君圣泰医药
HIGHTIDE THERAPEUTICS

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2511

2025
ANNUAL REPORT

CONTENTS

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Mr. HUNG Tak Wai (孔德偉)

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Dr. LI Jin (李靖)
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Dr. LIU Liping (劉利平)
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LISTING DATE

December 22, 2023

CHAIRWOMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of HighTide Therapeutics, Inc., I would like to extend my sincere gratitude for your continued trust and support. It is my pleasure to present our Annual Report for the fiscal year ended December 31, 2025.

Over the past year, driven by ongoing improvements in policy environment and innovation capabilities, China's pharmaceutical industry has continued to build momentum. Breakthroughs have accelerated, industry activity has increased significantly, and China's innovative drug sector is gradually forming a more globally competitive landscape.

Guided by the industry-wide consensus to deliver systematic value and differentiated care for the long-standing unmet needs in major chronic diseases, HighTide Therapeutics stays focused on chronic cardiovascular-kidney-metabolic diseases (CKM), a therapeutic area defined by its high complexity and interconnected nature. By prioritizing mechanism-based innovation that meets the real-world needs of chronic care, we aim to deliver therapies that can fundamentally improve long-term patient outcomes.

The Company's core product, HTD1801, remains at the forefront of this mission. It is currently the only drug candidate worldwide with a dual mechanism that simultaneously activates AMPK and inhibits NLRP3 inflammasome. During the Reporting Period, we have completed three pivotal Phase III clinical trials for type 2 diabetes mellitus (T2DM) and concluded the MASH Phase IIb clinical trial for HTD1801. The results demonstrated its multidimensional and synergistic improvement, underscoring its unique "One-Drug, Multiple Therapeutic Benefits" profile. Beyond a stable and sustained glucose-lowering effect, HTD1801 shows consistent improvements across the CKM spectrum, including lipids, inflammation, renal function, liver function, and cardiovascular markers. This comprehensive profile solidifies HTD1801's unique therapeutic value and positions it as a potential cornerstone therapy for CKM diseases.

From Foundation to Fruition: Phased Achievements of CKM Development in 2025

Looking back, HighTide Therapeutics concluded 2025 with a series of noticeable achievements. Centered on our core focus in CKM, multiple key clinical studies were completed throughout the year, each yielding positive results. These "burgeoning" advances are the direct result of our sustained investment and long-term commitment to mechanism-based research, clinical development, and team building.

During the Reporting Period, we completed three pivotal Phase III clinical studies in T2DM for HTD1801, all of which met their primary endpoints and multiple key secondary endpoints. The drug demonstrated stable and sustainable glucose control and consistent improvement across multiple key dimensions in CKM, including lipid profiles, renal function, and inflammation-related markers. Notably, in the SYMPHONY studies, HTD1801 exhibited sustained, robust efficacy and favorable safety profiles throughout the 52-week treatment period. The efficacy achieved during the initial 24-week double-blind phase was maintained long-term, further validating its suitability for long-term, chronic use. In the HARMONY study, HTD1801 underwent a head-to-head comparison against the SGLT-2 inhibitor dapagliflozin. Results demonstrated that HTD1801 exhibited a superior therapeutic trend across multiple cardiovascular-related indicators, suggesting greater potential value in managing the risk of atherosclerotic cardiovascular diseases (ASCVD). Following these results, our New Drug Application (NDA) for T2DM was formally accepted by the Chinese National Medical Products Administration (NMPA).

The value of these robust clinical data goes far beyond T2DM, it establishes a solid foundation for the expansion of HTD1801 within the broader CKM field. Our research has gained significant recognition and validation, highlighted by data presentations at international conferences, including ADA, EASD, and EASL, as well as the publication of Phase II study results in the high-impact medical journal *JAMA Network Open*, further enhancing the global visibility of the product.

In the field of kidney diseases, we conducted a systematic post-hoc analysis based on data from the two SYMPHONY Phase III studies, targeting T2DM patients with varying degrees of renal impairment. Results showed that in patients with mild renal impairment, HTD1801 significantly improved the estimated Glomerular Filtration Rate (eGFR), with benefits sustained through week 52. In patients with hyperfiltration, eGFR gradually returned toward normal physiological levels. This "bidirectional regulation" of renal function distinguishes HTD1801 from traditional therapies that primarily aim to slow the decline of renal function, highlighting its unique renoprotective potential.

Our research data related to kidney diseases has been featured at major international conferences, attracting broad interest from global experts. At the ASN's latest breakthrough research session, HTD1801 demonstrated the potential to improve eGFR and promote renal function recovery in early chronic kidney diseases (CKD). At the CVCT Forum, multiple HTD1801 study data were presented, systematically demonstrating its comprehensive benefits in CKM-related diseases. During the Reporting Period, the Company also initiated in-depth collaboration with the Chinese Academy of Medical Sciences. A clinical study of HTD1801 in CKD patients with T2DM has now commenced. This further deepens the CKM pipeline and expands access to integrated therapeutic solutions that deliver comprehensive and meaningful clinical benefits for a broader patient population.

From Accumulation to Momentum: Phased Returns on Long-Term Value

The concentration of clinical milestones in 2025 has brought increased external recognition to the Company's long-term CKM-focused innovation strategy.

During the Reporting Period, while achieving clinical progress, HighTide Therapeutics attracted substantial interest from the pharmaceutical industry, capital markets, and government stakeholders. We hosted multiple delegations from global science and technology institutions and government agencies, engaging in in-depth discussions regarding innovative R&D models, clinical translation pathways, and future industrialization directions. Simultaneously, the Company garnered prestigious recognition through multiple capital market and industry awards, highlighting our growth potential, innovation capabilities, and governance standards, including the "SSE Eagle • Golden Quality" Value Growth Enterprise Award, "Sunshine" Annual Most Promising Pharmaceutical Startup, Most Investment-Worthy Company, Annual Growth Value Award, and Top 10 Most Promising Small-Molecule Innovative Drug Companies. These diverse external validations further underscore the Company's unwavering commitment and development potential in pioneering innovations that target the root causes of chronic metabolic diseases.

Furthermore, the Company has secured long-term capital support. During the Reporting Period, we completed a share placement with participation from multiple long-term investors, securing essential resources needed to advance our core pipeline and commercialization initiatives. These proceeds are primarily earmarked for the subsequent clinical development and commercial launch of HTD1801, ensuring a tight integration between R&D progress and industrialization planning. This will further strengthen the Company's capability to build a sustainable, CKM-focused innovation ecosystem.

CHAIRWOMAN'S STATEMENT

Through the accumulation of clinical evidence, the deepening of industry collaboration, and sustained capital involvement, the CKM-focused innovation ecosystem we have built is steadily gaining momentum. HighTide Therapeutics is now strongly positioned for the next stage of development: transitioning from R&D-driven growth to a balanced approach prioritizing both product advancement and commercialization.

Steady Progress Toward Long-term Success: Advancing Toward Commercialization and Realizing Long-Term Value

The robust clinical evidence established by HTD1801 across multiple key indications underpins its evolution from a single-disease treatment to a systemic solution for chronic disease management, and puts HighTide Therapeutics on a viable track for sustained advancement within the complex and chronic CKM landscape. In 2026, working on the comprehensive benefit profile of HTD1801 across multiple CKM dimensions, the Company will advance toward commercialization in parallel with clinical development for related indications such as CKD. With CKM as our strategic core, we will expand the application of HTD1801 across additional chronic disease scenarios. Through rigorous and stepwise clinical and development efforts, we are committed to translating the long-term value of our product into sustainable clinical and commercial outcomes.

Looking forward, HighTide Therapeutics will remain committed to a patient-centric approach and evidence-based innovation, maintaining a balance among R&D, industrial collaboration, and corporate governance. We aim to achieve steady growth while delivering better therapeutic options for patients and creating sustainable long-term value for society, shareholders, and partners.

Chairwoman of the Board
Dr. LIU Liping

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

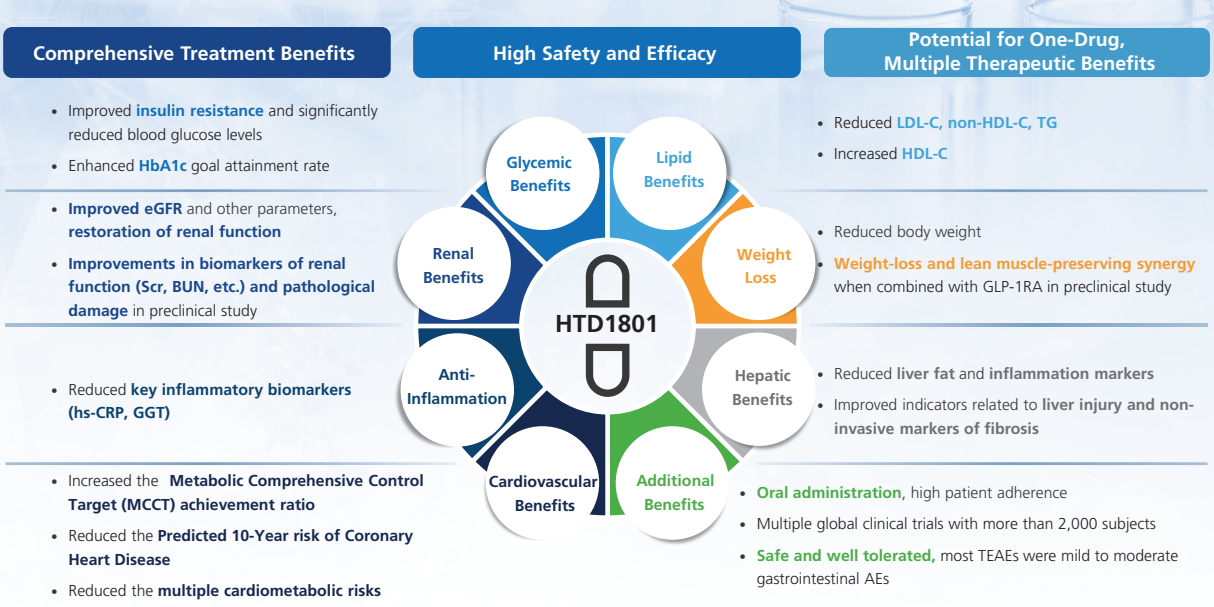
We are an innovative biopharmaceutical company specializing in the research and development of transformative therapeutic solutions for cardiovascular-kidney-metabolic diseases (CKM). Our products deliver comprehensive benefits to patients worldwide.

CKM-related diseases represent a significant unmet medical need and a tremendous burden for patients and caregivers worldwide. These diseases broadly share a pathogenic relationship that leads to the development of multiple metabolic comorbidities, complicating patient management and worsening prognosis. We are developing breakthrough therapies that simultaneously target the core disease as well as the comorbidities that increase a patient's risk, thus taking a holistic approach.

Our Core Product HTD1801 is a first-in-class new molecular entity (NME), addressing the residual risks of CKM-related diseases. HTD1801 is an orally delivered, anti-inflammatory metabolic modulator and exhibits a unique dual mechanism of action – AMP kinase (AMPK) activation and NLRP3 inflammasome inhibition. AMPK activation enhances energy homeostasis and NLRP3 inhibition reduces systemic inflammation – both pathways working to treat dysfunctions associated with chronic metabolic and cardiovascular disease. Consistent with this dual mechanism of action, HighTide has robust clinical proof of concept data showing the multifunctional therapeutic effects of HTD1801, which exerts a broad range of metabolic benefits, including improved glycemic control, lipid-lowering (including atherogenic lipoproteins Lp(a), &ApoB), renal benefit, reduction in body weight, liver-specific benefits including lowering of ALT/AST, liver fat and fibrosis biomarkers, and markers of systemic inflammation including hs-CRP. Preclinical studies have further revealed HTD1801's potential in tumor prevention, anti-aging, and neuroprotection. We believe that HTD1801 has the potential to serve as a unique broad – spectrum metabolic regulator, capable of being used as a monotherapy or in combination with existing approved treatments for metabolic disorders, enabling optimal therapeutic outcomes and addressing patient needs.

HTD1801 is the only clinical-stage compound addressing residual risks in CKM-related diseases through the dual mechanisms of AMPK activation and NLRP3 inflammasome inhibition. CKM diseases is a complex health disorder made up of cardiovascular disease, kidney disease, and metabolic disorders such as diabetes and obesity, which share pathological mechanisms such as insulin resistance, chronic inflammation, and metabolic dysregulation. While current therapies offer cardiorenal and metabolic benefits, their direct effect on the chronic inflammation is limited, with some therapies also posing risks of genitourinary infections and gastrointestinal side effects. Furthermore, despite major advances in the standard of care, significant residual risks remain in CKM-related diseases as the current therapies fall short of reversing the decrease of kidney function, effectively preventing the full control of metabolic issues, and addressing the full range of heart, kidney, and metabolic complications. With CKM-related diseases affecting nearly 90% of U.S. adults and 80% of Chinese adults, and given that nearly 590 million people are living with diabetes globally, the market for therapies targeting CKM syndrome is considerable yet underserved, creating a demand for innovative disease-modifying treatment. As CKM syndrome involves an interplay between chronic inflammation and metabolic dysregulation, through its dual mechanism, HTD1801 has strong therapeutic potential to address CKM-related diseases. HTD1801 has demonstrated clinical benefits on metabolic, renal, obesity, and cardiovascular complications. Therefore, we believe that HTD1801 has the potential to become a foundational CKM therapy.

The following diagram illustrates how HTD1801 may drive metabolic homeostasis through multiple mechanisms:



We are confident that our pipeline of innovative therapies positions us to seize opportunities in the rapidly growing global market for the treatment of significant metabolic diseases, which are expected to reach a market size of US$458 billion in 2032. With a focus on addressing metabolic and inflammatory comorbidities, our core strategy is to unlock the potential for indication expansion. HTD1801 is being developed globally to treat CKM-related diseases, including Type 2 Diabetes Mellitus (T2DM), Chronic Kidney Disease (CKD), Metabolic Dysfunction-Associated Steatohepatitis (MASH), Obesity and Primary Sclerosing Cholangitis (PSC). Along with HTD1801, we have developed a strong pipeline of similarly innovative product candidates comprising HTD4010, HTF1037, HTF1057, HTD1804 and HTD1805, targeting 8 potential indications collectively.

We have and are currently conducting multi-center clinical trials globally, including in the United States, China, Canada, and Australia, in a cost-effective and time-efficient manner, enabling us to leverage market opportunities worldwide. We have further developed a portfolio of intellectual property rights to protect our technologies and products on a global scale. As of the end of the Reporting Period, the Company has a total of 100+ patents and patent applications, with patent rights covering major countries and regions worldwide including the United States, Europe, Australia, New Zealand, Russia, Singapore and Japan. We believe that this expansive intellectual property portfolio creates an effective barrier to market entry and serves as a cornerstone for advancing our global commercialization objectives. With our lead product HTD1801 approaching commercialization, we are well-positioned to seize substantial market opportunities.

OUR PRODUCTS AND PRODUCT PIPELINE

As of the date of this report, we have researched and developed an in-house pipeline with 6 proprietary drug candidates covering 8 indications, including 2 compounds that are at the clinical stage for 6 different indications. The following chart summarizes the development status of our drug candidates as of the date of this report:

Candidate	Mechanism/Target	Indication	Right	Designations	Pre-Clinical	Phase I	Phase II	Phase III
HTD1801 ★	Dual Mechanisms AMPK Activation + NLRP3 Inflammasome Inhibition	T2DM	Global		Three Phase III clinical trials completed in Mainland China. The NDA has been accepted.			
		CKD	Global					
		MASH	Global	FTD	Global multi-regional Phase IIb clinical trial completed.			
		Obesity	Global					
		PSC	Global	FTD, ODD	Phase II trial completed in US and Canada.			
HTD4010	Polypeptide Drug	AH	Global		Phase I trial completed in Australia.			
HTF1037	Mitochondria Uncoupler	Obesity	Global					
HTF1057	Mitochondria Uncoupler	Neurodegenerative Diseases	Global					
HTD1804	Undisclosed	Obesity	Global					
HTD1805	Undisclosed	Metabolic Disease	Global					

★ Core Assets

HTD1801

- Our Core Product, HTD1801 is an orally delivered, first-in-class anti-inflammatory metabolic modulator being developed for the treatment of several CKM-related diseases, including T2DM, CKD, MASH, Obesity and PSC.

- As of the date of this report, HTD1801 has been granted two FTDs and one ODD from the FDA, and has been supported by the Major National Science and Technology Projects for "Major New Drugs Development" during the "Thirteenth Five-Year Plan" period in China. Benefiting from these favourable regulatory designations and programs, the global development programs for HTD1801 are advancing toward the commercialization stage, with late-stage clinical studies currently being completed in China and the US. In China, three Phase III studies for T2DM have completed data readout in 2025. In March 2026, the National Medical Products Administration (NMPA) of China has accepted the New Drug Application (NDA) for HTD1801 for the treatment of T2DM. In the United States, the Phase IIb study for MASH has completed.

T2DM

- T2DM is one of the most common metabolic diseases worldwide. Chronic hyperglycemia along with the other metabolic aberrations (i.e., obesity, dyslipidemia, hypertension) in T2DM ultimately results in damage to various organ systems, leading to the development of life-threatening complications, primarily being microvascular and macrovascular complications which cause a 2-fold to 4-fold increased risk of cardiovascular diseases – major causes of death and disabilities and underscoring the need for comprehensive patient management. Therapy that addresses co-existing metabolic aberrations to deliver more comprehensive clinical benefit to patients remains an unmet need in the clinical management of T2DM.

- Our completed Phase Ib, Phase II and III clinical trials of T2DM in China have demonstrated a strong therapeutic effect of HTD1801 in improving glucose metabolism, including statistically significant decreases in hemoglobin A1c (HbA1c) and fasting glucose levels, which may be the result of decreased insulin resistance based on observed reductions in HOMA-IR with HTD1801. Collective results from our Phase Ib T2DM trial, Phase II T2DM trial, Phase III T2DM trial and Phase IIa MASH and T2DM trial suggest that HTD1801 has broad efficacy on glucose homeostasis, renal benefit, other cardiometabolic markers and liver health, supporting a differentiated profile compared to other anti-diabetic agents.

- At the 61st European Association for the Study of Diabetes (EASD) Annual Meeting held in September 2025, data from the Phase III SYMPHONY-2 trial evaluating the safety and efficacy of HTD1801 in patients with T2DM inadequately controlled with metformin was presented. Key messages from the oral presentation are as follows:

  – The study met the primary endpoint at Week 24, with HTD1801-treated patients achieving an Least-squares (LS) mean change in HbA1c of -1.21% compared to -0.68% with placebo (LS mean diff: -0.53, $p<0.0001$). 33% of HTD1801-treated patients achieved HbA1c <7% at Week 24 vs 11% with placebo ($p<0.0001$). Improvements in HbA1c with HTD1801 were paralleled with significant improvements in postprandial and fasting glucose at Week 24.

  – In patients with mild renal impairment, HTD1801 improved eGFR, suggesting reno-protective potential.

  – Significant reductions in lipids and inflammatory markers were also observed with HTD1801.

  – Safety and tolerability were favorable and consistent with previous clinical trials of HTD1801.

  – As an orally administered antidiabetic agent, HTD1801 uniquely provides both cardiometabolic risk factor modification and renal protection, underscoring its substantial potential and competitive advantage for further clinical development.

- At the American Diabetes Association's (ADA) 85th Scientific Sessions held in June 2025, we presented data from the Phase III SYMPHONY -1 trial highlighting the safety and efficacy of HTD1801 as monotherapy for T2DM. Key messages from the presentation are as follows:

  – The study met its primary endpoint with a significant HbA1c reduction of -1.3%, and 42% of patients achieved target HbA1c levels <7%. Further, those with more severe disease had a greater decrease with HTD1801: reduction in HbA1c was -1.5% for those with a baseline HbA1c ≥8.5%. Improvements in HbA1c with HTD1801 were paralleled with significant improvements in postprandial and fasting plasma glucose compared with placebo.

  – In addition, HTD1801 demonstrated lipid-lowering effects, including significant reductions in low-density lipoprotein cholesterol (LDL-C) and non-high-density lipoprotein cholesterol (non-HDL-C).

  – Moreover, HTD1801 treatment led to reductions in key inflammatory biomarkers – gamma-glutamyl transpeptidase (GGT) and high-sensitivity C-reactive protein (hs-CRP) – both of which are associated with cardiovascular risk in patients with T2DM, demonstrating the comprehensive benefits of HTD1801 monotherapy for the treatment of T2DM.

  – HTD1801 was found to be safe and generally well tolerated.

- At the European Association for the Study of the Liver (EASL) Congress 2025 held in May 2025, we presented the post-hoc analyses of a Phase II study evaluating the benefits of HTD1801 in patients with T2DM and presumed Metabolic Dysfunction-Associated Steatotic Liver Disease (MASLD). Key messages from the presentation are as follows:

  – HTD1801 treatment demonstrated dose-dependent improvements in both cardiometabolic and hepatic parameters in patients with T2DM and presumed MASLD, suggesting HTD1801 can comprehensively address metabolic and cardiovascular risk factors beyond glycemic control.

- In March 2025, we published data from a Phase II study evaluating the safety and efficacy of HTD1801 in patients with T2DM in JAMA Network Open. The randomized, placebo-controlled 12-week study demonstrated that HTD1801 was generally well-tolerated and delivered comprehensive therapeutic benefits with improvements in glycemic, anti-inflammatory, hepatic and cardiometabolic parameters. The multifaceted effects demonstrated by HTD1801 support this new molecular entity as a unique oral treatment option for T2DM and its comorbidities.

- In addition to this primary publication, in 2024 the data from this trial was presented at global conferences.

- At the 60th EASD Annual Meeting held in September 2024, two post-hoc analyses for the T2DM Phase II clinical study were presented, focusing on the efficacy of HTD1801 in Chinese and Western Patients with T2DM and the effects of HTD1801 response based on the degree of insulin resistance. Key messages from these EASD 2024 presentations are as follows:

  – HTD1801 improves glycemic, cardiometabolic, and hepatic outcomes in both Chinese and Western patients with T2DM and/or MASH. Despite ethnic differences and distinct disease presentations, HTD1801 provides holistic benefits that effectively address core aspects of both T2DM and MASH.

  – HTD1801 can alleviate the metabolic inhibitory effects caused by hyperinsulinemia, leading to even greater hepatic and metabolic benefits in patients with more severe insulin resistance, offering a unique therapeutic approach for individuals with T2DM and MASH.

- At the ADA 84th Scientific Session held in June 2024, a post-hoc analysis from the Phase II T2DM study presented the effectiveness of HTD1801 in patients with T2DM across the disease spectrum based on baseline HbA1c. Key messages from the presentation are as follows:

  – Regardless of baseline disease severity, HTD1801 treatment resulted in significant improvements in key glycemic and lipid metabolism markers, as well as indicators of liver injury with a greater improvement in subjects with more severe disease. Such data suggests HTD1801 may offer a unique therapeutic approach for individuals with T2DM and other comorbidities (i.e. MASH and dyslipidemia), as managing these conditions effectively is crucial in controlling T2DM and reducing its associated complications.

