercial banks offshore.

Among these, the products have been mandatorily classified as financial assets measured at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest. The fair values are based on cash flows discounted using the expected yield rate and are within Level 2 of the fair value hierarchy.

21. TIME DEPOSITS OVER THREE MONTHS, PLEDGED TIME DEPOSITS AND CASH AND CASH EQUIVALENTS

The details of cash and bank balances (including time deposits over three months and cash and cash equivalents) are as follows:

	2025 RMB'000	2024 RMB'000
Cash and bank balances	2,026,974	1,959,188
Less:		
Time deposits over three months*	1,277,967	1,669,657
Cash and cash equivalents	749,007	289,531

* They represented time deposits, acquired from commercial banks, with initial terms of over three months, with annual return rates ranging from 3.58% to 5.2% (year ended 31 December 2024: 4.13% to 5.3%) as at 31 December 2025. None of these deposits are either past due or impaired. None of these deposits have been pledged.

The breakdown of cash and bank balances by the denomination of currency is as follows:

	2025 RMB'000	2024 RMB'000
Denominated in:		
RMB	29,766	198,216
USD	1,994,963	1,749,408
HKD	567	6,029
AUD	1,678	5,535
Cash and bank balances	2,026,974	1,959,188

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to approximately RMB29,766,000 (year ended 31 December 2024: RMB198,216,000). The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

NOTES TO FINANCIAL STATEMENTS

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22. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Payables for research and development services	82,092	67,632
Payroll payable	26,684	26,105
Other tax payables	3,528	16,142
Payables of construction and purchase of equipment	47	1,977
Other payables	14,391	12,569
Total	126,742	124,425

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals as at the end of each of the reporting periods approximated to their fair values due to their short-term maturities.

23. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans – unsecured	2.11-2.60	2026	291,699	–	–	–
Total-current			291,699			–

During the year of 2025, the Group entered into unsecured loan facility agreements with Bank of Communications, China Merchants Bank, Industrial and Commercial Bank of China and Bank of China which agreed to provide a credit facility of an aggregate of RMB332,510,000 for a term of one year. During 2025, the Group drew down the credit facility of RMB291,510,000, at fixed interest rate of 2.11% to 2.60% per annum for a term of one year, with the maturity period equals or less than one year.

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	291,699	–
Subtotal	291,699	–
Total	291,699	–

Notes:

- (a) The Group's overdraft facilities amounted to RMB332,510,000 (2024: Nil), of which RMB291,510,000 (2024: Nil) have been utilised as at the end of the reporting period.
- (b) All borrowings are denominated in RMB.
- (c) The effective interest rates of the bank borrowings as at 31 December 2025 ranged from 2.11% to 2.60% per annum.

24. SHARE CAPITAL

Shares

	2025 USD'000	2024 USD'000
Issued and fully paid: 680,105,350 (2024: 679,417,657) ordinary shares	7	7
Equivalent to RMB'000	44	44

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

	Number of shares in issue	Share capital RMB'000
At 31 December 2024 and 1 January 2025	679,417,657	44
Share options issued	687,693	–
At 31 December 2025	680,105,350	44

- (i) The total amount paid for the repurchase of the shares and share purchase (pursuant to the share incentive plan) of HKD104,624,090 (equivalent to approximately RMB96,152,547) has been charged to share capital and share premium of the Company.
- (ii) Under the Post-IPO Option Scheme, the subscription rights attaching to 44,782 share options were exercised at the subscription price of HKD2.774 per share, 218,882 share options were exercised at the subscription price of HKD2.850 per share, 46,250 share options were exercised at the subscription price of HKD3.108 per share and 150,000 share options were exercised at the subscription price of HKD4.000 per share, resulting in the total issue of 459,914 shares for a total cash consideration, before expenses, of HKD1,491,784 (equivalent to approximately RMB1,370,510). An amount of USD4.60 (equivalent to approximately RMB32.33) was transferred from the share option reserve to share capital upon the exercise of the share options
- (iii) As at 31 December 2025, a total of 11,727,000 shares under share repurchase and share purchase (pursuant to the share incentive plan) during the year and 4,800,000 shares repurchased in 2024 are classified as treasury shares*.