- **SYMPHONY Study:** The patient enrollments of the two Phase III registration trials of HTD1801 for the treatment of T2DM (SYMPHONY-1 and SYMPHONY-2) have been completed in June 2024. Two Phase III SYMPHONY trials of HTD1801 have met their primary endpoints, with the 24-week data readout completed in April 2025. The 52-week data readout in October 2025 demonstrated positive efficacy and safety results. SYMPHONY-1 (NCT06350890) and SYMPHONY-2 (NCT06353347) are randomized, doubleblind, placebo-controlled, Phase III clinical trials designed to evaluate the efficacy and safety of HTD1801 in adults with T2DM and inadequate glycemic control despite diet and exercise (SYMPHONY-1) or with Metformin (SYMPHONY-2). The primary endpoint in both studies was the change in HbA1c from baseline with HTD1801 compared to placebo after 24 weeks of treatment. Patients were eligible to continue in a 28-week open-label extension (OLE) phase during which all patients received HTD1801; Durability of response across efficacy endpoints was evaluated based on the change from baseline to Week 52.

  – Efficacy observed during the 24-week double-blind period was durable and maintained with longer-term treatment through 52 weeks in both studies

  – In both studies, the durability of effect on other cardiometabolic and renal was maintained at 52 weeks, suggesting comprehensive advantages of HTD1801 beyond glycemic control with long-term treatment.

  – Long-term safety and tolerability were favorable and consistent with the double-blind phase. The types and severity of AEs did not increase with continued HTD1801 treatment compared to newly initiated HTD1801 treatment.

- **HARMONY Study:** The patient enrollment of the dapagliflozin-controlled Phase III clinical trial of HTD1801 for the treatment of T2DM (HARMONY) was completed in January 2025. The HARMONY trial's data readout in the second half of 2025 demonstrated that HTD1801 achieved the primary endpoint of this trial, with superior improvements in key cardiometabolic markers in patients with T2DM compared to dapagliflozin. HARMONY (NCT06415773) is a randomized, double-blind, active parallel-controlled (dapagliflozin), multicenter Phase III clinical trial designed to evaluate the efficacy and safety of HTD1801 versus dapagliflozin in adult patients with T2DM inadequately controlled with metformin alone. The primary efficacy endpoint is the change in HbA1c relative to baseline after 24 weeks of treatment.

  – The Phase III head-to-head trial met its primary endpoint: HTD1801 achieved a –1.12% LS mean reduction in HbA1c at Week 24, compared with –0.93% for dapagliflozin (LS mean difference –0.20%; 95% CI –0.37 to –0.03; $P < 0.001$).

  – HTD1801 met gated secondary endpoints, demonstrating superior reductions in LDL-C and non-HDL-C with lower rate of statin intensifications compared with dapagliflozin. HTD1801 also delivered superior improvements in other cardiometabolic markers, including a higher proportion of patients reaching HbA1c < 7.0%, and a greater reduction in Lp(a).

  – The safety and tolerability profile of HTD1801 was favorable, with serious adverse events reported in 3.8% of patients versus 4.4% for dapagliflozin; the most common side-effects were mild to moderate gastrointestinal events, and no severe hypoglycaemia occurred in the HTD1801 arm.

- In March 2026, the NMPA of China has accepted the NDA for HTD1801 for the treatment of T2DM.

CKD

- CKD is a progressive condition characterized by the gradual loss of kidney function over time. The kidneys, which filter waste and excess fluids from the blood, become damaged and cannot perform their essential roles effectively, ultimately resulting in the need for renal replacement therapy, such as dialysis or transplantation.

- HTD1801 demonstrates strong therapeutic potential in CKD, including an improvement in the eGFR trajectory in the competitive landscape. In a 24-week study in patients with T2DM and mild renal impairment (60≤ baseline eGFR < 90 mL/min/1.73m^2), treatment with HTD1801 resulted in a statistically significant improvement in eGFR. This was achieved with no observed changes in serum sodium or potassium levels, indicating electrolyte stability.

- Preclinical research further supports the reno-protective potential of HTD1801. Studies demonstrate that HTD1801 reduces serum creatinine and blood urea nitrogen levels, decreases urinary volume and microalbuminuria. Histological assessments also indicated attenuate kidney inflammation, and fibrosis, restoration of tubular and glomerular structure.

- At the 22nd Global CardioVascular Clinical Trialists Forum (CVCT) in Washington, clinical and preclinical data showing that HTD1801 improved kidney function and markers of renal injury with early CKD was presented. Key messages from these CVCT 2025 presentations are as follows:

  - As a therapy designed to address the interconnected spectrum of CKM disease, HTD1801 targets the shared metabolic and inflammatory pathways driving disease progression.
  - Findings from the Phase III SYMPHONY program in patients with T2DM demonstrate meaningful improvements in eGFR trajectory, while preclinical models showed reduced albuminuria, renal inflammation, and renal fibrosis.
  - The results support HTD1801's potential as a novel, disease-modifying therapy targeting both metabolic dysfunction and inflammation.

- At the 58th Annual Meeting of the American Society of Nephrology (ASN) in Houston, US, we presented the evidence of kidney benefit with HTD1801 in patients with mild renal impairment. Key messages from the ASN 2025 presentations are as follows:
  - Data from two randomized, double-blind, placebo-controlled Phase III studies of HTD1801 in patients with T2DM was pooled for analysis.
  - In patients with mild renal impairment. Treatment with HTD1801 was associated with a meaningful improvement in eGFR compared with placebo, resulting in a positive eGFR slope over time.
  - In patients with hyperfiltration, HTD1801 led to a reduction in eGFR relative to placebo, consistent with a normalization of renal function.
  - HTD1801 treatment demonstrated no clinically relevant effects on blood pressure, serum sodium or potassium.
- Preclinical and clinical studies indicate that HTD1801 has the potential to modulate multiple pathogenic mechanisms related to kidney disease, offering an integrated intervention strategy for metabolic-related kidney diseases.
- An IIT clinical study of HTD1801 in CKD with T2DM patients has been launched.

MASH

- Given the disease's pathogenetic complexity and heterogeneity, the treatment of MASH is trending toward a multifunctional therapeutic approach.
- We have completed a randomized, double-blind, placebo-controlled Phase IIa study of HTD1801 in patients with MASH and T2DM in the United States. The Phase IIa study met the primary endpoint, which showed that HTD1801 resulted in statistically significant, meaningful improvements in liver fat content, as assessed by MRI – PDFF, compared to a placebo.
- We have completed a randomized, double-blind, placebo-controlled global multi-regional Phase IIb study of HTD1801 in MASH patients with comorbid T2DM or pre-diabetes, which showed that 48% of patients in the placebo group achieved a reduction in NAFLD Activity Score (NAS) of ≥2 points with no worsening of fibrosis, or resolution of MASH with no worsening of fibrosis, at the end of treatment period. This result is significantly higher than placebo effects in similar clinical studies.

- Throughout 2024 and as of the end of the Reporting Period, we presented Phase IIa results in global conferences.

- At the EASL Congress 2025 held in May 2025, we presented a post-hoc analysis of a Phase IIa study evaluating the effect of HTD1801 in patients with MASH and T2DM at a higher risk of disease progression and outcomes due to the presence of moderate to advanced fibrosis (defined as at-risk MASH). Key messages from the presentation are as follows:

  – Treatment with HTD1801 resulted in substantial improvements in key hepatic and cardiometabolic parameters in patients with at-risk MASH and compared to placebo, twice as many patients achieved a reduction in liver fat content (MRI-PDFF) or fibroinflammation (cT1) that have been associated with improvements in liver histology.

- At the American Association for the Study of Liver Diseases' (AASLD) The Liver Meeting held in November 2024, two post-hoc analyses for the MASH Phase IIa study were presented. These data provide additional characterization of the efficacy and safety of HTD1801, key messages from these AASLD 2024 presentations are as follows:

  – HTD1801 provides greater improvements in markers of liver injury and inflammation, glycemic control, weight loss, and lipid metabolism compared to ongoing GLP-1 receptor agonists (GLP-1RAs) use. HTD1801 could provide additional benefit to patients with MASH and T2DM, on concomitant GLP-1RAs treatment.

  – HTD1801 is generally well-tolerated, and with continued treatment, gastrointestinal (GI) tolerance improves, supporting its potential long-term use in chronic diseases.

- At the 8th Annual MASH Drug Development Summit taking place in September 2024, we made an oral presentation highlighting MASH and metabolic disease risk factors, along with preliminary metabolic and hepatic benefits observed in Phase IIa studies of HTD1801.

- At the EASL Congress in June 2024 multiple post-hoc analyses for the MASH Phase IIa study were presented including an evaluation of ongoing GLP-1RAs use compared to newly initiated HTD1801 treatment; analysis of the effects of HTD1801 response based on degree of insulin resistance; and a characterization of the time-course and severity of GI adverse events (AEs) after treatment with HTD1801. Key messages from the EASL 2024 presentations are as follows:

  – HTD1801 provides greater benefit across multiple cardiometabolic endpoints compared to ongoing GLP-1RAs use, and patients with MASH and T2DM, on concomitant GLP-1RAs, could achieve additional benefit in terms of further glucose and lipid lowering as well as weight loss with HTD1801.

  – Insulin resistance is a significant risk factor for T2DM, obesity and MASH. HTD1801 can alleviate the metabolic inhibitory effects caused by hyperinsulinemia, leading to even greater metabolic benefits in patients with MASH and more severe insulin resistance and therefore may offer a unique therapeutic approach for individuals with MASH and co-morbid T2DM.

  - With continued treatment with HTD1801, GI tolerability improves, supporting its potential for long-term use for the treatment of chronic disease, such as MASH.

- Given that HTD1801 had previously successfully met the primary endpoint and demonstrated multiple benefits in a Phase IIa clinical study in MASH patients with comorbid T2DM, and in three Phase III clinical studies completed in the T2DM patient population, as well as the NMPA having accepted the NDA for HTD1801 for the treatment of T2DM, we will further evaluate its subsequent clinical development strategy for the MASH indication based on the overall data, investigation results, and post hoc analysis conclusions of this study. We will communicate with the U.S. Food and Drug Administration (FDA) and conduct a comprehensive assessment based on regulatory feedback for future development plan.

Obesity

- Obesity is a prevalent condition with a broad global market. Globally, over 1.9 billion adults are classified as overweight, with more than 650 million categorized as obese. Studies have shown that individuals with multiple metabolic abnormalities face an elevated risk of disease progression and mortality, and the increasing body mass index (BMI) is associated with a significantly greater risk of developing multiple morbidities related to obesity. Effective therapies for metabolic diseases, including obesity, should target the underlying metabolic comorbidities that contribute to disease pathogenesis and exacerbate outcomes.

- HTD1801 is positioned to address multiple CKM-related diseases by targeting inflammation and metabolic dysregulation, and has demonstrated meaningful potential in weight management, with evidence supporting its role in reducing body weight while contributing to broader metabolic improvements. In the Phase IIa clinical trial of HTD1801 in patients with MASH and T2DM, an average weight loss of 3.5 kg was observed, with a greater reduction of 8 kg in patients with hyperinsulinemia.

- In preclinical studies, HTD1801 in combination with GLP-1RAs produced synergistic weight loss compared to GLP-1RAs monotherapy, while preserving lean mass.

- At the 3rd Obesity & Weight Loss Drug Development Summit held in US in July 2025, an oral presentation reported the weight loss efficacy of HTD1801. Key messages from the presentation are as follows:

  - By addressing both inflammation and metabolic dysfunction, HTD1801 has the potential to not only reduce body weight but also improve metabolic health, lower disease risk, and produce more durable, disease-modifying effects.

  - Enhanced weight reduction when HTD1801 is combined with GLP-1 RAs, while preserving lean mass – Improving the quality of weight loss.

  - Data supports the therapeutic potential of HTD1801 across multiple metabolic disease settings, including obesity.

- We are currently planning a Phase II clinical trial combining HTD1801 with a GLP-1RA for the treatment of obesity.

PSC

- PSC is a rare, chronic cholestatic liver disease characterized by intrahepatic and extrahepatic bile duct injury. Inflammation and fibrosis of the bile ducts lead to structural damage, impaired bile flow and progressive liver dysfunction. PSC has been identified by the EASL as one of the largest unmet clinical needs in the category of liver disease. HTD1801 is precisely engineered to target the disease's complex pathogenic mechanisms through a multifunctional synergistic approach.

- HTD1801 provides a unique and comprehensive treatment of the gut-liver-biliary system, acting through multiple mechanisms to address the complex pathogenesis of PSC, including a choleretic effect achieved by displacing toxic bile acids from the bile acid pool and a variety of anti-inflammatory effects. In addition, HTD1801 treatment has demonstrated positive changes in the gut microbiome, an important contributor to the pathogenesis of PSC.

- We completed a Phase II clinical trial of HTD1801 for PSC in the United States and Canada in August 2020, with the HTD1801 treatment group demonstrating a statistically significant reduction in serum alkaline phosphatase, a key biomarker indicating the presence of cholestatic liver disease, compared to the placebo group. HTD1801 treatment was also associated with improvements in markers of liver injury and inflammation. In addition to its efficacy profile, HTD1801 demonstrated a good safety profile in this patient population, including liver-related safety. HTD1801 has been granted FTD and ODD from FDA for the treatment of PSC, which allows for expedited regulatory review. We had also held a successful end of Phase II (EOP2) meeting with FDA and were permitted to commence Phase III clinical trial.

HTD4010

- Building on our expertise in the development of HTD1801, we have also invested in and developed our pipeline to cover Alcoholic Hepatitis (AH), Obesity and other metabolic diseases to address large unmet medical needs of other patient populations. For the treatment of AH, we are advancing the early clinical development of HTD4010. AH is one of the manifestations of alcohol-associated liver disease characterized by acute liver inflammation.

- HTD4010 is a Phase I clinical-stage, polypeptide drug for the treatment of complex, life-threatening diseases such as AH, which is caused by chronic heavy alcohol abuse or a sudden, drastic increase in alcohol consumption. It is characterized by severe inflammation and, ultimately, liver failure and death. HTD4010 is a Toll-like receptor 4 inhibitor potentially capable of modulating the innate immune response and the resulting liver inflammation, a major contributor to AH pathogenesis. The Company has presented preclinical findings highlighting HTD4010's therapeutic potential at major international scientific conferences in 2025, including the EASL Congress and Digestive Disease Week (DDW).

- At the EASL Congress and DDW held in May 2025, we presented preclinical data for HTD4010. Key messages from two conferences' presentation are as follows:

  – Preclinical results for HTD4010 in an acute liver failure model revealed enhanced protective effects compared to DUR-928, suggesting its potential as a treatment for acute liver conditions, including alcohol-associated hepatitis.

- Treatment with HTD4010 resulted in significant protective effects on acute pancreatitis. These findings provide evidence that HTD4010 may have a beneficial effect on acute pancreatitis and other acute-inflammatory-related conditions.

HTF1037

- HTF1037 is a preclinical-stage, potentially best-in-class mitochondrial uncoupler with a mechanism of elevating energy expenditure for the treatment of obesity and comorbidities as a monotherapy or combination with a GLP-1RA or other caloric restriction approach. In preclinical studies, HTF1037 demonstrated muscle sparing weight loss along with many other metabolic benefits, including improvement of liver health (reductions in liver total cholesterol and triglyceride, NAS, AST, ALT), deceased of fasting insulin/glucose levels, as well as reactive oxygen species (ROS). It also demonstrated type I muscle adaptation with muscle endurance functional improvement. In combination with Semaglutide, HTF1037 showed additive weight loss and reversed muscle loss due to Semaglutide monotherapy and suppressed weight rebound after cessation of treatment with Semaglutide. Preclinical safety evaluations suggested an acceptable margin of safety for projected human efficacious exposure.

HTF1057

- HTF1057 is a preclinical-stage mitochondria uncoupler being developed as a drug candidate for the treatment of neurodegenerative diseases. In preclinical studies, HTF1057 has demonstrated significant neuroprotection effects, including improvements in behavior deficits, rescuing neuron loss induced by toxin lesion, and suppressing in microglial cells and astrocytes activation. Additionally, HTF1057 increased brain derived neurotrophic factor (BDNF) levels. These findings support its potential as a therapeutic agent for Parkinson's Disease.

HTD1804

- An additional drug candidate, HTD1804, is under evaluation for the treatment of obesity, which is a growing global health risk associated with a wide range of comorbidities, most notably CVDs and T2DM.

- HTD1804 is a preclinical-stage, small molecule multifunctional therapy for the treatment of obesity. Preclinical studies have shown that HTD1804 may be an important modulator of energy metabolism to provide cardiovascular protection, and can effectively reduce the body weight of animals with obesity as well as lipid – and glucose-lowering effects.

HTD1805

- HTD1805, another drug candidate in our pipeline, is a preclinical-stage, multifunctional small molecule drug for the treatment of metabolic diseases. HTD1805 is prepared with the similar design rational as HTD1801, and the efficacy and safety profiles of the active moieties forming demonstrate the potential of HTD1805 in treating various metabolic diseases.

Looking forward, we will continue to advance our pipeline of drug candidates through clinical development and continue to seek to expand the indication coverage of our pipeline. With respect to commercialization, as the NMPA has accepted the NDA for HTD1801 for the treatment of T2DM, which marked the first NDA submitted by us and a major milestone on its path towards product commercialization, we are actively seeking domestic partners with a strong commercialization network and expertise in T2DM. Subject to our global clinical development plan, we also plan to commercialize HTD1801 for T2DM, CKD, MASH, Obesity and PSC in multiple jurisdictions, including but not limited to the United States, European Union and China.

THERE IS NO ASSURANCE THAT WE WILL BE ABLE TO ULTIMATELY DEVELOP AND MARKET ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

RESEARCH AND DEVELOPMENT CAPABILITY

We believe that our continued R&D is the key driver of our business growth and competitiveness.

Our R&D team has strong expertise, deep understanding, and broad development experience in CKM-related diseases. We conducted drug discovery and clinical activities including: (i) coordinating all clinical development activities; (ii) designing the key aspects of the clinical studies; (iii) designing and coordinating the selection process for qualified CROs to assist in engaging clinical sites and coordinating clinical studies once commenced; (iv) supervising the clinical studies; and (v) overseeing extensive regulatory outreach and coordination in China and other jurisdictions. Our R&D team is led by a team of world-class scientists with years of drug development experience.

We have worked on our product candidates' advancement for more than ten years and developed product candidates in-house. Our drug discovery team members have expertise in biology, medicinal chemistry, drug metabolism and pharmacokinetics, chemistry and early clinical areas, which support our product development.

The clinical development team consisted of scientists and physicians with strong drug development experience, who participate in clinical development strategy development, clinical trial protocol design, clinical trial operation organization, drug safety monitoring, and clinical trial quality control. Our clinical development staffs represent a highly skilled and experienced team of professionals who work collaboratively to design and execute complex clinical trials and drug development programs. Our core capabilities in the area of development include clinical trial design, regulatory and quality compliance, project management, clinical operations, medical writing, safety monitoring and drug development strategy. Our team has the expertise to design clinical trials that are rigorous and compliant with regulatory requirements. This involves collaborating internally, with experts and regulatory authorities to determine the appropriate patient population, defining endpoints, and selecting appropriate control groups. The clinical development unit of our Company manages all stages of clinical trials, including protocol design and oversees, operations/conduct, and the collection and analysis of clinical data.

FINANCIAL OVERVIEW

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

Other Income

Our other income decreased by approximately RMB49.0 million from approximately RMB68.0 million for the year ended December 31, 2024 to approximately RMB19.0 million for the year ended December 31, 2025, representing a decrease of 72.1%. The decrease in the other income were primarily because of a decrease of approximately RMB29.8 million in government grants and a decrease of approximately RMB9.9 million in other investment income from financial assets at FVTPL.

Other Gains and Losses-Net

We recorded other losses-net of approximately RMB3.2 million for the year ended December 31, 2024, as compared to other losses-net of approximately RMB25.0 million for the year ended December 31, 2025, which was primarily attributable to an increase of approximately RMB20.1 million in fair value losses on financial assets at FVTPL.

Research and Development Costs

Our research and development costs primarily consist of (i) third-party contracting expenses primarily including early stage discovery expenses, preclinical expenses and clinical development expenses for our drug candidates; (ii) staff costs, primarily consisting of salaries and benefits for our R&D team; (iii) expenses under the employee long-term incentive plans, representing expenses associated with share awards granted to our R&D team; and (iv) others, primarily including rental, depreciation and amortisation in relation to fixed assets, intangible assets, right-of-use assets and raw materials.

Our research and development costs decreased by 54.7% from approximately RMB363.5 million for the year ended December 31, 2024 to approximately RMB164.5 million for the year ended December 31, 2025. The decrease was mainly attributable to a decrease of approximately RMB156.2 million in third-party contracting expenses.

The following table sets forth a breakdown of our research and development costs for the years indicated:

	Year ended December 31,			
	2025		2024	
	RMB'000	*%*	*RMB'000*	*%*
Third-party contracting expenses	**107,733**	**65**	263,913	73
Staff costs	**29,435**	**18**	35,350	10
Expenses under the employee long-term incentive plans	**19,756**	**12**	56,708	15
Others	**7,545**	**5**	7,554	2
Total	**164,469**	**100**	363,525	100

Administrative Expenses

Our administrative expenses decreased by 27.2% from approximately RMB81.2 million for the year ended December 31, 2024 to approximately RMB59.1 million for the year ended December 31, 2025. The decrease in administrative expenses was primarily attributable to the decrease in expenses under the employee long-term incentive plans.

Finance Costs

Our finance costs were approximately RMB2.4 million for the year ended December 31, 2025, as compared to approximately RMB1.5 million for the year ended December 31, 2024. Our finance costs primarily consist of interest on interest-bearing bank borrowings and lease liabilities. The increase in finance costs was primarily attributable to the increase of RMB0.9 million in interest on interest-bearing bank borrowings.

Loss for the Year

As a result of the above, we recorded a loss of approximately RMB232.1 million for the year ended December 31, 2025, as compared to approximately RMB381.8 million for the year ended December 31, 2024.

Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize value to the holders of the Shares (the "**Shareholders**").

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 return capital to the 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 Reporting Period.

Liquidity and Capital Resources

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

As of December 31, 2025, the current assets of the Group were approximately RMB532.2 million, of which short-term time deposit, long-term bank deposit matures within one year and cash and cash equivalents amounted to approximately RMB325.9 million and other current assets amounted to approximately RMB206.3 million. The Group's current assets as at December 31, 2025 were kept steady when compared with December 31, 2024. As at December 31, 2025, cash and bank balances were mainly denominated in US dollars, Renminbi and Hong Kong dollars.

As of December 31, 2025, the current liabilities of the Group were approximately RMB98.3 million, including trade payables of approximately RMB50.9 million, interest-bearing bank borrowings of approximately RMB32.5 million, other payables and accruals of approximately RMB8.7 million and lease liabilities of approximately RMB6.2 million.

Bank Borrowings

As of December 31, 2025, the Group had outstanding interest-bearing bank borrowings of approximately RMB110.0 million (December 31, 2024: RMB56.9 million) which were denominated in RMB and bearing interest on commercial bank borrowings at fixed annual interest rates ranging from 2.6% to 3.5%.

Charges on Group Assets

As of December 31, 2025, there were no charges on assets of the Company (December 31, 2024: nil).

Key Financial Ratios

The following table sets forth the key financial ratios for the dates indicated:

	As at December 31,	
	2025	2024
Gearing Ratio [(1)]	**30.2%**	13.4%
Current Ratio [(2)]	**5.4**	4.7

Notes:

(1) Equals bank loans and other borrowings divided by total equity as of the same date.

(2) Equals current assets divided by current liabilities as of the same date.

Significant Investments

During the year ended December 31, 2025, the Group held investments through two structured entities, Apollo Multi-Asset Growth Fund ("**Apollo**") and Chaince Capital Fund LP ("**Chaince**") (together the "**Funds**"), that the Group invested with initial capital contribution of US$12.5 million each. Such investments were made before the Listing Date.

During the year ended December 31, 2025, Apollo introduced a new investor, who is an independent third party with the Group, the new investor acquired a stake in the Fund for US$6.4 million.

On November 18, 2025, the entire interest in Chaince was fully disposed of to an independent third party with a consideration of US$2.0 million (approximately RMB14.1 million) (the "**Disposal**"). As at the disposal date, the net asset value of Chaince was approximately US$1.8 million (approximately RMB12.8 million), resulting in a gain on disposal of approximately US$0.2 million (approximately RMB1.3 million) in the profit or loss of the Group. After completion of the Disposal, the Group no longer holds any interest in Chaince.

As at December 31, 2025, the Company held 12,375 shares in Apollo, the underlying assets purchased by Apollo mainly included listed equity investments, treasury bills and money market funds, which were classified as financial assets at FVTPL of approximately RMB176.8 million[Note].

During the year ended December 31, 2025, the financial assets at FVTPL held by the Funds are non-principal guaranteed with floating return, net unrealised fair value changes of losses of approximately RMB69.7 million, realised fair value changes of gain of approximately RMB43.5 million and other investment income of approximately RMB1.5 million were recognised by us. No dividends were declared by the Funds during the year ended December 31, 2025.

Save as disclosed above, the Group did not have any significant investments and did not have other plans for significant investments or capital assets as at the date of this report.

Note: Such fair value represent 32.1% of the Group's total assets as at December 31, 2025.

Material Acquisitions and Disposals

Save for the Disposal mentioned above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2025.

Contingent Liabilities

The Group did not have any material contingent liabilities as at December 31, 2025.

Capital Expenditure and Commitments

Our capital expenditure for the year ended December 31, 2025 was approximately RMB0.07 million, compared to approximately RMB4.3 million for the year ended December 31, 2024. The decrease was primarily attributable to the reduced purchase of leasehold improvements. Our capital expenditure primarily consisted of the purchase of (i) furniture, fittings and equipment and (ii) leasehold improvements.

As of December 31, 2025 and December 31, 2024, the Group did not have capital commitments contracted for but not yet provided.

Foreign Currency Risk

We have transactional currency exposures. Our Group's transactions were primarily denominated in US dollars, Renminbi and Hong Kong dollars. Certain of our cash and bank balances and trade and other payables are denominated in non-functional currency of the Company and exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Non-IFRS Measures

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we also use adjusted net loss as non-IFRS measures, which are not required by, or presented in accordance with, IFRS. We believe that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information to investors and management in facilitating a comparison of our operating performance from year to year by eliminating potential impacts of certain non-operational expenses that do not affect our ongoing operating performance, including expenses under the employee long-term incentive plans. Such non-IFRS measures allow investors to consider metrics used by our management in evaluating our performance. Expenses under the employee long-term incentive plans are non-operational expenses arising from granting options to selected directors, employees and consultants of the Company, the amount of which may not directly correlate with the underlying performance of our business operations, and is also affected by non-operating performance related factors that are not closely or directly related to our business activities. With respect to share awards, determining its fair value involves a high-degree of judgment. Historical occurrence of expenses under the employee long-term incentive plans is not indicative of any future occurrence. Therefore, we do not consider expenses under the employee long-term incentive plans to be indicative of our ongoing core operating performance and exclude them in reviewing our financial results. From time to time in the future, there may be other items that we may exclude in reviewing our financial results.

The use of the non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

The following table shows reconciliation of net loss for the year to our adjusted net loss for the years indicated:

	2025 *RMB'000*	2024 *RMB'000*
Net loss for the year	**(232,101)**	(381,788)
Added:		
Expenses under the employee long-term incentive plans	**27,094**	96,932
Adjusted net loss	**(205,007)**	(284,856)

Employees and Remuneration Policy

As at December 31, 2025, we had 51 employees in total. The following table sets forth the number of our employees categorized by function as of December 31, 2024 and December 31, 2025.

	Number of employees as at December 31, 2025	Number of employees as at December 31, 2024
Discovery and Clinical Development	**32**	43
Regulatory Affairs	**6**	6
Management Operations	**13**	21
Total	**51**	70

The total employee benefit expense (excluding Directors' and chief executive's remuneration) incurred by the Group was approximately RMB49.2 million for the year ended December 31, 2025 (2024: approximately RMB108.2 million). The decrease in remuneration cost was primarily attributable to the decrease in expenses under the employee long-term incentive plans.

Our employees' remuneration comprises salaries, bonuses, provident funds, social security contributions, and other welfare payments. We have made contributions to our employees' social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds pursuant to applicable laws and regulations.

To maintain our workforce's quality, knowledge, and skill levels, we provide continuing education and training programs, including internal training, to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects. Furthermore, we provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based payment, particularly our key employees.

The Company has adopted share incentive plans on January 22, 2020, May 24, 2023 and June 27, 2025, respectively. For further details, please refer to the paragraph headed "D. Incentive Plans" in Appendix IV to the Prospectus and the circular of the Company dated June 5, 2025.

DIRECTORS' REPORT

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

DIRECTORS

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

Executive Directors

Dr. LIU Liping (劉利平) (*Chairwoman of the Board and chief executive officer of the Company*)
Ms. YU Meng (于萌)

Non-executive Directors

Dr. ZHU Xun (朱迅)
Mr. MA Lixiong (馬立雄) (*Deputy Chairman of the Board*)
Mr. JIANG Feng (江峰)

Independent Non-executive Directors

Mr. TAN Bo (譚擘)
Dr. LI Jin (李靖)
Mr. HUNG Tak Wai (孔德偉)

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is involved in research and development of pharmaceutical products.

The principal activities and particulars of the Company's subsidiaries are shown under Note 1 to the financial statements. An analysis of the Group's results for the year ended December 31, 2025 by principal activities of the Group is set out in the section headed "Management Discussion and Analysis" in this annual report.

Since all of the Group's non-current assets were located in China, no geographical segment information in accordance with IFRS 8 Operating Segments is presented. The Group is engaged in biopharmaceutical research and development, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance, an indication of likely future developments in the Group's business and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the section headed "Management Discussion and Analysis" of this annual report. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Important Events After The Reporting Period" in this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability. The Group endeavours to comply with the relevant laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, waste reduction and energy saving. For instance, the in-house facilities of the Group operate in compliance with the relevant environmental rules and regulations. The Group reviews its environmental policies on a regular basis.

Further details of the Company's environmental policies and performance are disclosed in the ESG report of the Company for the year ended December 31, 2025 (the "**ESG Report**"), which shall be published separately.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group, details of which could be referred to the section headed "Regulatory Overview" in the Prospectus. The Group has compliance policies and procedures in place and would seek professional legal advice from its legal advisers to ensure that transactions and business to be performed by the Group are in compliance with the applicable laws and regulations. During the year ended December 31, 2025, there was no material breach of, or non-compliance, with applicable laws and regulations by the Group.

HUMAN RESOURCES

As at December 31, 2025, the Group had a total of 51 (2024: 70) employees and the total staff costs for the Reporting Period (including Directors' emoluments, excluding expenses under the employee long-term incentive plans) were RMB41.0 million (2024: RMB48.0 million). Remuneration of our employee is determined with reference to market conditions and individual employees' performance, qualification and experience. In line with the performance of the Group and individual employees, a competitive remuneration package is offered to retain employees, including salaries, bonuses, provident funds, social security contributions, and other welfare payments.

During the Reporting Period, the relationship between the Group and our employees has been stable. We had not experienced any strikes or other labor disputes which materially affected our business activities. To maintain our workforce's quality, knowledge, and skill levels, we provide continuing education and training programs, including internal training, to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

RETIREMENT BENEFITS SCHEME

The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme. During the year ended December 31, 2025, under the PRC retirement benefits scheme, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. No forfeited contributions were available for utilization by the Group to reduce the existing level of contributions.

The Company's subsidiary in the U.S. maintains multiple qualified contributory savings plans as allowed under Internal Revenue Code section 401(k) in the U.S. These plans are defined contribution plans covering substantially all its qualifying employees and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employee compensation. The only obligation of the Company's subsidiary in the U.S. with respect to the retirement benefits plans is to make the specified contributions under the plans. During the year ended December 31, 2025, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. No forfeited contributions were available for utilization by the Group to reduce the existing level of contributions.

In addition, the Group has four employees who are required to participate in the Mandatory Provident Fund in Hong Kong. Under the Mandatory Provident Fund scheme participated by the Group (the "**MPF Scheme**"), the Group is required to make contributions at 5% of the employees' relevant income, capped at HK$1,500 per month. The Group's employer contributions vest fully when contributed into the MPF Scheme. During the year ended December 31, 2025, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. No forfeited contributions were available for utilization by the Group to reduce the existing level of contributions.

Details of the pension obligations of the Company are set out in Note 2.4 to the financial statements in this annual report.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTION

Details of the related party transactions of the Group for the year ended December 31, 2025 are set out in Note 24 to the financial statements contained herein. For the year ended December 31, 2025, the Company conducted the following continuing connected transaction which should be disclosed pursuant to Chapter 14A of the Listing Rules.

Non-Exempt Continuing Connected Transaction under the HTD1801 Agreement

As at the date of this report, Hepalink is a substantial shareholder of the Company, and Mr. LI Li, who resigned as a non-executive Director with effect from February 2, 2024, is interested in approximately 62.90% of Hepalink's shares. Therefore, Hepalink is a connected person of the Company.

Principal Terms of the Transaction

The Company entered into the HTD1801 Agreement with Hepalink on August 29, 2020, pursuant to which the Company has granted Hepalink an exclusive, sublicensable (solely to Hepalink's wholly-owned subsidiaries) and non-transferable license under certain intellectual property rights and know-how in relation to HTD1801 for the commercialization of the therapeutic products containing HTD1801 (the "**Licensed Products**") for the NASH indication and PSC indication in all European countries specified therein (the "**Licensed Territories**"). Hepalink also has the first right to acquire or obtain on the same terms as those offered by a third party the rights to any intellectual property rights and know-how in relation to the Licensed Products in Greater China in the event that the Company proposes to sell or transfer to a third party its title and interest in the intellectual properties and know-how in relation to HTD1801 for such Greater China territory. For further details, please see the section headed "Business – Collaboration Agreement – HTD1801 License-Out Agreement" in the Prospectus. In consideration of the rights granted to Hepalink, Hepalink is required to make various milestone and royalty payments to the Company as follows:

Milestone payment

Hepalink is required to pay the Company milestone payment in cash in an amount of (i) RMB50.0 million no later than five business days from the date of the new drug application of HTD1801 for NASH indication obtaining the first marketing authorization in any one of the specified Licensed Territories; (ii) RMB50.0 million no later than one year after the approval of such marketing authorization; (iii) RMB30.0 million no later than five business days from the date of the new drug application of HTD1801 for PSC indication obtaining the first marketing authorization in any one of the specified Licensed Territories; and (iv) RMB30.0 million no later than one year after the approval of such marketing authorization.

During the year ended December 31, 2025, no milestone payment was made by Hepalink to the Company.

Royalty payment

Hepalink is required to pay the Company royalty payments in cash for the sales of the Licensed Products based on annual net sales in the Licensed Territories.

During the year ended December 31, 2025, no royalty payment was made by Hepalink to the Company.

Expected milestone payment

The expected milestone payment to be paid by Hepalink to the Company pursuant to the HTD1801 Agreement will be nil and nil for 2026 and 2027, respectively, taking into account the uncertainties on the precise timing of the milestone event triggering the milestone payment (i.e. the first marketing authorization being obtained for HTD1801 for NASH indication or PSC indication).

Formula for royalty payment

The annual amount for royalty payment to be paid by Hepalink to the Company pursuant to the HTD1801 Agreement for 2025, 2026 and 2027 will be determined in accordance with the following formula:

Annual cap for royalty payment = 25% × annual net sales of the relevant products

The "annual net sales" means in one year, the total amount of the sale or other disposal or transfer of the Licensed Products by Hepalink in the Licensed Territory, less actual payments or allowances made in accordance with the applicable laws and regulations in the Licensed Territory and the Chinese Accounting Standards for Business Enterprises in relation to the sale of the Licensed Products which include (a) commercial discounts; (b) freight, transportation, insurance, postage and import taxes and duties; (c) credits, rebates, discounts, chargebacks, retroactive price reductions and adjustments, and amounts due to returns, recalls, or refunds; (d) commissions paid to third party purchasers in connection with the importation, distribution or advertising of Licensed Products; (e) sales tax, excise tax and value-added tax (other than general income tax) levied on the invoice amount; and (f) taxes, duties and other governmental charges levied or measured on the import, export, use, manufacture or sale of Licensed Products.

The HTD1801 Agreement was entered into on August 29, 2020 and will remain effective until the expiration of the latest applicable royalty term as further explained below. The expected expiration dates for existing intellectual properties in the European Union, United Kingdom or Switzerland will be 2035. The royalty term commences upon the first commercial sales of the Licensed Products in the Licensed Territories, and ends on the later of (i) the expiration of the last-to-expire valid claim within the existing intellectual properties and know-how and the new intellectual properties, including all of the data, results, information, documents, know-how, intellectual properties, clinical trial data, manufacturing technology and design, supply information, regulatory filings and packaging of development, registration and production relating to the Licensed Products in the European Union, United Kingdom or Switzerland within the Licensed Territories; or (ii) the expiration of all regulatory exclusivity, including market exclusivity (the period of exclusive right to market and sell the Licensed Product within the Licensed Territories, during which an application for a new drug based on published data or containing an identical active ingredient is not acceptable) or data exclusivity (the period of protection to clinical data in relation to Licensed Products, during which the clinical data cannot be accessed by third parties), granted for the Licensed Products in the European Union, United Kingdom or Switzerland as within the Licensed Territories, with an exception that the royalty term would be earlier terminated immediately after the entry of a generic product of the Licensed Products into the European Union as part of the Licensed Territories. We have not yet applied for orphan designation from the EMA for the PSC indication of HTD1801. For more details of orphan designation by the EMA, please see "Regulatory Overview – Laws and Regulations in the United States and EU – Orphan Drugs" of the Prospectus. The HTD1801 Agreement may also be terminated earlier by mutual agreement in writing, or (a) by the Company if Hepalink materially breaches the payment terms of the HTD1801 Agreement and such breach cannot be cured within one month upon

receiving notice from the Company; (b) by the Company for Hepalink's failure to initiate the commercialization of Licensed Products in a Licensed Territory within one year after the first marketing authorization has been obtained in such License Territory is obtained; (c) by the Company if Hepalink, directly or indirectly, commences, engages in or participates in any proceedings of challenging the Company's patents licensed to Hepalink under the HTD1801 Agreement, or intentionally or knowingly assists with or acquiesces in the commencement of such challenges; (d) by the Company if Hepalink fails to acquire and maintain the required insurance policy; or (e) by either party upon the dissolution or bankruptcy of the other party.

Reasons for and Benefits of the Transaction

The Company has a long-term strategic cooperative relationship with Hepalink, which is a major pharmaceutical company. Due to Hepalink's strong presence in Europe, the Company believes it would be more cost effective and efficient to license the commercialization of the Licensed Products in the Licensed Territories to Hepalink. By leveraging Hepalink's strong sales force established in Europe, its advantageous position in market share in the relevant jurisdictions and its established track record of sales of similar pharmaceutical products in the European pharmaceutical market, the Company believes Hepalink will be able to successfully promote the commercialization of the Licensed Products in the Licensed Territories, which is consistent with our long term operational strategies.

The royalty payment is a revenue sharing arrangement which was determined after arm's length negotiations between us and Hepalink. CIC has confirmed that the HTD1801 Agreement entered into by the Company and Hepalink is in line with the industry practice. Taking into consideration of the above, the Company believes that the HTD1801 Agreement is in the interest of the Company and its Shareholders as a whole.

Historical Amount

As HTD1801 has not been commercialized in the Licensed Territories and it is currently at clinical stage, there are no fees received under the HTD1801 Agreement. For the three years ended December 31, 2023, 2024 and 2025, there were no fees paid by Hepalink to the Company under the HTD1801 Agreement.

Corporate Governance Measures

During the ordinary and usual course of business of our Company, we review potential product licensing opportunities, including product in-licensing and out-licensing, from time to time. When potential opportunity arises, we would normally assess the advantages and development prospect of the product, market forecasts for the demand of the product, competitive landscape and regulatory requirements of the product for that market as well as the regulatory and commercial capability of the potential business partner to commercialize the product. Furthermore, our business development team routinely evaluates licensing arrangement by third parties with similar mechanism of action for deal benchmarking and for term sheet evaluation purposes.

In addition, the commercial negotiations with potential licensing partners are led by our senior management, who are not interested in the licensing and will independently evaluate the terms taking into account all relevant factors as we consider necessary. A decision on whether to enter into licensing arrangements with another company will be made purely based on commercial considerations and only if we consider it is in the best interest of our Company and the Shareholders to enter into such licensing arrangement.

Listing Rule Implications

Although the revenue ratio and the profit ratio are not applicable given that the Company is a pre-revenue biopharmaceutical company, the highest applicable percentage ratio in respect of each of the caps as the Company currently expects is, on an annual basis, more than 5%. As such, the transactions under the HTD1801 Agreement will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Waivers from Strict Compliance with Contractual Term Requirements and Annual Cap Requirements

Under Rule 14A.52 of the Listing Rules, a listed issuer is required to set a contractual term not exceeding three years. It is impracticable and extremely difficult for us to set a contractual term not exceeding three years in respect of the HTD1801 Agreement.

Under Rule 14A.53 of the Listing Rules, the listed issuer must set an annual cap for the continuing connected transactions. The Directors believe that strict compliance with the requirements of Rule 14A.53 of the Listing Rules for setting a fixed monetary annual cap in respect of the HTD1801 Agreement is impracticable and not in the best interests of the Shareholders.

The Company has applied to the Stock Exchange for, and Stock Exchange has granted the waiver from strict compliance with the requirement under Rule 14A.52 and Rule 14A.53 of the Listing Rules in respect of the continuing connected transaction under the HTD1801 Agreement subject to the following conditions:

(1) the Company will comply with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules if there is any material change to the terms of the HTD1801 Agreement;

(2) the Company will designate a team to execute and ensure that the transactions in relation to the HTD1801 Agreement are undertaken in accordance with the terms therein;

(3) the chief executive officer of the Company will use her best endeavours to supervise the compliance with the terms of the HTD1801 Agreement and applicable Listing Rules requirements to the extent not waived by the Stock Exchange on a regular basis;

(4) the independent non-executive Directors and the auditors of the Company will review the transactions in relation to the HTD1801 Agreement on an annual basis and confirm in our annual reports the matters set out in Rules 14A.55 and 14A.56 of the Listing Rules, respectively;

(5) the Company will disclose in the Prospectus the background for entering into the HTD1801 Agreement, the terms of the HTD1801 Agreement, the grounds for the waiver sought and the Directors' and Joint Sponsors' views on the fairness and reasonableness of the transactions under the HTD1801 Agreement; and

(6) in the event of any future amendments to the Listing Rules imposing more stringent requirements than those as at the date of the Prospectus on the above continuing connected transaction, the Company will take immediate steps to ensure compliance with such new requirements.

The waiver from strict compliance with the requirement under Rule 14A.53 of the Listing Rules is for a term of three years ended on December 31, 2025. When there is visibility with the timing and amounts payable under the HTD1801 Agreement, the Company will, after taking into account, among other things, the addressable market, the drug pricing and the historical transaction amount of the relevant products, re-assess whether a further waiver is required at the expiry of such initial term.

Transaction amount during the Reporting Period

There was no transaction taken place under the HTD1801 Agreement during the Reporting Period, and therefore no confirmation shall be provided by the auditors of the Company and the independent non-executive Directors with respect thereof for the Reporting Period pursuant to Rules 14A.55 and 14A.56 of the Listing Rules.

As the Stock Exchange has granted the Company a waiver under Rule 14A.53 of the Listing Rules from strict compliance with the annual cap requirements, there is no fixed monetary annual cap for the continuing connected transaction under the HTD1801 Agreement.

Save as disclosed above, none of the related party transactions disclosed in Note 24 to the financial statements contained herein constitute any connected transaction or any continuing connected transaction which should be disclosed pursuant to Chapter 14A of the Listing Rules, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

No revenue was derived during the Reporting Period. Therefore, no information about major customer is presented.

For the year ended December 31, 2025, purchases from the Group's five largest suppliers accounted for approximately 59.4% (2024: 36.7%) of the Group's total purchase amount. The Group's largest supplier for the year ended December 31, 2025 accounted for approximately 18.5% (2024: 12.5%) of the Group's total purchase amount for the same year.

None of the Directors, their respective close associates, or any shareholder of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest suppliers.

During the year ended December 31, 2025, the Group did not experience any significant disputes with its suppliers.

RELATIONSHIP WITH STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its employees, suppliers, and other stakeholders to meet its immediate and long-term goals. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders. An account of the Company's key relationships with its employees and suppliers and others that have a significant impact on the Company is set out in the ESG Report.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- The Core Product may fail to meet the primary and secondary endpoints at the late-stage clinical trials due to higher clinical development risks.
- Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may be unable to commercialize our drug candidates at all.
- We may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates.
- We work with third parties to manufacture a portion of our drug candidates for clinical development and commercial sales. Our business could be harmed if those third parties fail to deliver sufficient quantities of products or fail to do so at acceptable quality levels or prices.

- We could be unsuccessful in obtaining or maintaining adequate patent protection for one or more of our drug candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

- The market size of our drug candidates might be smaller than we expected.

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.

FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years, is set out on page 156 of this annual report. This summary does not form part of the audited consolidated financial statements.

ADVANCE TO ENTITY PROVIDED BY THE COMPANY

During the year ended December 31, 2025, the Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules.

BREACH OF LOAN AGREEMENT

During the year ended December 31, 2025, the Company had not breached any terms of its loan agreements for loans that are significant to its operations.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES BY THE COMPANY

During the year ended December 31, 2025, the Company had not provided any financial assistance and guarantees to affiliated companies of the Company which is subject to disclosure requirements under Rule 13.22 of the Listing Rules.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

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

SUBSIDIARIES

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

PROPERTY, PLANT AND EQUIPMENT

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

DIRECTORS' REPORT

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2025 are set out in Note 22 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules.

DONATION

During the Reporting Period, the Company did not make any donations (2024: Nil).

DEBENTURE ISSUED

The Group did not issue any debenture during the year ended December 31, 2025 (2024: Nil).