* For the avoidance of doubt, treasury shares here is the concept under IAS 32.



NOTES TO FINANCIAL STATEMENTS

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25. RESERVES

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

(i) **Share premium**

The share premium account represents the amount paid by shareholders for capital injection, and also the proceeds from Hong Kong IPO global offering (less related costs), in excess of the nominal value of the shares.

(ii) **Share option reserve**

The share option reserve comprises the fair value of share options and restricted share units granted that have not yet been exercised or vested, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. This amount will be transferred to the share premium account when the related options or restricted share units are exercised or vested, or will be transferred to retained profits if the related options or restricted share units expire or are forfeited.

26. SHARE-BASED PAYMENTS

1) **2019 Share Incentive Plan ("2019 Share Incentive Plan" or "2019 Plan")**

In July 2019, the Company adopted the 2019 Share Incentive Plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of the 2019 Share Incentive Plan may include any employees and Directors of the Company and its subsidiaries. The maximum aggregate number of shares that may be issued under this plan is 83,602,800 shares (taking into account the effect of the Share Subdivision). Unless otherwise cancelled or amended, the 2019 Share Incentive Plan will remain in force for ten years from the adoption date.

The Board shall have the authority to approve the 2019 Plan and the separate programs under the 2019 Share Incentive Plan and the shareholders shall have the power to approve and determine the maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the 2019 Share Incentive Plan.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the 2019 Share Incentive Plan as an equity-settled plan.

26. SHARE-BASED PAYMENTS (continued)

1) 2019 Share Incentive Plan (“2019 Share Incentive Plan” or “2019 Plan”) (continued)

(a) Share options under the 2019 Share Incentive Plan

The exercise period of the share options granted is determinable by the Directors and commences after a vesting period of one to four years and ends on a date which is not later than ten years from the grant date of the share options.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

The following share options were outstanding under the 2019 Share Incentive Plan during the years ended 31 December 2025 and 2024:

	Weighted average exercise price RMB per share	Number of options
At 1 January 2025	1.38	6,793,695
Forfeited during the year	1.45	(2,500)
Exercised during the year	1.34	(2,018,080)
At 31 December 2025	1.40	4,773,115
At 1 January 2024	1.41	9,396,452
Forfeited during the year	1.45	(785,185)
Exercised during the year	1.47	(1,817,572)
At 31 December 2024	1.38	6,793,695

The weighted average share price at the date of exercise for share options exercised during the year under the 2019 Share Incentive Plan was RMB8.79 per share (year ended 31 December 2024: RMB3.88 per share).

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26. SHARE-BASED PAYMENTS (continued)

1) 2019 Share Incentive Plan (“2019 Share Incentive Plan” or “2019 Plan”) (continued)

(a) Share options under the 2019 Share Incentive Plan (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2025

Number of options	Exercise price RMB per share*	Exercise period
127,484	0.01-0.2	1-12-19 to 1-12-29
222,600	1.34	1-12-20 to 1-12-29
135,000	1.45	1-12-21 to 1-12-30
3,799,800	1.45	1-12-21 to 1-6-31
488,231	1.45	1-9-22 to 1-9-31
4,773,115		

2024

Number of options	Exercise price RMB per share	Exercise period
257,502	0.01-0.2	1-12-19 to 1-12-29
516,137	1.34	1-12-20 to 1-12-29
210,000	1.45	1-12-21 to 1-12-30
4,812,556	1.45	1-12-21 to 1-6-31
997,500	1.45	1-9-22 to 1-9-31
6,793,695		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year was nil (year ended 31 December 2024: Nil), and the Group recognised share-based payment expenses of RMB250,647 during the year (year ended 31 December 2024: RMB1,470,281).

At the end of the reporting period, the Company had 4,773,115 share options outstanding under the 2019 Share Incentive Plan.

26. SHARE-BASED PAYMENTS (continued)

1) 2019 Share Incentive Plan (“2019 Share Incentive Plan” or “2019 Plan”) (continued)

(b) Restricted share units

The purpose of granting the restricted share units (“RSUs”) under the 2019 Share Incentive Plan is to incentivise the Directors and experts for their contribution to the Group and to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group, by providing them with the opportunity to own equity interests in the Company.