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreements were entered into by the Group, or existed during the year ended December 31, 2025 (2024: Nil).

RESULTS AND DIVIDEND

The consolidation results of the Group for the year ended December 31, 2025 are set out on pages 88 to 148 of this annual report.

The Board has resolved not to recommend payment of any final dividend for the year ended December 31, 2025 (2024: Nil).

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

PERMITTED INDEMNITY

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

Such permitted indemnity provision is currently in force and has been in force for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors and other senior staff.

RESERVES

Details of the movements in the reserves of the Company during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity in this annual report. As at December 31, 2025, the Company had no reserves available for distribution under the provisions of the Companies Act (As Revised) of the Cayman Islands.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group (including the maturity profile of borrowings and committed banking facilities) as at December 31, 2025 are set out in this annual report and Note 20 to the financial statements. There is no material seasonality of borrowing requirements for the Group.

USE OF NET PROCEEDS FROM THE LISTING

The total net proceeds from the issue of shares by the Company in its Listing amounted to approximately HK$194.1 million, after deducting the underwriting commission and other expenses payable by the Company in connection with the Listing. During the Reporting Period, the net proceeds were used according to the intentions previously disclosed by the Company in the Prospectus. The balance of unutilized net proceeds amounted to approximately HK$9.3 million as at the end of the Reporting Period and the Company intends to use them in the manner and in accordance with the expected timetable disclosed in the table below.

Use of Proceeds	Original percentage of net proceeds *%*	Revised percentage of net proceeds *%*	Original allocation of net proceeds as stated in the Prospectus *HK$ in million*	Revised allocation of net proceeds *HK$ in million*	Net proceeds unutilized as at the beginning of the Reporting Period *HK$ in million*	Actual use of proceeds during the Reporting Period *HK$ in million*	Actual use of proceeds as at the end of the Reporting Period *HK$ in million*	Net proceeds unutilized as at the end of the Reporting Period *HK$ in million*	Expected timeframe for utilizing the remaining unutilized net proceeds[Note]
The continuing clinical research and development activities of our HTD1801	80.0	84.6	155.2	164.2	95.3	104.3	164.2	–	
The ongoing research and development including R&D personnel costs and third party contracting expenses for HTD1804 for obesity	5.0	0.4	9.7	0.7	9.5	0.5	0.7	–	
The early drug discovery and development of other drug candidates from continuously upgrading and enhancing our FUSIONTX™ development approach	10.0	10.0	19.5	19.5	17.7	8.4	10.2	9.3	December 2027
Working capital and other general corporate purposes	5.0	5.0	9.7	9.7	9.7	9.7	9.7	–	
Total	100.0	100.0	194.1	194.1	132.2	122.9	184.8	9.3	

Note: The expected timeframe for utilizing the remaining unutilized net proceeds is based on the best estimation of the factual business needs and future business development of the Group. It will be subject to change based on the current and future developments of market conditions and future business needs of the Group.

As disclosed above, during the Reporting Period, to focus our efforts on the development of our Core Product HTD1801, approximately HK$9.0 million in unutilized net proceeds (representing approximately 4.6% in net proceeds from the Listing) originally allocated for "the ongoing research and development including R&D personnel costs and third-party contracting expenses for HTD1804 for obesity" had been re-allocated for "the continuing clinical research and development activities of our HTD1801" (the "**Reallocation**"), and such proceeds was subsequently fully utilized.

The Company believes that the Reallocation is not a material change, as the proceeds remain dedicated to the development of HTD1801. Consequently, the Reallocation will not result in any material change in the nature of the Group's business or any material adverse impact on the existing business and operations of the Group. Furthermore, the Reallocation is fair and reasonable as this would allow the Company to deploy its financial resources more effectively to enhance the profitability of the Group and is therefore in the best interest of the Company and its Shareholders as a whole.

USE OF NET PROCEEDS FROM PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the Company's Placing Announcements. Unless otherwise defined, capitalized terms used in this section shall have the same meanings as those set out in the Placing Announcements. On June 26, 2025, the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Company agrees to issue the Placing Shares, and the Placing Agents agree, on a several basis, as agents of the Company, to procure on a best effort basis not less than six independent placees to subscribe for up to 60,000,000 Placing Shares at the Placing Price of HK$2.21 per Placing Share and on the terms and subject to the conditions set out in the Placing Agreement.

A total of 56,555,000 Placing Shares have been successfully placed by the Placing Agents to not less than six professional, institutional and/or individual investors who, together with their respective ultimate beneficial owner(s), are third parties independent of the Company and its connected persons, at the Placing Price of HK$2.21 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The purpose of the Placing was for the clinical development and commercialization of the Group's pipeline product, berberine ursodeoxycholate (HTD1801). HTD1801 is the Company's lead compound, an in-house developed, first-in-class, gutliver anti-inflammatory metabolic modulator.

The total net proceeds raised by the Company from the Placing amounted to approximately HK$123.4 million, after deducting the commissions and expenses payable by the Company relating to the Placing. The closing price was HK$2.69 per Share on the date of the Placing Agreement. During the Reporting Period, the net proceeds were used according to the intentions previously disclosed by the Company in the Placing Announcements. The balance of unutilized net proceeds amounted to approximately HK$110.5 million as at the end of the Reporting Period and the Company intends to use them in the same manner and proportions as described in the Placing Announcements and proposes to use the unutilized net proceeds in accordance with the expected timetable disclosed in the table below.

	Use of proceeds in the same manner as stated in the Placing Announcements *HK$ in million*	Actual use of proceeds during the Reporting Period *HK$ in million*	Actual use of proceeds as at the end of the Reporting Period *HK$ in million*	Net proceeds unutilized as at the end of the Reporting Period *HK$ in million*	Expected timeframe for utilizing the remaining unutilized net proceeds*Note*
100.0% to fund the clinical development and commercialization of our HTD1801	123.4	13.0	13.0	110.4	December 2027
Total	123.4	13.0	13.0	110.4	

Note: The expected timeframe for utilizing the remaining unutilized net proceeds is based on the best estimation of the factual business needs and future business development of the Group. It will be subject to change based on the current and future developments of market conditions and future business needs of the Group.

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors, Dr. LIU Liping and Ms. YU Meng, has entered into a service contract with our Company, under which the initial term of their service contract shall commence from the Listing Date and continue for a period of three years after or until the third annual general meeting of our Company since the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to reelection as and when required under the Articles), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months' prior notice in writing. Pursuant to the service contracts entered into with us, none of our executive Directors will receive any remuneration as director's fee.

Each of our non-executive Directors and independent non-executive Directors has entered into an appointment letter with our Company on December 11, 2023. The initial term for their appointment letters shall commence from the Listing Date and continue for a period of three years after or until the third annual general meeting of our Company since the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles), until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing. Pursuant to the appointment letters entered into with us, save and except Dr. ZHU Xun and Mr. MA Lixiong, none of our non-executive Directors will receive any remuneration as director's fee. Pursuant to the appointment letters dated April 1, 2025 entered into with the Company, Dr. Zhu and Mr. Ma will receive an annual remuneration of HK$400,000 and HK$600,000, respectively, as director's fee starting from April 1, 2025. Each of our independent non-executive Directors will receive an annual director's fee of HK$200,000.

None of the Directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than under normal statutory obligations.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting has entered into any service agreement or letter of appointment with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation) during or at the end of the year ended December 31, 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended December 31, 2025, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries. From time to time our 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended December 31, 2025 was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

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

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

Interest in Shares and underlying Shares

Name of Director	Capacity/Nature of interest	Number of Shares held[1]	Approximate percentage of Shares in issue[2]
Dr. LIU Liping[6]	Founder of a discretionary trust[3]	81,000,000 (L)	14.18%
	Interest held through voting powers entrusted by other persons[4]	22,295,684 (L)	3.90%
	Beneficial interest[5]	10,004,964 (L)	1.75%
Mr. MA Lixiong	Interest in controlled corporation[7]	30,194,154 (L)	5.28%
	Beneficial interest[8]	5,926,584 (L)	1.04%
Ms. YU Meng	Beneficial interest[9]	6,032,568 (L)	1.06%
Dr. ZHU Xun	Beneficial interest[10]	1,336,908 (L)	0.23%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Based on a total of 571,325,668 Shares in issue as at December 31, 2025.

(3) Dr. Liu, being the investment advisor of the Family Trust, is entitled to exercise the voting rights attached to the 81,000,000 Shares held by the Founder BVI.

(4) Comprising voting rights attached to 22,295,684 Shares underlying Awards vested which Dr. Liu was entitled to exercise the voting rights pursuant to the voting agreements entered into by the Company and certain grantees under the 2020 Share Incentive Plan.

(5) As at December 31, 2025, Dr. Liu was interested in 10,004,964 shares underlying the Awards granted to her under the 2020 Share Incentive Plan, of which 7,457,872 Shares underlying the Awards were vested.

(6) Dr. Liu, the Founder BVI, Greaty Investment, ZT Global Energy and Orient Champion have entered into a concert party agreement (the "**Concert Party Agreement**") on September 30, 2021, pursuant to which the Founder BVI (the voting rights attached to the Shares held by whom are to be exercised by Dr. Liu), Greaty Investment, ZT Global Energy and Orient Champion confirmed and ratified that, since September 1, 2019, (i) they had acted and would continue to act in concert and collectively for all matters relating to the operation and development of our Group that need to be approved by the Shareholders pursuant to applicable laws and the constitutional documents of our Company; and (ii) when and if they could not reach unanimous consent, the decision of Dr. Liu shall prevail. None of the party to the Concert Party Agreement is entitled to terminate the Concert Party Agreement unilaterally. As of December 31, 2025, each of Greaty Investment, ZT Global Energy and Orient Champion held 5,195,496 Shares, 6,369,372 Shares and 5,616 Shares, each representing 0.91%, 1.11% and 0.00% of the issued Shares as at December 31, 2025.

(7) BAIYI Capital Limited is wholly-owned investment holding company of AIH Capital L.P., which is controlled by Mr. MA Lixiong. Pingtan Rongjing Investment Partnership (Limited Partnership) (平潭榮景投資合夥企業(有限合夥)) is managed by its general partner, Yuthai Investment Management Co., Ltd., which is owned as to 80% by Mr. MA Lixiong. Therefore, Mr. MA Lixiong is deemed to be interested in (i) 27,428,154 Shares held by BAIYI Capital Limited and (ii) 2,766,000 Shares held by Pingtan Rongjing Investment Partnership (Limited Partnership) under the SFO.

(8) As at December 31, 2025, Mr. MA Lixiong was interested in 5,926,584 Shares underlying the Awards granted to him under the 2020 Share Incentive Plan, and 2023 Share Incentive Plan, of which 3,179,088 Shares underlying the Awards were vested as at December 31, 2025.

(9) As at December 31, 2025, Ms. YU Meng was interested in 6,032,568 Shares underlying the Awards granted to her under the 2020 Share Incentive Plan, and 2023 Share Incentive Plan, of which 3,856,830 Shares underlying the Awards were vested as at December 31, 2025.

(10) As at December 31, 2025, Dr. ZHU Xun was interested in 1,336,908 Shares underlying the Awards granted to him under the 2020 Share Incentive Plan, of which 1,190,832 Shares underlying the Awards were vested as at December 31, 2025.

Save as disclosed in this annual report and to the best knowledge of the Directors, as at December 31, 2025, none of the Directors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

So far as the Directors or chief executive are aware, as at December 31, 2025, the following persons (other than the Directors and chief executive whose interests have been disclosed in this report), had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares held[1]	Approximate percentage of Shares in issue[2]
Mr. LI Li[3]	Interest in controlled corporation	77,804,710 (L)	13.62%
Ms. LI Tan[3]	Interest of spouse	77,804,710 (L)	13.62%
Hepalink [3]	Beneficial owner	13,515,210 (L)	2.37%
	Interest in controlled corporation	64,289,500 (L)	11.25%
Hepalink Biotechnology II Limited[3]	Beneficial owner	64,289,500 (L)	11.25%
Hepalink (Hong Kong) Limited[3]	Interest in controlled corporation	64,289,500 (L)	11.25%
Hepalink Healthcare Partners I L.P.[3]	Interest in controlled corporation	64,289,500 (L)	11.25%
Medi Prosperity Capital Inc. [3]	Interest in controlled corporation	64,289,500 (L)	11.25%
Mr. SHAN Miao[3]	Interest in controlled corporation	64,289,500 (L)	11.25%
Founder BVI[4][5]	Beneficial owner	81,000,000 (L)	14.18%
The Bryn Mawr Trust Company of Delaware[4]	Trustee of a trust	81,000,000 (L)	14.18%
2020 ESOP Platform[6]	Beneficial owner	53,010,764 (L)	9.28%
The Core Trust Company Limited[6]	Trustee of a trust	53,010,764 (L)	9.28%
TCT (BVI) Limited[6]	Interest in controlled corporation	53,010,764 (L)	9.28%
Hongtu Capital[7]	Beneficial owner	45,713,592 (L)	8.00%
Ms. CHAN See Ting[7]	Interest in controlled corporation	45,713,592 (L)	8.00%
Mr. LAI Hoi Man[7]	Interest in controlled corporation	45,713,592 (L)	8.00%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Based on a total of 571,325,668 Shares in issue as at December 31, 2025.

(3) Based on the information set out in the relevant disclosure made by the relevant substantial Shareholder(s), 64,289,500 Shares were held by Hepalink Biotechnology II Limited, which was wholly-owned by Hepalink Healthcare Partners I L.P., a limited partnership established under the laws of the Cayman Islands. The limited partner of Hepalink Healthcare Partners I L.P. was Hepalink (Hong Kong) Limited, which held 100% of the interest in Hepalink Healthcare Partners I L.P. Hepalink (Hong Kong) Limited was in turn wholly-owned by Hepalink. Mr. LI Li was interested in approximately 62.90% of the shares in Hepalink. Hepalink was also interested in 13,515,210 Shares. Ms. LI Tan is the spouse of Mr. LI Li.

(4) The Bryn Mawr Trust Company of Delaware serves as the trustee of the Family Trust, which wholly-owned the Founder BVI.

(5) Dr. Liu, the Founder BVI, Greaty Investment, ZT Global Energy and Orient Champion have entered into the Concert Party Agreement on September 30, 2021, pursuant to which the Founder BVI (the voting rights attached to the Shares held by whom are to be exercised by Dr. Liu), Greaty Investment, ZT Global Energy and Orient Champion confirmed and ratified that, since September 1, 2019, (i) they had acted and would continue to act in concert and collectively for all matters relating to the operation and development of our Group that need to be approved by the Shareholders pursuant to applicable laws and the constitutional documents of our Company; and (ii) when and if they could not reach unanimous consent, the decision of Dr. Liu shall prevail. None of the party to the Concert Party Agreement is entitled to terminate the Concert Party Agreement unilaterally. Each of Greaty Investment, ZT Global Energy and Orient Champion held 5,195,496 Shares, 6,369,372 Shares and 5,616 Shares, each representing 0.91%, 1.11% and 0.00% of the issued Shares.

(6) The Core Trust Company Limited serves as the trustee of the 2020 ESOP Platform. The 2020 ESOP Platform is wholly-owned by TCT (BVI) Limited, which is in turn wholly-owned by The Core Trust Company Limited.

(7) Based on the information set out in the relevant disclosure made by the relevant substantial Shareholder(s), Hongtu Capital is owned as to 60% and 40% by Mr. LAI Hoi Man (賴海民) and Ms. CHAN See Ting (陳思廷), respectively,

Save as disclosed above, so far as the Directors or chief executive are aware, as at December 31, 2025, no person, other than the Directors and chief executive whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations" had an interest or short position in the Shares or underlying Shares which would fall to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

INCENTIVE PLANS ADOPTED BY THE COMPANY

A. 2020 Share Incentive Plan

The 2020 Share Incentive Plan was originally adopted by the Board on January 22, 2020, amended and restated by the Board on October 18, 2021 and further amended and restated in its entirety on March 4, 2022. The terms of the 2020 Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of awards by our Company to subscribe for new Shares after the Listing. After Listing, no further awards or other type of awards would be granted pursuant to the 2020 Share Incentive Plan. All the Shares underlying the Awards granted under the 2020 Share Incentive Plan have been issued and allotted to the 2020 ESOP Platform for future exercise of the Awards. The following is a summary of the principal terms of the 2020 Share Incentive Plan.

(a) Purpose

The purpose of the 2020 Share Incentive Plan is to enable the Company to attract and retain the best available personnel, to provide additional incentives to employees, Directors and consultants and to promote the success of the Company's business.

(b) Who May Join

Eligible participants (the "**Eligible Participants**") means (i) any person who is in the employment of the Group; (ii) a member of the Board or the board of directors of any affiliate of the Company; or (iii) any person who is engaged by the Group to render consulting or advisory services.

Subject to above classes, share options (the "**Options**") or restricted share units (the "**RSUs**") shall be granted to the grantee who is department manager, key technical staff of the Group; has made a significant contribution to the Company; or meet such other conditions as determined by Board, and restricted shares (the "**Restricted Shares**", together with the Options and the RSUs, the "**Awards**") or RSUs shall be granted to the grantee who is management personnel and has established labor/employment relationship with the Company or its subsidiaries before December 31, 2015 and the continuous service of the grantee is not terminated up to the date of the Award agreement; has made a significant contribution to the Company; is critical to the future development of the Company; or meet such other conditions as determined by Board.

(c) Shares Available for Issue

As of the date of this report, there is no Share available for issue under the 2020 Share Incentive Plan, as all the Shares underlying the Awards granted under the 2020 Share Incentive Plan have been issued and allotted to the 2020 ESOP Platform for future exercise of the Awards and no further options or other type of awards would be granted pursuant to the 2020 Share Incentive Plan after the Listing. The number of options and awards available for grant under the 2020 Share Incentive Plan as of January 1, 2025 and December 31, 2025 was nil and nil, respectively.

(d) Maximum Number of Shares

The maximum number of Shares in respect of which Awards may be granted under the 2020 Share Incentive Plan is 53,095,764 Shares (as adjusted upon completion of the capitalization issue on the Listing Date and the repurchase of Shares from the 2023 ESOP Platform) (the "**2020 Scheme Limit**").

Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the 2020 Share Incentive Plan. Shares that actually have been issued under the 2020 Share Incentive Plan pursuant to an Award shall not be returned to the 2020 Share Incentive Plan and shall not become available for future issuance under the 2020 Share Incentive Plan, subject to the 2020 Share Incentive Plan. There is no service provider sub-limit adopted under the 2020 Share Incentive Plan. Subject to the 2020 Scheme Limit, the 2020 Share Incentive Plan contains no provision on the maximum entitlement of each Eligible Participant.

(e) Exercise Period

The exercise period of the Awards granted under the 2020 Share Incentive Plan is ten years commencing from the date upon which the Awards are deemed to be granted and accepted pursuant to the terms of the 2020 Share Incentive Plan.

(f) Vesting Period

The Awards granted under the 2020 Share Incentive Plan shall vest in four years subject to the Listing. The Awards representing 25% of the Awards granted shall vest in equal, yearly installments at each anniversary date commencing from the vesting commencement date set forth in the notice of Award and the Award agreements. The vesting of the Awards is also subject to other vesting conditions, including the Grantee's provision of continuous service to the Company or its affiliates and the performance criteria to be satisfied by each of the Grantees set forth in their respective notice of Award and Award agreements. The performance criteria comprise a mixture of attaining satisfactory key performance indicators of the Company, the department of the Company and the individual Grantee, respectively.

(g) Exercise or Purchase Price

The exercise price of the Options and the purchase price of the RSUs shall be the price determined by the administrator as of the date of grant. There is no purchase price for the Restricted Shares. Subject to applicable laws, 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 administrator.

The outstanding Awards granted under the 2020 Share Incentive Plan were granted at nil consideration to each of the relevant Eligible Participant with an exercise price (as adjusted by the capitalization issue on the Listing Date) of US$0.14 to US$0.47 per Share. There is no additional amount payable on application or acceptance of the Awards. There is no prescribed period within which payments or calls must or may be made or loans for such purposes must be repaid in respect of the Awards offered under the 2020 Share Incentive Plan.

(h) Term of Plan and Remaining Life

The 2020 Share Incentive Plan shall continue in effect for a term of ten (10) years after the date of adoption (being January 22, 2020), unless sooner terminated. The remaining life of the 2020 Share Incentive Plan was approximately three years and ten months as of the date of this annual report.

The term of each Award shall be the term stated in the Award agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the grantee has elected to defer the receipt of the Shares of cash issuable pursuant to the Award. In the case of an Option granted to an United States taxpayer who, at the time the Option is granted, owns (or, pursuant to Section 424(d) of the United States Code, is deemed to own) stock representing more than 10% of the total combined voting power of all classes of Shares of the Company or any subsidiary or affiliate, the term of the Option will not be longer than ten years from the date of grant. The date of grant of an Award shall for all purposes be the date on which the administrator makes the determination to grant such Award, or such other date as is determined by the administrator.

(i) Termination

An Award shall lapse automatically and not be exercisable (to the extent not already exercised):

(i) in the event the grantee's continuous service terminates as a result of his/her retirement, death, permanent disability prevents from working, resignation or company terminates his/her employment;

(ii) in the event the grantee's continuous service terminates due to bad faith causes; or

(iii) in the event change in control of the Company or corporate transaction.

All the Awards available for granting under the 2020 Share Incentive Plan have been granted before the Listing and there are no further options or other type of awards available for grant pursuant to the 2020 Share Incentive Plan since the Listing. As at December 31, 2025, no other types of awards other than options have been granted under the 2020 Share Incentive Plan. Therefore, there is no award granted during the Reporting Period. During the Reporting Period, details of the movements in the Awards (all being Options) granted under the 2020 Share Incentive Plan are as follows pursuant to Rule 17.12 of the Listing Rules.

Name of category of grantee	Date of Grant[1]	Outstanding Options as at January 1, 2025	Vested during the Reporting Period	Exercised during the Reporting Period[2]	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Expired during the Reporting Period	Outstanding Options as at December 31, 2025	Vesting period	Exercise period of Options	Exercise price of Options (approximate)[3] (US$ per Share)
Directors											
Dr. LIU Liping (劉利平)	December 17, 2020	3,273,852	Nil	Nil	Nil	Nil	Nil	3,273,852	Four years[4]	Ten years[5]	0.14
	December 30, 2021	1,636,926	409,231	Nil	Nil	Nil	Nil	1,636,926	Four years[4]	Ten years[5]	0.18
	April 1, 2023	5,094,186	1,273,547	Nil	Nil	Nil	Nil	5,094,186	Four years[4]	Ten years[5]	0.47
Ms. YU Meng (于萌)	January 1, 2021	1,681,092	420,273	Nil	Nil	Nil	Nil	1,681,092	Four years[4]	Ten years[5]	0.18
	April 1, 2023	1,951,476	487,869	Nil	Nil	Nil	Nil	1,951,476	Four years[4]	Ten years[5]	0.33
Dr. ZHU Xun (朱迅)	January 1, 2021	1,044,756	261,189	Nil	Nil	Nil	Nil	1,044,756	Four years[4]	Ten years[5]	0.18
	April 1, 2023	292,152	73,038	Nil	Nil	Nil	Nil	292,152	Four years[4]	Ten years[5]	0.33
Mr. MA Lixiong (馬立雄)	December 30, 2021	431,592	107,898	Nil	Nil	Nil	Nil	431,592	Four years[4]	Ten years[5]	0.18
	April 1, 2023	3,094,992	773,748	Nil	Nil	Nil	Nil	3,094,992	Four years[4]	Ten years[5]	0.33
Subtotal		18,501,024	3,806,793	Nil	Nil	Nil	Nil	18,501,024			
Highest paid individuals during the Reporting Period excluding thee Directors, in aggregate[6]											
	January 1, 2021	4,572,528	1,143,132	Nil	Nil	Nil	Nil	4,572,528	Four years[4]	Ten years[5]	0.18
	February 1, 2021	1,440,000	360,000	Nil	Nil	Nil	Nil	1,440,000	N/A	Ten years[5]	0.18
	April 1, 2023	3,683,292	920,824	Nil	Nil	Nil	Nil	3,683,292	Four years[4]	Ten years[5]	0.33/0.47
	September 1, 2023	5,821,050	1,455,263	Nil	Nil	Nil	Nil	5,821,050	Four years[4]	Ten years[5]	0.33
Subtotal		15,516,870	3,879,219	Nil	Nil	Nil	Nil	15,516,870			

Name of category of grantee	Date of Grant[1]	Outstanding Options as at January 1, 2025	Vested during the Reporting Period	Exercised during the Reporting Period[2]	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Expired during the Reporting Period	Outstanding Options as at December 31, 2025	Vesting period	Exercise period of Options	Exercise price of Options (approximate)[3] (US$ per Share)
Other grantees, in aggregate											
	December 17, 2020	543,912	Nil	Nil	Nil	Nil	Nil	543,912	Four years[4]	Ten years[5]	0.14
	January 1, 2021	4,186,202	965,209	Nil	Nil	Nil	Nil	4,186,202	Four years[4]	Ten years[5]	0.14
	March 1, 2021	388,650	97,162	Nil	Nil	Nil	Nil	388,650	Four years[4]	Ten years[5]	0.14
	December 30, 2021	421,614	Nil	Nil	Nil	210,806	Nil	210,808	Four years[4]	Ten years[5]	0.18
	January 3, 2022	210,252	Nil	Nil	Nil	210,252	Nil	Nil	Four years[4]	Ten years[5]	0.29
	January 3, 2022	360,000	Nil	Nil	Nil	360,000	Nil	Nil	Upon the achievement of applicable milestones[4]	Ten years[5]	0.29
	March 31, 2022	54,000	13,500	Nil	Nil	6,000	Nil	48,000	Four years[4]	Ten years[5]	0.29
	April 1, 2023	6,137,622	923,969	Nil	Nil	2,756,758	Nil	3,380,864	Four years[4]	Ten years[5]	0.33 – 0.47
	September 1, 2023	715,920	110,866	Nil	Nil	272,460	Nil	443,460	Four years[4]	Ten years[5]	0.33
Subtotal		13,018,172	2,110,706	Nil	Nil	3,816,276	Nil	9,201,896			
Total		**47,036,066**	**9,796,718**	**Nil**	**Nil**	**3,816,276**	**Nil**	**43,219,790**			

Notes:

(1) The fair value of the Options granted during the Reporting Period under Rule 17.07(1)(c)(v) of the Listing Rules is not applicable as no Option was granted during the Reporting Period.

(2) The weighted average closing price of the Shares immediately before the date on which the Options were exercised under Rule 17.07(1)(d) of the Listing Rules is not applicable as no Option was exercised during the Reporting Period.

(3) The exercise price has been adjusted by the capitalization issue on the Listing Date.

(4) The Awards shall vest in four years subject to the Listing. The Awards representing 25% of the Awards granted shall vest in equal, yearly installments at each anniversary date commencing from the vesting commencement date set forth in the notice of Award and the Award agreements. The vesting of the Awards that become ready to be vested according to their respective designated vesting schedule in the notice of Award on a date prior to the Listing will be deferred and only effected on the Listing Date. The vesting of the Awards is also subject to other vesting conditions, including the Grantee's provision of continuous service to the Company or its affiliates and the performance criteria to be satisfied by each of the Grantees set forth in their respective notice of Award and Award agreements. The performance criteria comprise a mixture of attaining satisfactory key performance indicators of the Company, the department of the Company and the individual Grantee, respectively.

(5) The exercise period of the Awards granted under the 2020 Share Incentive Plan is ten years commencing from the date upon which the Awards are deemed to be granted and accepted pursuant to the terms of the 2020 Share Incentive Plan.

(6) Excludes Dr. Liu Liping and Ms. Yu Meng, who were among the five top-paid individuals during the Reporting Period, and whose interest in the Options are disclosed separately in the table.

(7) Save for those set out in this movement table, there are no grants of awards to (i) Directors, (ii) five highest paid individuals during the Reporting Period, or (iii) other grantees under the 2020 Share Incentive Plan.

(8) No grant was made under the 2020 Share Incentive Plan which requires review by the Remuneration Committee for the Reporting Period.

(9) As all grants under the 2020 Share Incentive Plan were made before the Listing Date, the closing price of the Shares immediately before the date of grant under Rule 17.07(1)(c)(iv) of the Listing Rules is not applicable.

B. 2023 Share Incentive Plan

The 2023 Share Incentive Plan was adopted by the Board on May 24, 2023. The terms of the 2023 Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of awards by our Company to subscribe for new Shares after Listing. After the Listing, no further awards would be granted pursuant to this 2023 Share Incentive Plan. All the Shares underlying the Awards granted under the 2023 Share Incentive Plan have been issued and allotted to the 2023 ESOP Platform for future exercise of the Awards. The following is a summary of the principal terms of the 2023 Share Incentive Plan.

(a) Purpose

The purpose of the 2023 Share Incentive Plan is to enable the Company to attract and retain the best available personnel, to provide additional incentives to employees, Directors and consultants and to promote the success of the Company's business.

(b) Who May Join

Eligible participants means any person belonging to (i) any person who is in the employment of the Group; (ii) a member of the Board or the board of directors of any affiliate of the Company; or (iii) any person who is engaged by the Group to render consulting or advisory services.

Subject to above classes, Options or RSUs shall be granted to the grantee who is department manager, key technical staff of the Group; has made a significant contribution to the Company; or meet such other conditions as determined by Board.

Restricted Shares, together with the Awards or RSUs shall be granted to the grantee who is management personnel, department manager, key technical staff that has established employment or consulting relationship with the Company or its Subsidiaries; and has made a significant contribution in furtherance of the purposes of this Plan; or meet such other conditions as determined by the Administrator.

(c) Shares Available for Issue

As of the date of this report, there is no Share available for issue under the 2023 Share Incentive Plan, as all the Shares underlying the Awards under the 2023 Share Incentive Plan have been issued and allotted to the 2023 ESOP Platform and no further options or other type of awards would be granted pursuant to the 2023 Share Incentive Plan after the Listing. The number of options and awards available for grant under the 2023 Share Incentive Plan as of January 1, 2025 and December 31, 2025 was nil and nil, respectively.

(d) Maximum Number of Shares

The maximum number of Shares in respect of which Awards may be granted under the 2023 Share Incentive Plan is 9,600,000 Shares (as adjusted upon completion of the capitalization issue on the Listing Date and the repurchase of Shares from the 2023 ESOP Platform) (the "**2023 Scheme Limit**").

Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the 2023 Share Incentive Plan. Shares that actually have been issued under the 2023 Share Incentive Plan pursuant to an Award shall not be returned to the 2023 Share Incentive Plan and shall not become available for future issuance under the 2023 Share Incentive Plan, subject to the 2023 Share Incentive Plan. There is no service provider sub-limit adopted under the 2023 Share Incentive Plan. Subject to the 2023 Scheme Limit, the 2023 Share Incentive Plan contains no provision on the maximum entitlement of each Eligible Participant.

(e) Exercise Period

The exercise period of the Awards granted is ten years commencing from the date upon which the Awards are deemed to be granted and accepted pursuant to the terms of the 2023 Share Incentive Plan.

(f) Vesting Period

The Awards representing 25% of the Awards granted shall vest in equal, yearly installments at each of the first anniversary date, the second anniversary date, the third anniversary date and the fourth anniversary date commencing from the Listing Date. The vesting of the Awards is also subject to other vesting conditions, including the Grantee's provision of continuous service to the Company or its affiliates and the performance criteria to be satisfied by each of the Grantees set forth in their respective notice of Award and Award agreements. The performance criteria comprise a mixture of attaining satisfactory key performance indicators of the Company, the department of the Company and the individual Grantee, respectively.

(g) Exercise or Purchase Price

The exercise price of the Options and the purchase price of the RSUs shall be the price determined by the administrator as of the date of grant. There is no purchase price for the Restricted Shares. Subject to applicable laws, 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 administrator.

The outstanding Awards granted under the 2023 Share Incentive Plan were granted at nil consideration to each of the relevant Eligible Participant with an exercise price (as adjusted by the capitalization issue on the Listing Date) of US$0.33 per Share. There is no additional amount payable on application or acceptance of the Awards. There is no prescribed period within which payments or calls must or may be made or loans for such purposes must be repaid in respect of the Awards offered under the 2023 Share Incentive Plan.

(h) Term of Plan and Remaining Life

The 2023 Share Incentive Plan shall continue in effect after the date of adoption, until the earlier to occur: (i) early termination by the administrator; or (ii) the tenth anniversary after the effective date (being May 24, 2023). The remaining life of the 2023 Share Incentive Plan was approximately seven years and two months as of the date of this report.

(i) Termination

An Award shall lapse automatically and not be exercisable (to the extent not already exercised):

(i) in the event the grantee's continuous service terminates as a result of his/her retirement, death, permanent disability prevents from working, resignation or company terminates his/her employment;

(ii) in the event the grantee's continuous service terminates due to bad faith causes; or

(iii) in the event change in control of the Company or corporate transaction.

All the Awards available for granting under the 2023 Share Incentive Plan have been granted before the Listing and there are no further options or other type of awards available for grant pursuant to the 2023 Share Incentive Plan since the Listing. As at December 31, 2025, no other types of awards other than options had been granted under the 2023 Share Incentive Plan. Therefore, there is no award granted from the Reporting Period. During the Reporting Period, details of the movements in the Awards (all being Options) granted under the 2023 Share Incentive Plan are as follows pursuant to Rule 17.12 of the Listing Rules.

Name of category of grantee	Date of Grant[1]	Outstanding Options as at January 1, 2025	Vested during the Reporting Period	Exercised during the Reporting Period[1]	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Expired during the Reporting Period	Outstanding Options as at December 31, 2025	Vesting period	Exercise period of Options	Exercise price of Options (approximate)[5] (US$ per Share)
Directors											
Ms. YU Meng (于萌)	September 1, 2023	2,400,000	600,000	Nil	Nil	Nil	Nil	2,400,000	Four years[3]	Ten years[4]	0.33
Mr. MA Lixiong (馬立雄)	September 1, 2023	2,400,000	600,000	Nil	Nil	Nil	Nil	2,400,000	Four years[3]	Ten years[4]	0.33
Subtotal		4,800,000	1,200,000	Nil	Nil	Nil	Nil	4,800,000			
Other grantees, in aggregate											
	September 1, 2023	2,400,000	600,000	Nil	Nil	Nil	Nil	2,400,000	Four years[3]	Ten years[4]	0.33
Subtotal		2,400,000	600,000	Nil	Nil	Nil	Nil	2,400,000			
Total		**7,200,000**	**1,800,000**	**Nil**	**Nil**	**Nil**	**Nil**	**7,200,000**			

Notes:

(1) The fair value of the Options granted during the Reporting Period under Rule 17.07(1)(c)(v) of the Listing Rules is not applicable as no Option was granted during the Reporting Period.

(2) The weighted average closing price of the Shares immediately before the date on which the Options were exercised under Rule 17.07(1)(d) of the Listing Rules is not applicable as no Option was exercised during the Reporting Period.

(3) The Awards representing 25% of the Awards granted shall vest in equal, yearly installments at each of the first anniversary date, the second anniversary date, the third anniversary date and the fourth anniversary date commencing from the Listing Date. The vesting of the Awards is also subject to other vesting conditions, including the Grantee's provision of continuous service to the Company or its affiliates and the performance criteria to be satisfied by each of the Grantees set forth in their respective notice of Award and Award agreements. The performance criteria comprise a mixture of attaining satisfactory key performance indicators of the Company, the department of the Company and the individual Grantee, respectively.

(4) The exercise period of the Awards granted under the 2023 Share Incentive Plan is ten years commencing from the date upon which the Awards are deemed to be granted and accepted pursuant to the terms of the 2023 Share Incentive Plan.

(5) The exercise price has been adjusted by the capitalization issue on the Listing Date.

(6) Save for those set out in this movement table, there are no grants of awards to (i) Directors, (ii) five highest paid individuals during the Reporting Period or (iii) other grantees under the 2023 Share Incentive Plan.

(7) The Remuneration Committee was established with effect from the Listing Date, while all the grants under the 2023 Share Incentive Plan were made before the Listing Date. As such, no grant was made under the 2023 Share Incentive Plan which requires review by the Remuneration Committee for the Reporting Period.

(8) As all grants under the 2023 Share Incentive Plan were made before the Listing Date, the closing price of the shares immediately before the date of grant under Rule 17.07(1)(c)(iv) of the Listing Rules is not applicable.

C. 2025 Share Incentive Plan

The Company adopted the 2025 Share Incentive Plan pursuant to an ordinary resolution passed by the Shareholders in the annual general meeting held on June 27, 2025 ("**Adoption Date**"). The 2025 Share Incentive Plan will be funded by the existing Shares underlying the awards granted before the Listing but then subsequently lapsed or canceled from time to time under the Pre-IPO Share Incentive Plans and no new Shares/treasury shares will be issued/transferred by the Company. As the Shares lapsed or canceled under the Pre-IPO Share Incentive Plans are now held/will be held by the trustees for no specific participants upon the awards being lapsed or canceled pursuant to the terms of the Pre-IPO Share Incentive Plans, the 2025 Share Incentive Plan will be regarded as a share scheme involving grant of new Shares for the purpose of Chapter 17 of the Listing Rules.

(a) Purpose

The purposes of the 2025 Share Incentive Plan are to attract and retain the best available personnel, to provide additional incentives to employees, directors and consultants of the Group and to promote the success of the value management and other incentive targets of the Company.

(b) Who May Join

The eligible participants of the 2025 Share Incentive Plan include:

(a) Directors (including the independent non-executive Directors) and employees (including full-time and part-time employees) of the Group (including persons who are granted the awards under the 2025 Share Incentive Plan as an inducement to enter into employment contracts with the Group); and

(b) persons (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group (i.e., a biopharmaceutical company) which are in the interest of the long-term growth of the Group ("**Service Provider Participants**"). Service Provider Participants include consultants or advisors who provide consultancy or advisory services to the Group in relation to research and development, production, marketing, strategic planning, finance, and administration, where the continuity and frequency of their services are akin to those of employees,

but excluding placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

(c) Scheme Mandate Limit and Service Provider Sublimit

The Company shall not make any further grant which will result in the aggregate number of Shares underlying all Awards granted pursuant to the 2025 Share Incentive Plan (excluding any Awards lapsed in accordance with the rules of the 2025 Share Incentive Plan (the "**Scheme Rules**")) together with the Shares which may be issued under any other share schemes of the Company, to exceed 36,033,946 Shares (the "**Scheme Mandate Limit**"), representing approximately 7.0% of the total number of Shares in issue (excluding any treasury shares) as of the Adoption Date. Within the

Scheme Mandate Limit, the total number of Shares which may be granted pursuant to all Awards together with the number of Shares which may be issued under any other share schemes of the Company, all of which to be granted to Service Provider Participants shall be not more than 1.0% of the total number of Shares in issue (excluding any treasury shares) as of the Adoption Date (the "**Service Provider Sublimit**"), which is equal to 5,147,706 Shares. Subject to the Scheme Mandate Limit, the 2025 Share Incentive Plan contains no provision on the maximum entitlement of each eligible participant.

(d) Exercise Period

The exercise period of the Awards granted is ten years commencing from the date upon which the Awards are deemed to be granted and accepted pursuant to the terms of the 2025 Share Incentive Plan.

(e) Vesting Period

Unless otherwise determined by the Board and/or the administrator, the Awards to be granted under the 2025 Share Incentive Plan shall vest in four (4) equal instalments of 25% each on the first, second, third and fourth anniversary of the date of grant, respectively. In any event, the vesting of the Awards shall not be less than 12 months. However, to ensure the practicability in fully attaining the purpose of the 2025 Share Incentive Plan, Awards granted to employee participants may be subject to a shorter vesting period (i.e. less than 12 months) under specific circumstances as specified in the 2025 Share Incentive Plan.

(f) Exercise or Purchase Price

For awards, the purchase price of the Awards shall be such price as determined by the Board or the administrator, at its sole and absolute discretion, on an individual basis and notified to the Grantee in the award letter. For the avoidance of doubt, the Board or the administrator may determine the purchase price to be nil.

For options, the Board or the administrator shall determine and notify the Grantee in the award letter: (a) the exercise price for such Options, provided that the exercise price shall in any event be no less than the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the date of grant.

Subject to applicable laws, the consideration to be paid on application or acceptance of an Award and the period within which any such payments must or may be made or loans for such purposes must be repaid, shall be determined by the Board or the administrator at its sole and absolute discretion.

(g) Term of Plan and Remaining life

The 2025 Share Incentive Plan shall continue in effect after the date of adoption, until the earlier to occur: (i) the expiry of the period of ten years commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date; (ii) an ordinary resolution in general meeting passed by the Shareholders; or (iii) such date of early termination as determined by the Board. The remaining life of the 2025 Share Incentive Plan was approximately nine years and three months as of the date of this report.

(h) Performance Targets

The Board or the administrator may, in respect of each Award and subject to all applicable laws, rules and regulations, determine such performance targets or other criteria or conditions for vesting of Awards in its sole and absolute discretion and on a case-by-case basis. Such performance targets, criteria or conditions shall be set out in the award letter. The Board or the administrator shall not set any performance targets, criteria or conditions in the award letter in respect of Awards granted to any independent non-executive Director. The performance targets refer to any performance measures, or derivations of such performance measures that may be related to the individual eligible participant approved for participation in the 2025 Share Incentive Plan and who has been granted any Award ("**Grantee**") or the Group as a whole, or to a subsidiary, division, department, region, function or business unit of the Company or the relevant service provider. The performance criteria established by the Board or the administrator may be based on any one of, or combination of, the following: (i) indicators that reflect the company value management, (ii) operating margin, (iii) gross margin, (iv) return on equity, (v) return on assets, (vi) return on investment, (vii) operating income, (viii) net operating income, (ix) pre-tax profit, (x) cash flow, (xi) revenue, (xii) expenses, (xiii) earnings before interest, taxes and depreciation, (xiv) economic value-added, (xv) market share, and (xvi) the research and development progress of the clinical trial of the Company's product. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the award letter. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant award letter.

As of the date of this report, no Awards were granted under the 2025 Share Incentive Plan. The number of Awards available for grant under the 2025 Share Incentive Plan as of January 1, 2025, the Adoption Date and December 31, 2025 was nil, 36,033,946 and 36,033,946, respectively.

D. Disclosure under Rule 17.07(3) of the Listing Rules

Given that all the Shares underlying the outstanding Awards granted under the 2020 Share Incentive Plan, 2023 Share Incentive Plan and 2025 Share Incentive Plan have been allotted and issued to the 2020 ESOP Platform, the 2023 ESOP Platform or the 2025 ESOP Platform, respectively, no further Share may be issued by the Company in respect of any Awards granted under all the share schemes of the Company during the year ended December 31, 2025. As such, the disclosure requirement under Rule 17.07(3) of the Listing Rules is not applicable.

COMPENSATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST PAID

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in Note 8 and Note 9 to the financial statements.

For the year ended December 31, 2025, no emoluments were paid by the Group to or receivable by any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office and no consideration was paid by the Group to any third parties for making available Directors' services. None of the Directors has waived or agreed to waive any emoluments for the year ended December 31, 2025.

Except as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2025, by the Group to or on behalf of any of the Directors.

CONTRACTS WITH CONTROLLING SHAREHOLDERS AND PLEDGING OF SHARES BY CONTROLLING SHAREHOLDERS

As at December 31, 2025, the Company had no controlling shareholder and therefore (i) there was no pledge of Shares to secure the Company's debts or to secure guarantees or other support of their obligations, (ii) there was no loan agreement with covenants relating to specific performance of controlling shareholder, and (iii) no contract of significance has been entered into among the Company or any of its subsidiaries and the controlling Shareholders during the year ended December 31, 2025 or subsisted at the end of the Reporting Period.

MANAGEMENT CONTRACTS

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

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended December 31, 2025.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, as defined in the Listing Rules) for the year ended December 31, 2025. The Company did not hold any treasury shares (as defined in the Listing Rules) as of December 31, 2025.

AUDITOR

With effect from December 11, 2024, Ernst & Young has resigned as the auditor of the Company and Moore CPA Limited has been appointed as the new auditor of the Company. The consolidated financial statements for the years ended December 31, 2024 and 2025 have been audited by Moore CPA Limited. Moore CPA Limited will retire and a resolution for its re-appointment as the auditor of the Company is to be proposed at the forthcoming annual general meeting of the Company.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

As announced by the Company on February 5, 2026, Phase IIb global multi-regional clinical trial of HTD1801 in patients with metabolic dysfunction-associated steatohepatitis (MASH) has been completed. For details, please refer to the announcement of the Company dated February 5, 2026.

As announced by the Company on March 10, 2026, the NMPA has accepted the NDA for HTD1801 for the treatment of Type 2 Diabetes Mellitus (T2DM). For details, please refer to the announcement of the Company dated March 10, 2026.

Save as disclosed in this annual report, as of the date of this report, there were no important events affecting the Group occurred after the Reporting Period.

On behalf of the Board

HighTide Therapeutics, Inc.
Dr. LIU Liping
Executive Director and Chief Executive Officer

Hong Kong, March 27, 2026

DIRECTORS

As of the date of this annual report, our Board of Directors comprised eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors.

Executive Directors

Dr. LIU Liping (劉利平), aged 56, founder of our Group, was appointed as a Director on February 28, 2018 and redesignated as an executive Director on May 15, 2023. Dr. Liu was appointed as the chairwoman of the Board upon Listing. Dr. Liu is primarily responsible for overall management of the business strategy, corporate development and research and development of our Group.

In addition to our Company, Dr. Liu has served the following positions in our Group:

- a director (and an executive director since October 2020) and chief executive officer of Shenzhen HighTide since November 2011;
- a director of Shanghai HighTide from March 2014 to October 2020; and an executive director and chief executive officer of Shanghai HighTide since October 2020;
- a director (and an executive director since October 2020) since July 2015 and chief executive officer from July 2015 to March 2025 of JSK Healthcare;
- an executive director and the chief executive officer of Australia HighTide since August 2015;
- an executive director and the chief executive officer of HighTide Therapeutics, Ltd. since March 2018;
- an executive director and the chief executive officer of U.S. HighTide since November 2019;
- an executive director and the chief executive officer of HK HighTide since April 2018;
- an executive director since May 2021 and the chief executive officer of Shanghai Fusion from May 2021 to March 2025;
- an executive director since November 2021 and the chief executive officer of Nanchang Fusion from November 2021 to March 2025; and
- an executive director of Hebei Puhui since September 2023.