Unless otherwise cancelled or amended, the exercise period of the RSUs shall commence after a vesting period of one to four years and ends on a date which is not later than ten years from the grant date of the RSUs.

The following RSUs were outstanding under the 2019 Share Incentive Plan during the years ended 31 December 2025 and 2024:

	Number of RSUs
At 1 January 2025	4,425,250
Granted during the year	4,606,372
Forfeited during the year	(286,250)
Vested during the year	(2,094,500)
At 31 December 2025	6,650,872
At 1 January 2024	21,847,000
Forfeited during the year	(586,500)
Surrendered during the year*	(6,431,022)
Vested during the year	(10,404,228)
At 31 December 2024	4,425,250

* For the year ended 31 December 2024, individual income tax have been paid in February 2024 and January 2025 by the Group on behalf of an employee and certain Directors whose rights were vested under the 2019 Share Incentive Plan and 6,431,022 RSUs were deducted from the total number of RSUs entitled to be vested to that employee and those Directors, as settlement for the individual income tax paid by the Group on their behalf.

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26. SHARE-BASED PAYMENTS (continued)

1) 2019 Share Incentive Plan (“2019 Share Incentive Plan” or “2019 Plan”) (continued)

(b) Restricted share units (continued)

The exercise periods of the RSUs outstanding under the 2019 Share Incentive Plan as at 31 December 2025 are as follows:

2025

Number of RSUs	Exercise period
62,500	1-3-23 to 1-3-32
1,022,500	1-6-23 to 1-6-32
75,000	1-9-23 to 1-9-32
459,500	1-11-23 to 1-11-32
150,000	17-3-24 to 17-3-33
275,000	1-6-24 to 1-6-33
4,606,372	29-9-26 to 29-9-35
6,650,872	

2024

Number of RSUs	Exercise period
12,500	1-12-22 to 1-12-31
125,000	1-3-23 to 1-3-32
2,145,000	1-6-23 to 1-6-32
150,000	1-9-23 to 1-9-32
1,299,000	1-11-23 to 1-11-32
281,250	17-3-24 to 17-3-33
412,500	1-6-24 to 1-6-33
4,425,250	

The fair value of the RSUs granted during the year was RMB73,653,124 (year ended 31 December 2024: Nil), and the Group recognised share-based payment expenses of RMB11,570,394 (year ended 31 December 2024: RMB13,585,371) during the year.

The fair value of the RSUs granted during the year was measured as at the date of grant using the fair value of the Company’s ordinary shares.

At the end of the reporting period, the Company had 6,650,872 RSUs outstanding under the 2019 Share Incentive Plan.

26. SHARE-BASED PAYMENTS (continued)

2) Post-IPO Share Option Scheme

In September 2021, the Company adopted the Post-IPO Share Option Scheme for the purpose of rewarding employees, Directors or consultants for their past contribution to the success of the Group and providing incentives to them to further contribute to the Group. The maximum aggregate number of shares that may be issued under this plan is 48,723,430 shares (taking into account the effect of the Share Subdivision). Unless otherwise cancelled or amended, the Post-IPO Share Option Scheme will remain in force for ten years from the commencement date.

The Board shall have the authority to approve the Post-IPO Share Option Scheme and the shareholders shall have the power to approve and determine the maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the Post-IPO Share Option Scheme.

The Post-IPO Share Option Scheme shall be valid and effective for a period of ten years commencing on the date when the Post-IPO Share Option Scheme becomes unconditional, after which period no further options will be granted by the provisions of the Post-IPO Share Option Scheme, but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme.

The exercise period of the share options granted is determinable by the Directors, and commences after a vesting period of one to four years and ends on a date which is not later than ten years from the grant date of the share options.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Post-IPO Share Option Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

NOTES TO FINANCIAL STATEMENTS

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26. SHARE-BASED PAYMENTS (continued)

2) Post-IPO Share Option Scheme (continued)

The following share options were outstanding under the Post-IPO Share Option Scheme during the years ended 31 December 2025 and 2024:

	Weighted average exercise price RMB per share	Number of options
At 1 January 2025	3.07	3,840,193
Granted during the year	15.99	6,343,508
Forfeited during the year	2.98	(156,250)
Exercised during the year	2.95	(459,914)
At 31 December 2025	11.65	9,567,537
At 1 January 2024	3.03	4,265,000
Forfeited during the year	2.63	(217,500)
Exercised during the year	2.63	(207,307)
At 31 December 2024	3.07	3,840,193

The weighted average share price at the date of exercise for share options exercised during the year under the Post-IPO Share Option Scheme was RMB8.94 per share (year ended 31 December 2024: RMB4.23).

The exercise prices and exercise periods of the share options outstanding under the Post-IPO Share Option Scheme as at 31 December 2025 are as follows:

2025

Number of options 000	Exercise price RMB per share*	Exercise period
1,500,000	3.62	1-6-23 to 1-6-32
1,013,639	2.63	1-11-23 to 1-11-32
235,000	2.72	17-3-24 to 17-3-33
475,390	2.51	1-6-24 to 1-6-33
6,343,508	15.99	29-9-26 to 29-9-35
9,567,537		

26. SHARE-BASED PAYMENTS (continued)

2) Post-IPO Share Option Scheme (continued)

2024

Number of options 000	Exercise price RMB per share*	Exercise period
1,700,000	3.62	1-6-23 to 1-6-32
1,282,521	2.63	1-11-23 to 1-11-32
337,500	2.72	17-3-24 to 17-3-33
520,172	2.51	1-6-24 to 1-6-33
3,840,193		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the equity-settled share options granted under the Post-IPO Share Option Scheme during the year was estimated as at the dates of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2025	2024
Dividend yield (%)	0.00	N/A
Expected volatility (%)	46.30	N/A
Risk-free interest rate (%)	3.01	N/A
Exercise multiple	2.2 to 2.8	N/A
Weighted average share price (HKD per share)	17.5	N/A

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the options granted was incorporated into the measurement of fair value.

The fair value of the share options granted under the Post-IPO Share Option Scheme during the year was RMB47,086,236 (year ended 31 December 2024: Nil), and the Group recognised share-based payment expenses of RMB6,731,445 during the year (year ended 31 December 2024: RMB1,397,562).

At the end of the reporting period, the Company had 9,567,537 share options outstanding under the Post-IPO Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, resulting in the addition of 9,567,537 ordinary shares of the Company.

NOTES TO FINANCIAL STATEMENTS

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26. SHARE-BASED PAYMENTS (continued)

3) Post-IPO Restricted Share Units Scheme

In April 2024, the Company adopted the Post-IPO Restricted Share Units Scheme for the purpose to incentivising the Directors and experts for their contribution to the Group and to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group, by providing them with the opportunity to own equity interests in the Company. The maximum aggregate number of shares that may be issued under this plan is 48,723,430 shares (taking into account the effect of the Share Subdivision). Unless otherwise cancelled or amended, the Post-IPO Restricted Share Units Scheme will remain in force for ten years from the commencement date.

Unless otherwise cancelled or amended, the exercise period of the RSUs shall commence after a vesting period of one to four years and end on a date which is the earlier of ten years from the grant date of the RSUs or the termination date of the grantee's employment.

The following RSUs were outstanding under the Post-IPO Restricted Share Units Scheme during the year ended 31 December 2025:

	Number of RSUs
At 1 January 2025	7,482,500
Granted during the year	2,981,924
Forfeited during the year	(1,206,875)
Exercise during the year	(1,655,625)
At 31 December 2025	7,601,924

The exercise periods of the RSUs outstanding under the Post-IPO Restricted Share Units Scheme as at 31 December 2025 are as follows:

Number of RSUs	Exercise period
258,750	1-4-25 to 1-4-34
4,361,250	1-9-25 to 1-9-34
750,000	22-4-26 to 22-4-35
2,231,924	29-9-26 to 29-9-35
7,601,924	

The fair value of the RSUs granted during the year was RMB40,611,610 (year ended 31 December 2024: RMB22,672,430), and the Group recognised share-based payment expenses of RMB14,055,946 (year ended 31 December 2024: RMB4,285,307) during the year.