Dr. Liu has over 22 years of experience in the R&D of new drugs. Prior to founding our Group, Dr. Liu worked as a postdoctoral researcher in the Hospital for Sick Children in Canada from March 1995 to April 2000. From April 2000 to December 2002, she served as a director of antigen discovery of CTL ImmunoTherapies Corporation. From January 2003 to September 2005, she served as a group leader in chemistry department of MannKind Corporation. From September 2005 to May 2008, Dr. Liu worked in the translational research department of American Type Culture Collection where she was primarily responsible for biomarker discovery, translational research and drug discovery. Dr. Liu served as a senior director of R&D of Stealth Peptide Inc. from May 2008 to August 2010. From February 2011 to April 2011, she served as the managing director of ABLE BioGroup LLC. On November 15, 2011, Dr. Liu established Shenzhen HighTide together with Hepalink. For details, please see "Our Group – Shenzhen HighTide" in the section headed "History" of the Prospectus.

Dr. Liu obtained her bachelor's degree in chemistry and doctoral degree in physics of polymers from Nankai University (南開大學) in the PRC in July 1990 and December 1994, respectively. Dr. Liu obtained a master of business administration from Johns Hopkins University Carey Business School in May 2009 in the United States. Dr. Liu was awarded Technology Innovation and Entrepreneurial Talent by the Ministry of Science and Technology of the PRC in March 2014 and Distinguished Expert in Longgang District by the People's Government of Longgang District, Shenzhen in November 2017. She was also regarded as Top 10 Drug Innovative Scientist by Securities Times in May 2021. Dr. Liu was awarded the EY Entrepreneurial Winning Women Asia – Pacific in 2023.

Ms. YU Meng (于萌), aged 44, joined our Group on May 4, 2015 and was appointed as a director on May 11, 2023. She was redesignated as an executive Director on May 15, 2023 and appointed as the chief operating officer on December 19, 2025. Ms. Yu Meng is primarily responsible for assisting Dr. Liu in management of business strategy, corporate development and research and development of our Group, accelerating the commercialization of the Company's core product and further strengthening commercialization efforts to ensure the continuous optimization of the its overall operations.

Ms. Yu Meng joined our Group on May 4, 2015 as a senior manager in Shenzhen HighTide, and was the R&D director in Shenzhen HighTide from June 2017 to July 2021, where she was primarily responsible for overall monitoring of CMC and pre-clinical activities of Shenzhen HighTide. From August 2021 to September 2022, Ms. Yu Meng was the head of R&D operations of our Group. From November 2022 to present, Ms. Yu Meng is the deputy general manager and vice president of Shenzhen HighTide, primarily responsible for overall management and monitoring of the research and development of the Group in China.

From September 2008 to September 2009, Ms. Yu Meng worked in Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司), a pharmaceutical company whose shares are listed on Shenzhen Stock Exchange (stock code: 002821). From December 2009 to April 2015, Ms. Yu Meng served as a scientific liaison manager of Huya Biological Medicine Technology (Shanghai) Co., Ltd. (滬亞生物醫藥技術(上海)有限公司).

Ms. Yu Meng obtained her bachelor's degree in chemistry from University of Science and Technology of China (中國科學技術大學) in July 2004 in the PRC. Ms. Yu Meng obtained her master of science degree in chemistry from University of Nevada, Reno in August 2008 in the United States.

Non-executive Directors

Dr. ZHU Xun (朱迅), aged 67, joined our Group and was appointed as a Director on November 30, 2020, and was redesignated as a non-executive Director on May 15, 2023. Dr. Zhu acted as the chairman of the Board from December 17, 2020 till the Listing, as an administrative role to chair the board meetings during that period without involving in the day-to-day management of our Company. Dr. Zhu is primarily responsible for providing guidance and advice on the corporate and business strategies of our Group.

Dr. Zhu has served the following positions outside our Group:

- an independent non-executive director of Medtide Inc. (泰德醫藥(浙江)股份有限公司), a company whose shares are listed on the Stock Exchange (stock code: 3880), since June 30, 2025;
- a director of Huaxun Yike (Shenzhen) Biopharmaceutical Co., Ltd. (華迅億科(深圳)生物醫藥有限公司) since October 23, 2024;
- an independent non-executive director of Sihuan Pharmaceutical Holdings Group Ltd. (四環醫藥控股集團有限公司), a pharmaceutical company whose shares are listed on the Stock Exchange (stock code: 0460), since February 2014;
- a director of Changchun Yinuoke Pharmaceutical Technology Co., Ltd. (長春億諾科醫藥科技有限責任公司) since July 2016;
- a director of Beijing Dingchi Biotechnology Co., Ltd. (北京鼎持生物技術有限公司) since December 2016 to October 2022;
- a director of Jianaishi Biomedical Technology (Hangzhou) Co., Ltd. (健艾仕生物醫藥科技(杭州)有限公司) since March 2018 to December 2024;

- an independent director of Shenzhen Chipscreen Biosciences Co., Ltd. (深圳微芯生物科技股份有限公司), a technology company whose shares are listed on the Shanghai Stock Exchange (stock code: 688321), since March 2018 to April 2024; and

- a legal representative of Shenzhen Saibao Pengsheng Investment Co., Ltd. (深圳市賽寶鵬盛投資有限公司) since November 2021.

Dr. Zhu served several positions in Norman Bethune Medical University (白求恩醫科大學) (currently known as Norman Bethune Health Science Center of Jilin University (吉林大學白求恩醫學部)), including lecturer, professor and doctoral supervisor in the immunological department, dean of the department and vice president of the University from December 1985 to June 2018. From April 2004 to September 2011, he served as the vice chairman of the board of directors and the general manager in Changchun Botai Medicine Biology Technology Co., Ltd. (長春博泰醫藥生物技術有限責任公司). Dr. Zhu was an independent non-executive Director of Lansen Pharmaceutical Holdings Limited (朗生醫藥控股有限公司) (a company was listed on the Stock Exchange and privatized in December 2023) from September 2022 to December 2023.

Dr. Zhu graduated in medicine from Jilin Medical College (吉林醫學院) (currently known as Beihua University (北華大學)) in December 1982 in the PRC and obtained his doctoral degree in medicine from Norman Bethune Medical University (白恩醫科大學) in April 1989 in the PRC.

Notwithstanding that Dr. Zhu holds a number of listed company directorships, the Board believes that he will still be able to devote sufficient time to our Board because (i) none of his commitments to such other listed companies are of an executive nature and none of them require his full-time involvement; (ii) Dr. Zhu has demonstrated that he is able to properly discharge his duties owed to multiple listed companies and has attended nearly all of the required board meetings as well as committee meetings of these listed companies; (iii) Dr. Zhu has joined our Group since 2020 and he has demonstrated he has devoted sufficient time to our Company by attending nearly all of the required meetings in our Company; (iv) Dr. Zhu's experience as a director of listed companies in both Hong Kong and the PRC would facilitate his understanding of corporate governance and his proper discharge of responsibilities as a director of our Company; and (v) Dr. Zhu has undertaken to devote sufficient time to attending to the management of our Company.

Mr. MA Lixiong (馬立雄), aged 51, joined our Group and was appointed as a Director on November 16, 2021 and was re-designated as a non-executive Director on May 15, 2023. Mr. Ma is primarily responsible for providing guidance and advice on the corporate and business strategies of our Group.

Mr. Ma mainly holds the current directorship and management positions in the following companies:

- an executive director and general manager in Yuthai Investment Management Co., Ltd. (昱烽晟泰投資管理有限公司) since April 2015;

- an executive director and general manager in Shenzhen AIH Capital Management Co., Ltd. (深圳市德正嘉成投資管理有限公司) since October 2015; and

- a director in Qide Technology Group Ltd. (啟德科技集團有限公司) since February 2021.

Mr. Ma served as a senior auditor at the PWC from 1998 to 2003. He served as a vice president at the Hong Kong First Investment Group Limited from 2004 to 2015.

Mr. Ma obtained his bachelor's degree in international accounting from Shenzhen University (深圳大學) in June 1998 in the PRC. He obtained the professional qualification in fund in December 2016.

Mr. JIANG Feng (江峰), aged 46, joined our Group and was appointed as a Director on November 16, 2022, and was redesignated as a non-executive Director on May 15, 2023. Mr. Jiang is primarily responsible for providing guidance and advice on the corporate and business strategies of our Group.

Since January 2021, Mr. Jiang has been serving as a vice general manager of Guangdong Kaiheng Private Equity Investment Fund Management Co., Ltd. (廣東開恒私募股權投資基金管理有限公司).

Mr. Jiang worked as a senior manager in the bureau of retired cadres of China Development Bank from October 2016 to February 2018. From February 2018 to January 2021, Mr. Jiang worked as a senior manager in the party committee office of China Development Bank Capital Co., Ltd.

Mr. Jiang obtained his bachelor's degree in wireless communication from Chinese People's Liberation Army Communication Command College (中國人民解放軍通信指揮學院) in June 2002 in the PRC and his master's degree in military history from PLA Nanjing Institute of Politics (中國人民解放軍南京政治學院) in March 2005 in the PRC.

Independent Non-executive Directors

Mr. TAN Bo (譚擘), aged 52, was appointed as an independent non-executive Director with effect from the Listing. He is responsible for supervising and providing independent recommendations to our Board.

Mr. Tan has served as an independent non-executive director of Globe Metals & Mining, a company whose shares are listed on the Australian Securities Exchange (stock code: GBE), since October 2013, and an independent non-executive director of Akeso, Inc., a company whose shares are listed on the Stock Exchange (stock code: 9926), where he has served as the chairman of the audit committee, since April 2020.

Mr. Tan has extensive experience within the financial and pharmaceutical industries, and has worked in private equity, equity research and commercial sectors for over 15 years. He worked in Macquarie Capital Limited in Hong Kong from November 2004 to February 2006. From March 2006 to March 2007, he worked in the equity research division of Lehman Brothers Asia Limited. From February 2009 to December 2019, Mr. Tan worked at 3SBio Inc., a company whose shares are listed on the Stock Exchange (stock code: 1530), and served as its executive vice president, executive director and chief financial officer, being primarily responsible for the finance management of the company. From September 2020 to January 2023, Mr. Tan served as an independent non-executive director of Everest Medicines Limited, a company whose shares are listed on the Stock Exchange (stock code: 1952). Mr. Tan Bo served as the chief executive officer, the joint chief investment officer and a director of Summit Healthcare Acquisition Corporation from June 2021 to March 2023 (shares of which have been delisted since March 2023).

Mr. Tan obtained his bachelor's degree in economics from Renmin University of China (中國人民大學) in July 1994 in the PRC, master's degree in economics from the University of Connecticut in December 1996 and a master of international management from American Graduate School of International Management (now known as Thunderbird School of Global Management) in August 1998 in the United States.

Dr. LI Jin (李靖), aged 60, was appointed as an independent non-executive Director with effect from the Listing. He is responsible for supervising and providing independent recommendations to our Board.

Since August 2015, Dr. Li has served as the chairman of the board and general manager of Beijing Orbiepharm Co., Ltd. (北京歐博方醫藥科技有限公司). From December 2018 to December 2024, he served as an independent director at Chengdu Easton Biopharmaceuticals Co., Ltd (成都苑東生物製藥股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 688513).

Dr. Li also holds a series of other positions outside our Group, including a director of Huaqing Bencao Investment Arrangement Limited Company (華清本草投資管理南通有限公司) since May 2015, a director of Yaodu (Beijing) Medical Information Consulting Co., Ltd. (藥渡(北京)醫藥信息諮詢有限公司) (currently known as Pharmacodia Pharma Intelligence (Beijing) Technology Co., Ltd. (藥渡智慧(北京)醫藥科技有限公司) since July 2017, the chairman of the board of Qingdao Orbiepharm Co., Ltd. (青島歐博方醫藥科技有限公司) from November 2013 to April 2022, the chairman of the board of director of Qingdao Pet Love Animal Hospital Management Co., Ltd. (青島寵之愛動物醫院管理有限公司) since August 2018, a director of Beijing Zhongguancun Shangdi Biotechnology Development Co., Ltd. (北京中關村上地生物科技發展有限公司) since September 2021, an independent non-executive Director of 3D Medicines Inc., a company whose shares are listed on the Stock Exchange (stock code: 1244) since December 2022 and a director of Beijing Konruns Pharmaceutical Co., Ltd.(北京康辰藥業股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603590) since January 2023.

Dr. Li obtained his Ph.D. in chemistry from the University of Wisconsin-Milwaukee in the United States in May 1999. He has published more than 25 papers and 14 book chapters in the chemistry field, and is the inventor of more than 30 patents. He also obtained the Fund Practicing Qualification Certificate in September 2018 from the Asset Management Association of China, and the independent director certificate issued by the Shanghai Stock Exchange in November 2018.

Mr. HUNG Tak Wai (孔德偉), aged 67, was appointed as an independent non-executive Director with effect from the Listing. He is responsible for supervising and providing independent recommendations to our Board.

Mr. Hung worked at UBS AG, Hong Kong from October 2001 to March 2009. Mr. Hung was the project director in the equity & derivatives department of BNP Paribas Hong Kong Branch from November 2009 to August 2011, a managing director in UBS Corporate Management (Shanghai) Co. Ltd. from October 2011 to September 2012, an assistant president in China Merchant Securities Co. Limited from November 2012 to October 2018, a senior adviser in Macquarie Capital Limited from June 2019 to June 2020 and a senior adviser in Expecta Capital Limited since May 2022.

Mr. Hung obtained the senior management qualification for securities companies issued by the CSRC in June 2007. He was a vice-chair of the Asset Securitization and Structured Financing Professional Committee (資產證券化暨結構化融資專業委員會委員) in National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) from April 2018 to September 2022.

Mr. Hung obtained his bachelor degree of science in industrial chemistry in the City University in London in June 1981 and his master degree of science in chemical engineering in Columbia University in the USA in January 1983.

SENIOR MANAGEMENT

Dr. LIU Liping (劉利平), aged 56, was appointed as the chief executive officer of our Company on February 28, 2018. For details of her biography, please refer to "Directors – Executive Directors" above.

Dr. Leigh Anne MACCONELL, aged 60, joined our Group as the chief development officer on February 1, 2021. Dr. MacConell is primarily responsible for leading and overseeing global clinical and non-clinical development, CMC, drug safety and project management activities of our Group.

From October 1998 to March 2003, Dr. MacConell served as a postdoctoral research associate of The Salk Institute. From March 2003 to February 2013, Dr. MacConell served in Amylin Pharmaceuticals Inc. including medical research and clinical scientist with her last position being a senior director. From June 2013 to May 2020, Dr. MacConell served in various positions, the latest position having served as a senior vice president of clinical development and cholestasis programme head in Intercept Pharmaceuticals Inc., a pharmaceutical company whose shares are listed on NASDAQ Global

Market (stock symbol: ICPT). Dr. MacConell has been the chief development officer of U.S. HighTide since February 2021.

Dr. MacConell obtained her bachelor's degree in biopsychology from University of California, Santa Barbara in December 1989 in the United States and her master's and doctoral degree in neuroscience from University of California, San Diego in June 1994 and December 1998 in the United States, respectively.

Dr. Filip SURMONT, aged 64, was appointed as the chief medical officer of our Group on February 2, 2026. Dr. Surmont is primarily responsible for overseeing our Company's global medical strategy, clinical development, and medical affairs, and accelerating the clinical progress and value enhancement of our core pipeline in the field of cardiovascular-kidney-metabolic (CKM) diseases.

Dr. Surmont has over 30 years of extensive experience in the healthcare and pharmaceutical industries, including 18 years in leadership positions at multinational pharmaceutical companies and 16 years of clinical practice. Dr. Surmont previously held senior medical leadership positions at Wyeth, Pfizer, and AstraZeneca. He has led medical affairs across diverse regions – including emerging markets, Latin America, Europe, the U.S., and China – successfully building high-performance teams and driving large-scale, guideline-level clinical practice transformations within complex global healthcare systems.

Dr. Surmont has contributed to the success of dapagliflozin as a blockbuster medication; led the "ACT on HF" project in China, enabling 200,000 heart failure patients to benefit from guideline-recommended standard of care; pioneered the Anti-Inflammatory Reliever (AIR) therapy strategy for asthma, impacting approximately 50 million patients worldwide and driving updates to international treatment guidelines. Dr. Surmont has authored numerous peer-reviewed articles in elite medical journals, including *The Lancet Diabetes & Endocrinology* and *Journal of the American College of Cardiology*. In his early professional career, Dr. Surmont has provided medical services for Olympic-level athletes.

Dr. Surmont obtained his M.D.and master's degree in Sports Medicine from Ghent University in 1986 and 1990, respectively, in Belgium.

Ms. YU Meng (于萌), aged 44, was appointed as the deputy general manager of our Group on June 1, 2017 and chief operating officer on December 19, 2025. For details of her biography, please refer to "Directors – Executive Directors" above.

Ms. YU Li (于莉), aged 49, was appointed as the vice president of our Group on February 28, 2018. Ms. Yu Li joined our Group on November 15, 2011 as a vice general manager of Shenzhen HighTide. Ms. Yu Li is primarily responsible for the management of administration of our Group.

Ms. Yu Li served as an engineer of Shandong Xinhua Pharmaceutical Co., Ltd. (山東新華製藥股份有限公司), a pharmaceutical company whose shares are listed on Shenzhen Stock Exchange (stock code: 000756) from July 1998 to February 2003, where she was mainly responsible for supervising production. From May 2003 to December 2007, Ms. Yu Li served in Shanghai Yoseen New Drug R&D Co., Ltd. (上海玉森新藥開發有限公司) with her last position being a senior manager of registration department, where she was mainly responsible for development and regulatory affairs of new drugs. From July 2009 to February 2010, Ms. Yu Li served as a regulatory affairs manager of Stealth Peptides International (Shanghai) Inc. (康肽德生物醫藥技術(上海)有限公司) (currently known as Tealth Peptides International (Shanghai) Inc. (世耀生物醫藥技術(上海)有限公司)). From March 2010 to August 2011, Ms. Yu Li served as a regulatory affairs manager of All Pharma (Shanghai) Trading Co., Ltd. (阿樂濱度(上海)貿易有限公司). Ms. Yu Li has been the vice president of Shenzhen HighTide since November 2011, the vice president of Australia HighTide since August 2015 and the manager of Hebei Puhui since September 2023. Ms. Yu Li served as the chief executive officer of Shenzhen HighTide from March 2025 to April 2025, and has been the chief executive officer of JSK Healthcare, Shanghai Fusion and Nanchang Fusion since March 2025.

Ms. Yu Li obtained her bachelor's degree in traditional Chinese medicine from Shandong University of Traditional Chinese Medicine (山東中醫藥大學) in July 1998 in the PRC.

Ms. Yu Li obtained her master's degree in traditional Chinese medicine from Shanghai University of Traditional Chinese Medicine (上海中醫藥大學) through on-the-job learning in July 2007 in the PRC.

Ms. BAI Ru (白茹), aged 41, was appointed as the director of non-clinical development of our Group on November 1, 2020. Ms. Bai joined our Group on February 6, 2012 as a project manager of pharmacology. Ms. Bai is primarily responsible for management of the preclinical pharmacology, pharmacokinetics and toxicology of our Group.

Ms. Bai served in Shenzhen Dong Yangguang Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司) from July 2011 to February 2012. Ms. Bai has been the non-clinical development director of Shenzhen HighTide since November 2020.

Ms. Bai obtained her bachelor's degree in biotechnology from China Pharmaceutical University (中國藥科大學) in July 2008 in the PRC. Ms. Bai obtained her master's degree in chemical biology from Nankai University (南開大學) in June 2011 in the PRC. She was qualified as an intermediate pharmaceutical manufacturing engineer by Shenzhen Pharmaceutical Senior Professional Title Review Committee in May 2022.

JOINT COMPANY SECRETARIES

Ms. GAO Liping (高麗萍), aged 45, one of our joint company secretaries, was appointed on December 19, 2024. Ms. Gao has been focusing on capital market and investor relations management over 15 years. Ms. Gao has been serving as the investor relations director of the Company since October 2022.

Ms. Gao obtained a bachelor's degree in International Relations from Peking University (北京大學) in 2003, and a master degree in Business Administration from Aberdeen University of UK in 2004. She also obtained qualifications as a Certified Management Accountants of USA.

Ms. CHU Pik Man (朱璧敏), aged 29, one of our joint company secretaries, was appointed on December 11, 2023. Ms. Chu is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited.

Ms. Chu obtained her bachelor's degree of business administration (honours) in corporate governance concentration from Hong Kong Shue Yan University in July 2018. Ms. Chu is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators).

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed in this annual report, for the year ended December 31, 2025 and up to the date of this annual report, there has been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE REPORT

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the CG Code as its own code of corporate governance. The Directors are of the view that throughout the Reporting Period, the Company has complied with all applicable code provisions of the CG Code save and except for the following deviation from code provision C.2.1 of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Liu Liping ("**Dr. Liu**") has been serving as the chairwoman of the Board since the Listing and Chief Executive Officer since February 2018. With extensive experience in the pharmaceutical industry and having served in our Company since its establishment, Dr. Liu is in charge of overall strategic planning, business direction and operational management of our Group. Our Board considers that vesting the roles of chairwoman and chief executive officer in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and diverse individuals. Our Board currently comprises two executive Directors, three non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition.

The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairperson and the chief executive officer is necessary.

Meanwhile, based on the CG Code, the Company has also formulated a series of internal control and corporate governance policies (such as Information Disclosure Management, Policy for Reporting Concerns in Confidence, Shareholders' Communication Policy, Insider Dealing Policy, Policy on Environment, Social and Corporate Governance Responsibilities, etc.) as well as the Terms of Reference of Nomination Committee, Remuneration Committee and Audit Committee, to achieve the objective of good corporate governance. This report will further clarify how the Company applies the principles of good corporate governance as set out in the CG Code, so as to enable shareholders' evaluation of such application.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's employees who, because of his/her office or employment, is likely to possess inside information in relation to the Company or its securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code throughout the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the employees of the Company who are likely to be in possession of inside information of the Company throughout the Reporting Period.

CORPORATE GOVERNANCE REPORT

COMPANY'S CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximized in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

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

- 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;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

The Board sets and promotes corporate culture and expects and requires all employees to reinforce. All of our new employees are required to attend orientation and training programs so that they may better understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. In addition, from time to time, the Company will invite external experts to provide training to our management personnel to improve their relevant knowledge and management skills.

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

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 Company's best interests. 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. To better manage the Group's corporate governance performance and identify potential risks, the Board conducts annual review ensuring the effectiveness of Board independence.

As of the date of this annual report, our Board of Directors comprised eight Directors, including two executive Directors, three non-executive Directors and three independent non–executive Directors.