The fair value of the RSUs granted during the year was measured as at the date of grant using the fair value of the Company's ordinary shares.

26. SHARE-BASED PAYMENTS (continued)

3) Post-IPO Restricted Share Units Scheme (continued)

At the end of the reporting period, the Company had 7,601,924 RSUs outstanding under the Post-IPO Restricted Share Units Scheme. The vesting in full of the outstanding RSUs, under the present capital structure of the Company, will not result in the increase of ordinary shares of the Company, since only RSUs with existing shares as underlying shares under the Post-IPO Restricted Share Units Scheme have been granted so far.

27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group did not have non-cash additions to right-of-use assets (year ended 31 December 2024: Nil) and non-cash additions to lease liabilities (year ended 31 December 2024: Nil), in respect of lease arrangements for property and office premises.

(b) Changes in liabilities arising from financing activities

	Interest- bearing bank loans RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2025	–	24,286	24,286
Lease payments	–	(10,984)	(10,984)
Disposals of lease	–	(2,372)	(2,372)
Interest expenses	2,294	851	3,145
At 31 December 2025	2,294	11,781	14,075

	Interest- bearing bank loans RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	–	35,724	35,724
Lease payments	–	(11,071)	(11,071)
Disposals of lease	–	(1,975)	(1,975)
Interest expenses	–	1,608	1,608
At 31 December 2024	–	24,286	24,286

NOTES TO FINANCIAL STATEMENTS

31 December 2025

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

(c) Total cash outflow for leases

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

	2025 RMB'000	2024 RMB'000
Within financing activities	10,984	11,071
Within operating activities	184	770
Total	11,168	11,841

28. COMMITMENTS

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

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for Plant and machinery	–	17

29. PLEDGE OF ASSETS

No asset was pledged by the Group during the year.

30. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties:

	2025 RMB'000	2024 RMB'000
Due from related parties:		
Dr. Yu Hongping	1,474	–
Dr. Ji Jing	1,068	–
Total	2,542	–

30. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, bonuses, allowances, and benefits in kind	18,808	21,077
Pension scheme contributions	518	630
Share-based payment expenses	12,425	15,290
Total compensation paid to key management personnel	31,751	36,997

Further details of Directors' and the chief executive's emoluments are included in note 10 to the consolidated financial statements.

31. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets included in other receivables	–	2,058	2,058
Financial assets at fair value through profit or loss	72,509	–	72,509
Financial assets at amortised cost	–	141,751	141,751
Cash and bank balances	–	2,026,974	2,026,974
Total	72,509	2,170,783	2,243,292

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in other payables and accruals	96,530
Interest-bearing bank borrowings	291,699
Total	388,229

As at 31 December 2025, financial assets included in trade and other receivables amounting to approximately RMB2,058,000 (year ended 31 December 2024: RMB10,297,000) were measured at amortised cost, and financial liabilities included in trade and other payables amounting to approximately RMB96,530,000 (year ended 31 December 2024: RMB82,178,000) were measured at amortised cost.

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31. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2024

Financial assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets included in other receivables	–	10,297	10,297
Financial assets at fair value through profit or loss	233	–	233
Cash and bank balances	–	1,959,188	1,959,188
Total	233	1,969,485	1,969,718

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in other payables and accruals	82,178

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets				
Financial assets at fair value through profit or loss	72,509	233	72,509	233

Management has assessed that the fair values of cash and cash equivalents, financial assets included in time deposits, prepayments and other receivables, and other assets, financial liabilities included in other payables and accruals, and other non-current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The 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 wealth management product investments, which represent wealth management products issued by banks. The Group has estimated the fair value of these investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

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 RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	72,509	-	72,509

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31 December 2025

32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Assets measured at fair value: (continued)

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	233	–	233

The Group did not have any financial liabilities measured at fair value as at 31 December 2025.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (year ended 31 December 2024: Nil).

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as other receivables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from changes in exchange rates.

The following table demonstrates the sensitivity at each reporting date to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

	Increase/ (decrease) in rate of foreign currency %	Increase/ (decrease) in loss before tax RMB'000	Increase/ (decrease) in equity RMB'000
31 December 2025			
If RMB weakens against USD	5	96,991	96,991
If RMB strengthens against USD	(5)	(96,991)	(96,991)
If RMB weakens against AUD	5	84	84
If RMB strengthens against AUD	(5)	(84)	(84)
If RMB weakens against HKD	5	28	28
If RMB strengthens against HKD	(5)	(28)	(28)
31 December 2024			
If RMB weakens against USD	5	85,201	85,201
If RMB strengthens against USD	(5)	(85,201)	(85,201)
If RMB weakens against AUD	5	277	277
If RMB strengthens against AUD	(5)	(277)	(277)
If RMB weakens against HKD	5	302	302
If RMB strengthens against HKD	(5)	(302)	(302)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, financial assets included in deposits and other receivables and other assets, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's other receivables are widely dispersed in different sectors and industries.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

2025

	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	Total RMB'000
Interest-bearing bank borrowings	–	291,699	–	291,699
Financial liabilities in other payables and accruals	–	96,530	–	96,530
Lease liabilities	–	9,020	3,201	12,221
Total	–	397,249	3,201	400,450

2024

	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	Total RMB'000
Financial liabilities in other payables and accruals	–	82,178	–	82,178
Lease liabilities	–	11,757	13,714	25,471
Total	–	93,935	13,714	107,649

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

34. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after the reporting period up to the approval date of these financial statements.

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Investments in a subsidiary*	2,288,837	2,109,585
Financial assets at amortised cost	141,751	–
Total non-current assets	2,430,588	2,109,585
CURRENT ASSETS		
Prepayments and other receivables	24,406	26,479
Financial assets at fair value through profit or loss	72,509	233
Time deposits over three months	618,446	1,227,985
Cash and cash equivalents	361,488	175,336
Total current assets	1,076,849	1,430,033
CURRENT LIABILITIES		
Other payables and accruals	45,613	44,891
Total current liabilities	45,613	44,891
NET CURRENT ASSETS	1,031,236	1,385,142
TOTAL ASSETS LESS CURRENT LIABILITIES	3,461,824	3,494,727
Net assets	3,461,824	3,494,727
EQUITY		
Share capital	44	44
Reserves	3,461,780	3,494,683
Total equity	3,461,824	3,494,727

* As at the end of the year 2025 and 2024, the Company has direct interest in Abbisko Holding Limited, the balances of the Company's investment in a subsidiary are as follows:

	2025 RMB'000	2024 RMB'000
Investment at cost	1,965,461	1,818,817
Investment arising from share-based payment relating to intra-group transaction	323,376	290,768
Total	2,288,837	2,109,585

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35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

A summary of the Company's equity is as follows:

	Attributable to owners of the parent					
	Share capital	Share premium	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	44	5,490,207	44,708	247,052	(2,287,284)	3,494,727
Profit for the year	-	-	-	-	57,445	57,445
Other comprehensive income for the year:						
Exchange differences on translation of the Company	-	-	-	(31,192)	-	(31,192)
Total comprehensive income for the year	-	-	-	(31,192)	57,445	26,253
Repurchase of shares	-	(96,152)	-	-	-	(96,152)
Vesting of equity-settled share options and restricted share units	-	24,408	(20,020)	-	-	4,388
Share-based payment expenses	-	-	32,608	-	-	32,608
At 31 December 2025	44	5,418,463	57,296	215,860	(2,229,839)	3,461,824

	Attributable to owners of the parent					
	Share capital	Share premium	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	46	5,505,893	115,613	224,968	(2,336,686)	3,509,834
Profit for the year	-	-	-	-	49,402	49,402
Other comprehensive income for the year:						
Exchange differences on translation of the Company	-	-	-	22,084	-	22,084
Total comprehensive income for the year	-	-	-	22,084	49,402	71,486
Repurchase of shares	-	(89,223)	-	-	-	(89,223)
Cancellation of shares	(2)	-	-	-	-	(2)
Vesting of equity-settled share options and restricted share units	-	73,537	(91,644)	-	-	(18,107)
Share-based payment expenses	-	-	20,739	-	-	20,739
At 31 December 2024	44	5,490,207	44,708	247,052	(2,287,284)	3,494,727

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Directors on 2 March 2026.