During the Reporting Period and up to the date of this annual report, the composition of the Board comprised the following Directors:

Executive Directors

Dr. LIU Liping (劉利平)
(*Chairwoman of the Board and chief executive officer of the Company*)
Ms. YU Meng (于萌)

Non-executive Directors

Dr. ZHU Xun (朱迅)
Mr. MA Lixiong (馬立雄) (*Deputy Chairman of the Board*)
Mr. JIANG Feng (江峰)

Independent Non-executive Directors

Mr. TAN Bo (譚擘)
Dr. LI Jin (李靖)
Mr. HUNG Tak Wai (孔德偉)

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

There is no relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members.

BOARD MEETINGS

Code provision C.5.1 of the CG Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communications. Code provision C.2.7 of the CG Code requires that the Chairwoman should at least annually hold meetings with independent non-executive directors without the presence of other directors.

During the Reporting Period, four Board meetings were held and the Chairwoman held a meeting with the independent non-executive Directors without the presence of other Directors. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the CG Code, and to hold a meeting between the Chairwoman and the independent non-executive Directors without the presence of other Directors in accordance with code provision C.2.7 of the CG Code.

Notice of at least 14 days will be given of a regular board meeting to give all Directors an opportunity to attend. For all other board meetings, reasonable notice will be given. All Directors have the opportunity to include matters in the agenda for a regular Board meeting. Meeting agenda together with relevant information will be sent to all Directors at least 3 days before each Board meeting. Board minutes are kept to record the matters discussed and decision resolved at the Board meetings and circulated to the Board for comment within a reasonable time after each meeting. Board minutes are kept by the Company secretary and are available for inspection by Directors.

A summary of the attendance record of the Directors at Board meeting and Board committee meetings held during the Reporting Period and up to the date of this annual report is set out in the following table:

Name of Director	Number of meeting(s) attended/ number of meeting(s) held			
	Board meeting[1]	Audit Committee meeting[2]	Remuneration Committee meeting[3]	Nomination Committee meeting[4]
Executive Directors:				
Dr. LIU Liping	4/4	N/A	2/2	2/2
Ms. YU Meng	4/4	N/A	N/A	N/A
Non-executive Directors:				
Dr. ZHU Xun	4/4	N/A	N/A	N/A
Mr. MA Lixiong	4/4	N/A	N/A	N/A
Mr. JIANG Feng	4/4	N/A	N/A	N/A
Independent Non-executive Directors:				
Mr. TAN Bo	4/4	2/2	2/2	N/A
Dr. LI Jin	4/4	2/2	2/2	2/2
Mr. HUNG Tak Wai	4/4	2/2	N/A	2/2

Notes:

(1) Four Board meetings were held on March 28, 2025, April 18, 2025, August 25, 2025 and December 19, 2025.

(2) Two meetings of the Audit Committee were held on March 28, 2025 and August 25, 2025.

(3) Two meetings of the Remuneration Committee were held on March 28, 2025 and December 19, 2025.

(4) Two meetings of the Nomination Committee were held on March 28, 2025 and December 19, 2025.

GENERAL MEETING

During the Reporting Period, the annual general meeting was held on June 27, 2025. Dr. LIU Liping, Ms. YU Meng, Dr. ZHU Xun, Mr. MA Lixiong, Mr. JIANG Feng, Dr. LI Jin and Mr. HUNG Tak Wai attended the annual general meeting. The other Director did not attend the annual general meeting due to his other business commitments.

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.

During the year ended December 31, 2025, the Company did not receive from the independent non-executive Directors information of any subsequent change of circumstances which may affect his/her independence. The Company has received from each of its independent non-executive Directors an annual confirmation of his independence, and the Board has considered the independence of each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent. Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years with effect from the Listing Date and continue for a period of three years after or until the third annual general meeting of our Company since the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years (subject always to re-election as and when required under the Articles), until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

The Company has established mechanisms to ensure independent views and input are available to the Board, and channels are in place through formal and informal means whereby independent non-executive Directors can express their views in an open and candid manner as well as in a confidential manner, should circumstances so require; these include regular Board surveys and Board reviews, dedicated meeting sessions with the Chairman and interaction with management and other Board members including the Chairman outside the boardroom. The mechanism to ensure that independent views and input are available to the Board is reviewed annually.

The Company will ensure that there are channels (in addition to independent non-executive Directors) where independent views are available, including but not limited to availability of access by directors of the Company to external independent professional advice to assist their performance of duties.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All the Directors are subject to retirement by rotation and re-election at annual general meeting of the Company. Pursuant to 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 and be eligible for re-election at each annual general meeting of the Company, provided that every Director is subject to retirement by rotation at least once every three years. In addition, any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is the primary decision-making body of the Company and is responsible for overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively to safeguard in the interests of the Company and its shareholders. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. Before entering into any significant transactions or commitments on behalf of the Company, senior management should obtain prior approval and authorization from the Board.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations. All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

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. Each of these committees is established with defined written terms of reference. The terms of reference of each of these committees are available on the websites of the Company and the Stock Exchange.

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph A.2 and paragraph D.3 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee comprises three independent non-executive Directors, namely Mr. TAN Bo (譚擘), Dr. LI Jin (李靖) and Mr. HUNG Tak Wai (孔德偉). Mr. TAN Bo (譚擘) being the chairman of the committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee had reviewed, together with the management, the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters, including a review of the audited consolidated financial statements of the Group for the Reporting Period.

During the Reporting Period, the Audit Committee held two meetings. The attendance record of the Directors at meeting of the Audit Committee is set out in the table on page 70.

During the above meetings, the Audit Committee has considered and reviewed the annual financial results for the year ended December 31, 2025, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company. The Audit Committee considers that the annual financial results for the year ended December 31, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has met with the independent auditor of the Company, Moore HK, and has also discussed matters with respect to the accounting policies and practices adopted by the Company.

During the year ended December 31, 2025, the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the CG Code. The Remuneration Committee comprises one executive Director and two independent non-executive Directors, namely Dr. LIU Liping (劉利平), Mr. TAN Bo (譚擘) and Dr. LI Jin (李靖). Dr. LI Jin (李靖) is the chairman of the committee. The primary duties of the Remuneration Committee include, but are not limited to, the following: (i) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) reviewing and approving management's remuneration proposals with reference to the Board's goals and objectives; (iii) determining with delegated responsibility, the remuneration packages of individual executive Directors and senior management; and (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration Committee held two meetings to review and discuss the remuneration policy and structure and the remuneration packages of the Directors and senior management of the Group. No grant was made under the Pre-IPO Share Incentive Plans and 2025 Share Incentive Plan which requires review by the Remuneration Committee for the Reporting Period. The attendance record of the Directors at meeting of the Remuneration Committee is set out in the table on page 70.

The emoluments of the Directors and senior management of the Group are decided by the Remuneration Committee, having regard to the individual performance and comparable market statistics. The remuneration of the members of senior management by band for the year ended December 31, 2025 is set out below:

Band of remuneration (including share award expenses)	Number of individuals
HK$500,001 – HK$1,000,000	1
HK$1,000,001 – HK$1,500,000	1
HK$4,000,001 – HK$4,500,000	1
HK$5,500,001 – HK$6,000,000	1
HK$6,500,001 – HK$7,000,000	1
HK$11,000,001 – HK$11,500,000	1
TOTAL	6

Nomination Committee

The Company has established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the CG Code. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Dr. LIU Liping (劉利平), Dr. LI Jin (李靖) and Mr. HUNG Tak Wai (孔德偉). Dr. LIU Liping (劉利平) is the chairwoman of the committee. The primary functions of the Nomination Committee include, without limitation, reviewing annually the structure, size and composition of our Board, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

During the Reporting Period, the Nomination Committee held two meetings to (i) review the structure, size and composition of the Board; (ii) make recommendation to the Board in respect of the reappointment of Directors; (iii) assess the independence of the independent non-executive Directors; (iv) review the Company's director nomination policy (the "**Nomination Policy**"), the Company's board diversity policy (the "**Board Diversity Policy**") and the Company's workforce diversity policy (the "**Workforce Diversity Policy**"), to ensure that it is in compliance with the Listing Rules and the CG Code; and (v) updated terms of reference for the Nomination Committee. The attendance record of the Directors at meeting of the Nomination Committee is set out in the table on page 70. The Board considered that an appropriate balance of diversity perspectives of the Board was maintained for the Reporting Period.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning board diversity as set out in the Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Nomination Policy that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

Board Diversity Policy

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, the Company has adopted the Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, the Company seeks to achieve the diversity of the Board through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

The Directors have a balanced mix of knowledge and skills, including in biochemistry, pharmaceuticals, business development, research and development, investment management and corporate finance. They range from 44 years old to 67 years old, holding degrees in various majors including biology, pharmaceuticals, economics and business development, among others. We have three independent non-executive Directors with different industry backgrounds, representing at least one-third of the members of our Board. Furthermore, In respect of gender diversity, we recognize the particular importance of gender diversity. As of the date of this report, the Board comprises two female Directors and six male Directors. The Board is of the view that gender diversity has been achieved in respect of the Board. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. We expect to maintain such gender ratio at the Board level going forward. In particular, we will actively identify female individuals suitably qualified to become our Board members. We will ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of the Board. We are also committed to adopting a similar approach to promote diversity of the 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. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff.

During the Reporting Period, the Nomination Committee has reviewed the diversity of the Board and considered that the Group has achieved the measurable objectives of the Board Diversity Policy in terms of professional experience, skills, knowledge, gender, age and length of service etc. The Nomination Committee is responsible for ensuring the diversity of the Board members.

The Nomination Committee will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy annually to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

Workforce Diversity Policy

In order to establish a workplace culture where our employees (including senior management) are valued and empowered to contribute their unique perspectives, the Company has adopted the Workforce Diversity Policy which sets out the objective and approach to achieve and maintain diversity of our workforce and applies to all facets of employment within all Group companies.

During the Reporting Period, the Nomination Committee has reviewed and approved the Workforce Diversity Policy. Pursuant to the Workforce Diversity Policy, the Group seeks to strictly adhere to non-discriminatory employment practices and procedures, actively promote diversity and inclusion initiatives, celebrate diverse perspectives and contributions, and encourage collaboration and engagement among our workforce. The Group is committed to providing a positive work environment that values the wide-ranging perspectives inherent in our diverse workforce, free from all forms of discrimination or harassment.

As of December 31, 2025, we had 51 full-time employees, of which 16 were male and 35 were female. The gender ratio was approximately (i) 16.7% males to 83.3% females in senior management; and (ii) 33.3% males to 66.7% females in the workforce (excluding senior management). The Company will continue to monitor and evaluate the Workforce Diversity Policy

from time to time to ensure its continued effectiveness. The Nomination Committee will monitor the Company's progress in embedding the principles of diversity and inclusion within our workplace, culture, strategy and processes, may recommend revisions to the Board for approval, and may set any plan or measurable objectives for achieving gender diversity of the Group's workforce from time to time. During the Reporting Period, the Company is not aware of any mitigating factor or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

Measurable objectives

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(i) Independence: The Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong element of independence in the Board. The independent non-executive Directors shall be of sufficient calibre and stature for their views to carry weight.

(ii) Skills and experience: The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of biochemistry, pharmaceuticals, business development, research and development, investment management and corporate finance backgrounds that taken together provide the Company with considerable experience in a range of activities.

(iii) Gender equality: The Board consists of at least a female director.

Apart from the above objectives, the Board Diversity Policy has complied with the following objectives with the Listing Rules:

1. at least one-third of the members of the Board shall be independent non-executive Directors;

2. at least three of the members of the Board shall be independent non-executive Directors; and

3. at least one of the members of the Board shall have obtained appropriate professional qualifications or accounting or related financial management expertise.

The Board has achieved the measurable objectives in the Board Diversity Policy.

Dividend Policy

The Company has never declared or paid regular cash dividends on its ordinary Shares. The Company currently expects to retain all future earnings for use in the operation and expansion of the business and do not anticipate paying cash dividends in the foreseeable future. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Cayman Companies Act. The determination to pay dividends will be made at the discretion of the Board and will be based upon the earnings, cash flow, financial conditions, capital requirements, statutory fund reserve requirements of the Group and any other conditions that the Directors deem relevant.

Our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our Cayman counsel, under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits and/or share premium account, provided that in no circumstances may a dividend be paid our of share premium if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. In light of our accumulated losses, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. We may, however, pay a dividend out of our share premium account unless the payment of such a dividend would result in our Company being unable to pay our debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year.

Nomination Policy

The Board has adopted a Nomination Policy with regard to nomination of Directors. The Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. The Nomination Committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

(a) identify individuals who are suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Company's Board diversity policy, the requirements in the Company's constitution, the Listing Rules and applicable laws and regulations, and the relevant candidates' contributions to the Board in terms of qualifications, skills, experiences, independence and gender diversity;

(b) assess the independence of independent nonexecutive Directors to determine their eligibility with reference to the factors set out in Rule 3.13 of the Listing Rules and any other factors deemed appropriate by the Nomination Committee or the Board, including his/her ability to devote sufficient time to the Board matters; and

(c) develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship, including but not limited to evaluating the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepared a description of the role and capabilities required for a particular appointment. The Nomination Governance Committee will review the Nomination Policy, from time to time and as appropriate, to ensure its effectiveness.

CORPORATE GOVERNANCE FUNCTION

The Board has delegated the functions set out in code provision A.2.1 of the CG Code to the Audit Committee. During the Reporting Period, the Audit Committee has reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in its Corporate Governance Report. The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company may from time to time and as the circumstances require provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

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.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Pursuant to the principle C.1 of the CG Code, all Directors must participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Pursuant to the code provision C.1.1 of the CG Code, each newly appointed Director should be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations.

During the year ended December 31, 2025, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations.

During the Reporting Period, all Directors, namely Dr. LIU Liping, Ms. YU Meng, Dr. ZHU Xun, Mr. MA Lixiong, Mr. JIANG Feng, Mr. TAN Bo, Dr. LI Jin and Mr. HUNG Tak Wai, have participated in training sessions conducted by the legal advisers of the Company, and have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. The Directors are asked to submit a signed training record to the Company on an annual basis. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary.

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed Moore HK, as the external auditor for the year ended December 31, 2025. A statement by Moore HK about their reporting responsibilities for the financial statements is included in the Independent Auditors' Report on pages 83 to 87 of this annual report. Details of the fees paid/payable in respect of the audit services provided by Moore HK for the year ended December 31, 2025 are set out in the table below:

Services rendered for the Company	Fees paid and payable RMB'000
Audit services	1,450
Non-audit services	
– Interim review	300
Total	1,750

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk management

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

We have established an internal audit function to carry out the analysis and independent appraisal of the adequacy and effective of the Company's risk management and internal control systems, and to resolve material internal control defects, if any. Each member of the Group is required to adhere strictly to the Group's internal control procedures and report to the internal audit team of any risks or internal control measures.

The following key principles outline the Company's approach to risk management:

- The Audit Committee will oversee the Company's financial reporting system, risk management and internal control procedures, including (i) 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; (ii) discussing the risk management and internal control system with the senior management and to ensure that the Senior Management 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; and (iii) ensuring the appropriate application of our risk management framework across the Group.

- The relevant departments in our Company are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. Each department is responsible for identifying and evaluating risks associated with its working scope. In order to standardize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments will (i) identify the source of the risks and potential impact, (ii) monitor the development of such risks, and (iii) prepare risk management reports periodically.

- The Company will provide anti-corruption and antibribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations.

The risk management and internal control systems of the Company are reviewed on an annual basis. Arrangements are in place to identify, evaluate and manage significant risks including facilitating employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. We consider that the Directors and members of the Company's 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 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 adopted various measures and procedures regarding each aspect of its business operation. The Company provides training about these measures and procedures to new employees. The Company also constantly monitors the implementation of those measures and procedures. 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. 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.

During the Reporting Period, the Company has regularly reviewed and enhanced its risk management and internal control systems. We believe that our 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. The Board has conducted a review of the effectiveness of the risk management and internal control systems and considers these systems in respect of the year ended December 31, 2025 effective and adequate. No significant area of concern was identified as part of the review. During the Reporting Period, the Board has conducted a review on resources, staff qualifications and experience, budget of the issuer's accounting, internal audit and financial reporting functions and consider them adequate.

The Company has established internal audit function and risk management and internal control systems with relevant policies and procedures that we believe are appropriate for our business operations.

The Company has established procedures for identifying, handling and disseminating inside information in compliance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), including the issue of an inside information disclosure policy, the annual review and update (if necessary) of such inside information disclosure policy, preclearance on dealing in Company's securities by Directors and designated members of the management, notification of regular blackout period and securities dealing restrictions to relevant Directors and employees have been implemented by the Company to guard against possible mishandling of inside information within the Group.

Whistleblowing policy

The Company has adopted arrangement to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters.

The Audit Committee of the Company shall review such arrangement regularly and ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action.

Anti-corruption Training

Honesty and fairness are important assets of the Group's business. The Group endeavours to maintain a high level of the ethical corporate culture. The Group provides anticorruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations. During the Reporting Period, the Company complied with the provisions on prohibiting corruption and bribery under the "Criminal Law of the People's Republic of China" as well as any legal provisions and requirements for listed companies in Hong Kong, and was not involved in any legal prosecution of corruption.

JOINT COMPANY SECRETARIES

Ms. GAO Liping (高麗萍) and Ms. CHU Pik Man (朱璧敏) are the Company's joint company secretaries. Ms. Chu is currently an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited. Ms. Gao, a joint company secretary of the Company, has been designated as the primary contact person of Ms. Chu at the Company who would work and communicate with Ms. Chu on the Company's corporate governance and secretarial and administrative matters. All Directors have access to the advice and services of the joint company secretaries of the Company on corporate governance and board practices and matters. Ms. Gao and Ms. Chu have confirmed that each of them has received not less than 15 hours of relevant professional training during the Reporting Period in compliance with Rule 3.29 of the Listing Rules. Biographical details of Ms. Gao and Ms. Chu are set out in the section headed "Directors and Senior Management" of this annual report.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings ("EGM") by Shareholders

Pursuant to the Articles of Association, an EGM shall be called by notice in writing of not less than 14 days. Any one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the company secretary of the Company (the "**Company Secretary**"), to require an EGM to be called by the Board for the transaction of any business specified in such requisition.

Eligible Shareholder(s) who wish to convene an EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned to the Company's head office and principal place of business in the PRC at Floor 9 to 10, Building D, Shenfang Park, Shenzhen – Hong Kong Science and Technology Innovation Cooperation Zone, FuBao Community, Fubao Street, Futian District, Shenzhen, Guangdong Province, PRC, for the attention of the Board of Directors.

The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted at the EGM. The Requisition must be signed by the Eligible Shareholder(s) concerned.

The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholder(s) will be verified with the Company's branch share registrar. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM within two (2) months and/or include the proposal or the resolution proposed by the Eligible Shareholder(s) at the EGM after the deposit of the Requisition.

If within 21 days of the deposit of the Requisition the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene such EGM within a further 21 days, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Articles, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association or the Companies Act 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 written requisition.

For proposal of a person for election as Director, pursuant to Article 85 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the share registrar provided that 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.

Putting Forward Enquiries to the Board and Contact Details

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries unless it is any report or concerns raised about any possible improprieties in any matter related to the Company.

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

Address:	Floor 9 to 10, Building D, Shenfang Park, Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, FuBao Community, Fubao Street, Futian District, Shenzhen, Guangdong Province, China
Telephone:	+86 0755 26626253
Email:	Investor@hightidetx.com

SHAREHOLDERS ENGAGEMENT

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investor's understanding of the Company's business performance and strategies. The Company has adopted a Shareholders' communication policy ("**Communication Policy**") with the aim of promoting effective communication with the Shareholders and other stakeholders, encouraging the Shareholders to engage actively with the Company, and enabling the Shareholders to exercise their rights as shareholders effectively.

The Communication Policy has set out means of communication by Shareholders and the investment community, for example, Shareholders and the investment community may contact the Company's investor relations department to enquire about the information published by the Company. Information uploaded by the Company to the Stock Exchange's website is also posted on the Company's website in a timely manner as required by the Listing Rules. Such information includes announcements, circulars and notices of general meetings and other documents. Shareholders are encouraged to participate in general meetings (including annual general meetings) and to attend Shareholders' activities organized by the Company, where information about the Company, including its latest strategic plan, products and services, etc. will be communicated. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries. These channels allow us to receive feedback from our Shareholders and the investment community.

The implementation and effectiveness of the Communication Policy has been reviewed by the Board during the Reporting Period 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.

CHANGES IN CONSTITUTIONAL DOCUMENTS

The Company did not make any changes to its constitutional documents during the year ended December 31, 2025. An up to date version of the Company's Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website.

Moore CPA Limited
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To the Shareholders of HighTide Therapeutics, Inc.
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of HighTide Therapeutics, Inc. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 88 to 148, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements presented fairly, in all material respects, 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 issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") 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 MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements as at and for the year ended 31 December 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
Recognition and measurement of research and development costs	
The Group incurred significant research and development ("**R&D**") expenses of approximately RMB164,469,000, as disclosed in the consolidated statement of profit or loss for the year ended 31 December 2025. A large portion of the Group's R&D expenses represented service fees paid to contract research organisations, contract development and manufacture organisations and site management organisation (collectively referred to as the "**Outsourced Service Providers**"). The R&D activities with these Outsourced Service Providers are documented in detailed agreements and are typically performed over an extended period. These expenses are charged to the consolidated statement of profit or loss based on the milestone of the R&D projects. We identified the recognition and measurement of R&D costs as a key audit matter due to the significance of these costs and the risk of misallocation in the appropriate financial reporting periods. The Group's disclosures about the accounting policies of R&D costs and the significant accounting judgments and estimates applied are included in notes 2.4 and 3 to the consolidated financial statements respectively.	Our procedures in relation to the recognition and measurement of R&D costs included the following: (1) We obtained an understanding of key controls over the recognition and measurement process of R&D costs; (2) We inquired of management regarding periodical fluctuations in R&D costs and assessed their reasonableness; (3) We, on a sampling basis, selected R&D costs to i) review key terms in related agreements with Outsourced Service Providers; ii) inquired of R&D personnel and inspected supporting documents to verify the progress of the R&D projects; and iii) recalculated the allocation of R&D costs based on the progress of the R&D projects; (4) We performed cut-off tests on a sample basis and reviewed supporting documents to assess the recognition of R&D costs in the appropriate periods; and (5) We conducted procedures to search for unrecorded liabilities as at 31 December 2025.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism 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 of the Company.

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter 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.

Moore CPA Limited
Certified Public Accountants

Ng Ngai Yan
Practising Certificate Number: P07422

Hong Kong, 27 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Notes	2025 *RMB'000*	2024 *RMB'000*
Other income	5	**19,007**	67,971
Other gains and losses -net	5	**(24,954)**	(3,202)
Research and development costs		**(164,469)**	(363,525)
Administrative expenses		**(59,102)**	(81,229)
Finance costs	7	**(2,364)**	(1,534)
Loss before income tax	6	**(231,882)**	(381,519)
Income tax expenses	10	**(219)**	(269)
Loss for the year		**(232,101)**	(381,788)
Attributable to:			
Owners of the Company		**(244,968)**	(381,788)
Non-controlling interests		**12,867**	–
Loss for the year		**(232,101)**	(381,788)
Loss per share attributable to owners of the Company			
Basic and diluted (RMB)	12	**(0.51)**	(0.84)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 *RMB'000*	2024 *RMB'000*
Loss for the year	**(232,101)**	(381,788)
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statements of subsidiaries	**1,664**	(4,530)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the financial statements of the Company	**(9,217)**	10,780
Other comprehensive (loss)/income for the year, net of tax	**(7,553)**	6,250
Total comprehensive loss for the year	**(239,654)**	(375,538)
Attributable to:		
Owners of the Company	**(251,439)**	(375,538)
Non-controlling interests	**11,785**	–
Total comprehensive loss for the year	**(239,654)**	(375,538)

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	13	**3,860**	5,270
Right-of-use assets	14(a)	**13,713**	18,621
Rental deposits		**1,579**	1,580
Long-term bank deposit	17(c)	**–**	21,089
Total non-current assets		**19,152**	46,560
Current assets			
Prepayments, other receivables and other assets	15	**28,918**	22,284
Income tax recoverable		**547**	565
Financial assets at fair value through profit or loss ("**FVTPL**")	16	**176,813**	179,772
Short-term time deposit	17(b)	**71,747**	–
Long-term bank deposit matures within one year	17(c)	**21,775**	–
Cash and cash equivalents	17(a)	**232,388**	310,750
Total current assets		**532,188**	513,371
Current liabilities			
Trade payables	18	**50,888**	51,473
Other payables and accruals	19	**8,706**	6,054
Interest-bearing bank borrowings	20	**32,500**	46,934
Lease liabilities	14(b)	**6,194**	5,485
Total current liabilities		**98,288**	109,946
Net current assets		**433,900**	403,425
Total assets less current liabilities		**453,052**	449,985

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities	14(b)	**10,672**	15,531
Interest-bearing bank borrowings	20	**77,500**	9,955
Deferred income	21	**214**	331
Total non-current liabilities		**88,386**	25,817
NET ASSETS		**364,666**	424,168
EQUITY			
Equity attributable to owners of the Company			
Share capital	22	**405**	364
Treasury shares	22	**(44)**	(44)
Reserves	23	**306,650**	423,848
Equity attributable to owners of the Company		**307,011**	424,168
Non-controlling interests		**57,655**	–
Total EQUITY		**364,666**	424,168

The consolidated financial statements on pages 88 to 148 were approved and authorised for issue by the board of directors on 27 March 2026 and were signed on its behalf by:

Dr. LIU Liping
Director

Ms. YU Meng
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company								
	Share capital *RMB'000* (note 22)	Treasury shares *RMB'000* (note 22)	Premium on ordinary shares *RMB'000* (note 23(a))	Share awards reserve *RMB'000* (note 25)	Exchange fluctuation reserve *RMB'000* (note 23(c))	Accumulated losses *RMB'000*	Sub-Total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
Balance as at 1 January 2024	364	(44)	2,315,599	126,526	(43,360)	(1,696,311)	702,774	–	702,774
Loss for the year	–	–	–	–	–	(381,788)	(381,788)	–	(381,788)
Other comprehensive income for the year	–	–	–	–	6,250	–	6,250	–	6,250
Total comprehensive income/(loss) for the year	–	–	–	–	6,250	(381,788)	(375,538)	–	(375,538)
Equity-settled share awards arrangements	–	–	–	96,932	–	–	96,932	–	96,932
Balance as at 31 December 2024 and 1 January 2025	**364**	**(44)**	**2,315,599**	**223,458**	**(37,110)**	**(2,078,099)**	**424,168**	**–**	**424,168**
(Loss)/profit for the year	–	–	–	–	–	(244,968)	(244,968)	12,867	(232,101)
Other comprehensive loss for the year	–	–	–	–	(6,471)	–	(6,471)	(1,082)	(7,553)
Total comprehensive (loss)/income for the year	–	–	–	–	(6,471)	(244,968)	(251,439)	11,785	(239,654)
Placing of new ordinary shares	41	–	107,147	–	–	–	107,188	–	107,188
Placing of new shares by a structured entity	–	–	–	–	–	–	–	45,870	45,870
Equity-settled share awards arrangements	–	–	–	27,094	–	–	27,094	–	27,094
At 31 December 2025	**405**	**(44)**	**2,422,746**	**250,552**	**(43,581)**	**(2,323,067)**	**307,011**	**57,655**	**364,666**

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Loss before income tax		**(231,882)**	(381,519)
Adjustments for:			
Finance costs	7	**2,364**	1,534
Depreciation of property, plant and equipment	13	**1,414**	1,009
Depreciation of right-of-use assets	14(a)	**4,843**	4,887
Equity-settled share awards arrangements	25	**27,094**	96,932
Bank interest income	5	**(1,015)**	(3,051)
Interests income from long-term bank deposit	5	**(686)**	–
Interests income from short-term time deposits	5	**(7,300)**	(14,700)
Fair value losses on financial assets at FVTPL	5	**26,151**	6,109
Gain on disposal of a structured entity	5	**(1,281)**	–
Amortisation of government grants income	21	**(117)**	(1,656)
Loss on disposal of items of property, plant and equipment	5	**45**	212
Other investment income from financial assets at FVTPL	5	**(1,497)**	(11,429)
Investment related expenses	6	**5,352**	2,916
Foreign exchange differences, net	5	**39**	(3,119)
Operating loss before changes in working capital		**(176,476)**	(301,875)
Decrease in prepayments, other receivables and other assets		**7,424**	20,252
(Decrease)/increase in trade payables		**(585)**	20,966
Increase/(decrease) in other payables and accruals		**2,932**	(37,279)
Cash used in operations		**(166,705)**	(297,936)
Income tax paid		**(201)**	(530)
Net cash used in operating activities		**(166,906)**	(298,466)
Cash flows from investing activities			
Payments for rental deposits		**–**	(1,509)
Refunds of rental deposits		**–**	1,232
Purchases of items of property, plant and equipment	13	**(74)**	(4,285)
Proceeds from disposal of property, plant and equipment		**25**	204
Placement of long-term bank deposit		**–**	(20,000)
Placement of short-term time deposits		**(144,570)**	(260,331)
Purchase of financial assets at FVTPL		**(278,848)**	(268,549)
Investment related expenses paid		**(5,352)**	(2,916)
Bank interest received		**1,015**	3,051
Receipts of interests income from short-term time deposits		**7,300**	13,611
Receipts of interests income from long-term bank deposit		**686**	–
Withdrawal of short-term time deposits		**72,823**	260,258
Proceeds from disposal of financial assets at FVTPL		**242,676**	213,145
Receipts of investment income from financial assets at FVTPL		**1,497**	11,429
Cash outflow arising from disposal of a structured entity		**(77)**	–
Net cash used in investing activities		**(102,899)**	(54,660)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from financing activities			
New bank loans	26(b)	**115,001**	61,831
Repayments of bank loans	26(b)	**(61,890)**	(8,442)
Principal portion of lease payments	26(b)	**(4,083)**	(2,856)
Interest paid	26(b)	**(2,364)**	(1,534)
Net proceeds from issue of ordinary shares by placing	22	**107,188**	–
Placing of new shares by a structured entity	16	**45,870**	–
Net cash generated from financing activities		**199,722**	48,999
Net decrease in cash and cash equivalents		**(70,083)**	(304,127)
Cash and cash equivalents at beginning of year		**310,750**	608,212
Effect of foreign exchange rate changes, net		**(8,279)**	6,665
Cash and cash equivalents at end of year	17(a)	**232,388**	310,750

1. CORPORATE AND GROUP INFORMATION

HighTide Therapeutics, Inc. (the "**Company**") was established in the Cayman Islands on 28 February 2018 by Great Mantra Group Limited and its registered address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of principal place of business is 40/F, Dah Sing Financial Centre. No. 248 Queen's Road East. Wanchai. Hong Kong.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively referred to as the "**Group**") are involved in the research and development of pharmaceutical products. In the opinion of the directors of the Company (the "**Directors**"), the ultimate holding company of the Group is HighTide Therapeutics, Inc., a company incorporated in the Cayman Islands which is ultimately controlled by Dr. LIU Liping.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 22 December 2023 (the "**Listing Date**").

Information about subsidiaries and structured entities

(a) As at the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies with limited liability, the particulars of which are set out as below:

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company				Principal activities
			2025		2024		
			Direct	Indirect	Direct	Indirect	
HighTide Therapeutics Ltd.	British Virgin Islands 16 March 2018	1,000 shares of par value US dollar (the "**USD**") 1 each	100%	–	100%	–	Investment holding
HighTide Therapeutics USA, LLC	United States of America ("**USA**") 24 January 2018	USD0	100%	–	100%	–	Assist in research and development
HighTide Therapeutics (Hong Kong) Limited	Hong Kong 9 April 2018	1 share of Hong Kong dollar (the "**HK$**") 1	–	100%	–	100%	Investment holding
Shenzhen HighTide Biopharmaceutical Ltd. ("**Shenzhen HighTide**")*	Chinese Mainland 15 November 2011	RMB778,795,000	–	100%	–	100%	Research and development
JSK Consumer Healthcare Ltd*	Chinese Mainland 21 July 2015	RMB13,500,000	–	100%	–	100%	Research and development

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries and structured entities (continued)

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company				Principal activities
			2025		2024		
			Direct	Indirect	Direct	Indirect	
HighTide Biopharma Pty. Ltd.	Australia 15 July 2015	10,000 shares of par value Australian dollar (the "**AUD**") 0.1 each	–	100%	–	100%	Research and development
Shanghai Fusion Therapeutics Ltd.*	Chinese Mainland 20 May 2021	RMB1,000,000	–	100%	–	100%	Research and development
Nanchang Fusion Therapeutics Ltd.*	Chinese Mainland 29 November 2021	RMB56,000,000	–	100%	–	100%	Research and development
Hebei Puhui Pharmaceutical Co., Ltd.*	Chinese Mainland 27 September 2023	RMB100,000,000	–	100%	–	100%	Research and development

None of the subsidiaries had issued debt securities at the end of the year.

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

(b) Particulars of the Company's structured entities are as follows:

Name	Attributable equity interest as at 31 December		Paid-in capital as at 31 December		Principal activities
	2025	2024	2025 *USD'000*	2024 *USD'000*	
Apollo Multi-Asset Growth Fund* (the "**Apollo**")	67%	100%	18,490	12,375	Multi-asset portfolio investment
Chaince Capital Fund LP** (the "**Chaince**")	–	100%	12,375	12,375	Multi-asset portfolio investment

* Details on the change of the attributed equity interest are set out in note 16.

** During the year ended 31 December 2025, this structured entity was disposed by the Group to an independent third party. Details are set out in note 16.

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

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which include all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"), and include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at FVTPL which have been measured at fair value. These consolidated financial statements are presented in Renminbi (RMB) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the preparation of the consolidated financial statements for the year ended 31 December 2025, the Group has applied the following amendments to an IFRS Accounting Standards, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025:

Amendments to IAS 21	Lack of Exchangeability

The adoption of the above amendments to an IFRS Accounting Standards in the current year has had no material impact on the Group's financial performance and position for the current and prior periods and/or the disclosures set out in these consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not adopted the early application of the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for the new and amendments to IFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 *Presentation and Disclosure of Financial Statements*

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the consolidated statement of comprehensive income; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of comprehensive income and disclosures in the future financial statements. The Group is currently assessing the impact that IFRS 18 will have on the Group's consolidated financial statements.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group has power over the investee, 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).

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 (including a structured entity), 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 accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Fair value measurement

The Group measures certain financial instruments 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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than 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 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.

Property, plant and equipment and depreciation

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment and depreciation *(continued)*

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

Machinery and equipment	9.5% to 19%
Furniture, fittings and equipment	9.5% to 19%
Leasehold improvements	The 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 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.

Research and development costs

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

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

Leases

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (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, office premises and plant	2 to 5 years

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

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

(b) Lease liabilities

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in substance fixed lease payments.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases *(continued)*

Group as a lessee (continued)

(b) Lease liabilities (continued)

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date and the right-of-use asset is adjusted by the same amount.

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

(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 that is considered to be of low value.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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, and fair value through profit or loss.

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

In order for a financial asset to be classified and measured at 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.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments and other financial assets *(continued)*

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 consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

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

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

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

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.

Impairment of financial assets

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets *(continued)*

General approach

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or at fair value through profit or loss, as appropriate.

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

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings.

Subsequent measurement

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

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

After initial recognition, trade and other payables, and interest-bearing bank 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 consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (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 consolidated statement of profit or loss.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Cash and cash equivalents

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

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

Income tax

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax *(continued)*

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.

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

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

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

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the consolidated statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

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 awards 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 25 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 consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments *(continued)*

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

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

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

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

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

Other employee benefits

Pension schemes

The employees of the Group's subsidiary which operates in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute 5% of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Other employee benefits *(continued)*

Pension schemes (continued)

The subsidiary in the USA maintains multiple qualified contributory savings plans as allowed under Internal Revenue Code section 401(k) in the USA. These plans are defined contribution plans covering substantially all its qualifying employees and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employees' compensation. The only obligation of the subsidiary in the USA with respect to the retirement benefit plans is to make the specified contributions under the plans.

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

Foreign currencies

These consolidated financial statements are presented in RMB, which is different from the Company's functional currency, the United States dollar ("**USD**"). As the major assets of the Group are derived from operations in Chinese Mainland, RMB is chosen as the presentation currency to present the consolidated financial statements. 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 the consolidated statement of profit or loss.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (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.

As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve and are not reclassified to profit or loss subsequently, 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 reclassified to profit or loss.

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 judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Research and development costs

All research costs are charged to the consolidated statement of profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development expenses in note 2.4. Determining the amounts to be capitalised requires management to make judgements regarding the technical feasibility of the existing pipelines to be successfully commercialised and to generate economic benefits for the Group. The Group currently expenses all the milestone and upfront payments under the drug licensing agreements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Control over the structured entities

In determining whether the structured entities should be consolidated into the Group's consolidated financial statements, management has made significant judgements in assessing whether the Group has control over the structured entities, in accordance with IFRS 10 Consolidated Financial Statements.

The assessment of control involves significant judgement due to the specific structure of the structured entities and the nature of the Group's involvement. Management has carefully evaluated the substance of the contractual arrangements, including the Group's decision-making authority over the structured entities' key activities (such as investment allocation, selection of investment targets, and redemption terms), the extent of the Group's exposure to variable returns from the structured entities, and the ability to use its decision-making power to influence those returns.

After comprehensive evaluation, management has concluded that the Group has control over the structured entities, as it holds the power to direct the relevant activities that significantly affect the returns of the structured entities, has exposure to variable returns from its involvement, and can use its power to affect the amount of such returns. This judgement is critical to the Group's consolidated financial position and results of operations, as the consolidation of the structured entities has a material impact on the Group's total assets, liabilities and net assets.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

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

Research and development expenses

The Group relies on contract research organisations, contract development and manufacture organisations and site management organisation (collectively referred to as the "**Outsourced Service Providers**") to conduct, supervise and monitor the Group's ongoing clinical trials. Determining the amounts of research and development costs incurred up to the end of each reporting period requires the management of the Group to estimate and measure the progress of receiving research and development services under the contracts with Outsourced Service Providers using inputs such as the number of patient enrolments, time elapsed and milestone achieved.

Fair value of financial assets at FVTPL

The Group has used market method of recent transaction valuation for the valuation of the investments in listed equities not quoted in active markets at 31 December 2025 as detailed in note 28 to the financial statements. In the absence of quoted market price of investments in active markets, fair values of investments are determined by the management by reference to the indicative prices of the investments that are subject to uncertainty. The Group classifies the fair values of these investments as Level 1 and 2. The fair values of the investments in financial assets at FVTPL at 31 December 2025 was approximately RMB176,813,000 (2024: approximately RMB179,772,000). Further details are given in note 16.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the losses can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. Further details are included in note 10 to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of the reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present values of those cash flows. The carrying amounts of property, plant and equipment and right-of-use assets as at 31 December 2025 were approximately RMB3,860,000 and RMB13,713,000 respectively (2024: approximately RMB5,270,000 and RMB18,621,000 respectively). Further details are given in notes 13 and 14(a).

4. OPERATING SEGMENT INFORMATION

The Group is engaged in biopharmaceutical research and development, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

During the reporting period, since almost all of the Group's non-current assets were located in Chinese Mainland, no geographical segment information in accordance with IFRS 8 Operating Segments is presented.

Information about major customers

No revenue was derived during the year ended 31 December 2025 and no information about major customers is presented (2024: same).

5. OTHER INCOME AND OTHER GAINS AND LOSSES -NET

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

	2025 RMB'000	2024 RMB'000
Other income		
Government grants related to expense items*	**8,392**	38,195
Government grants related to assets**	**117**	157
Bank interest income	**1,015**	3,051
Interests income from long-term bank deposit	**686**	–
Interests income from short-term time deposits	**7,300**	14,700
Other investment income from financial assets at FVTPL	**1,497**	11,429
Others	**–**	439
	19,007	67,971
Other gains and losses -net		
Fair value losses on financial assets at FVTPL	**(26,151)**	(6,109)
Gain on disposal of a structured entity (note 16)	**1,281**	–
Foreign exchange (losses)/gains, net	**(39)**	3,119
Loss on disposal of items of property, plant and equipment	**(45)**	(212)
	(24,954)	(3,202)

* Government grants related to expense items mainly represent subsidies received from the local governments for the purpose of compensation of expense spent on research and clinical trial activities, allowance for new drug development and talent funds. The main grantors for the year are Construction and Development Affairs Office of Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, Futian District, Shenzhen and Hong Kong Science and Technology Parks Corporation (2024: the main grantors were the Development and Reform Commission of Shenzhen and Construction and Development Affairs Office of Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, Futian District, Shenzhen). Government grants received for which related expense have not yet been incurred are included in deferred income in the consolidated statement of financial position.

** Government grants related to assets are credited to deferred income (note 21) and released to the consolidated statement of profit or loss in equal annual instalments over the estimated useful lives of the related assets.

6. LOSS BEFORE INCOME TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment	13	**1,414**	1,009
Depreciation of right-of-use assets	14(a)	**4,843**	4,887
Other professional service fees*		**28,201**	14,705
Lease payments relating to short-term and low-value assets	14(c)	**237**	1,141
Auditor's remuneration:			
audit services		**1,450**	1,550
non-audit services		**300**	674
Investment related expenses		**5,352**	2,916
Research and development costs:			
Third-party contracting expenses		**107,733**	263,913
Staff costs		**29,435**	35,350
Equity-settled share awards expense**		**19,756**	56,708
Others		**7,545**	7,554
		164,469	363,525
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):			
Wages and salaries		**29,179**	37,094
Equity-settled share awards expense**		**14,817**	64,835
Pension scheme contributions (defined contribution schemes), social welfare and other welfare		**5,233**	6,246
		49,229	108,175

* Other professional service fees mainly consisted of business consulting fees and other service fees paid to third-party professional service providers.

** During the year, equity-settled share awards expense attributable to employees and directors were approximately RMB14,817,000 (2024: RMB64,835,000) and approximately RMB12,277,000 (2024: RMB32,097,000) (note 8(b)) respectively. Among the total equity-settled share awards expense of approximately RMB27,094,000 (2024: RMB96,932,000), amounted to approximately RMB19,756,000 (2024: RMB 56,708,000) and RMB7,338,000 (2024: RMB40,224,000) were recorded under research and development costs and administrative expenses respectively.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Note	2025 RMB'000	2024 RMB'000
Interest on interest-bearing bank borrowings		**1,625**	697
Interest on lease liabilities	14(b)	**739**	837
Total		**2,364**	1,534

8. 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:

(a) Independent non-executive directors

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

	2025 RMB'000	2024 RMB'000
Mr. TAN Bo	**180**	184
Dr. LI Jin	**180**	184
Mr. HUNG Tak Wai	**180**	184
Total	**540**	552

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

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

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

	Notes	Salaries, allowances and benefits in kind *RMB'000*	Pension scheme contributions *RMB'000*	Equity-settled share awards expense *RMB'000* (Note 25)	Total *RMB'000*
Year ended 31 December 2025					
Executive directors:					
Dr. LIU Liping	(i)	**3,649**	**46**	**2,987**	**6,682**
Ms. YU Meng		**1,512**	**137**	**4,150**	**5,799**
Subtotal		**5,161**	**183**	**7,137**	**12,481**
Non-executive directors:					
Dr. ZHU Xun		**394**	**–**	**189**	**583**
Mr. MA Lixiong		**405**	**–**	**4,951**	**5,356**
Mr. JIANG Feng		**–**	**–**	**–**	**–**
Subtotal		**799**	**–**	**5,140**	**5,939**
Total		**5,960**	**183**	**12,277**	**18,420**
Year ended 31 December 2024					
Executive directors:					
Dr. LIU Liping	(i)	2,913	38	8,479	11,430
Ms. YU Meng		1,105	118	10,604	11,827
Subtotal		4,018	156	19,083	23,257
Non-executive directors:					
Mr. LI Li	(ii)	–	–	–	–
Dr. ZHU Xun		506	–	787	1,293
Mr. MA Lixiong		–	–	12,227	12,227
Mr. JIANG Feng		–	–	–	–
Subtotal		506	–	13,014	13,520
Total		4,524	156	32,097	36,777

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

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

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

(b) Executive directors, non-executive directors and the chief executive (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: same). And there was no performance related bonus awarded to a director during the year (2024: same).

Notes:

(i) Dr. LIU Liping acts as chairwoman and chief executive officer of the Company.

(ii) Mr. LI Li resigned on 2 February 2024 for the reason that he would like to devote more time to his personal engagement.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2024: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (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, allowances and benefits in kind	**3,887**	2,831
Equity-settled share awards expense	**11,748**	43,577
Pension scheme contributions	**218**	118
Compensation payment	**–**	47
Total	**15,853**	46,573

The two (2024: two) non-director and non-chief executive highest paid employees whose remuneration fell within the following bands:

	2025	2024
HK$4,500,001 to HK$5,000,000	**1**	–
HK$12,500,001 to HK$13,000,000	**1**	–
HK$18,000,001 to HK$18,500,000	**–**	1
HK$31,500,001 to HK$32,000,000	**–**	1
Total	**2**	2

During the year ended 31 December 2025, the Group did not pay any emolument to any of its 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. In respect of the year ended 31 December 2024, the Group paid compensation for loss of office amounting to RMB47,000 to one of the five highest paid individuals (an employee) who has resigned on 31 December 2024.

There was no performance related bonus awarded to the five highest paid employees during the year (2024: same).

10. INCOME TAX EXPENSES

	2025 *RMB'000*	2024 *RMB'000*
Current tax		
– Hong Kong Profits Tax	**206**	104
– United States federal corporate income tax	**13**	165
	219	269

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.

British Virgin Islands

Under the current laws of the British Virgin Islands ("**BVI**"), the subsidiary incorporated in the BVI is not subject to tax on income or capital gains. In addition, upon payments of dividends by these subsidiaries to their shareholders, no BVI withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to income tax at the rate of 8.25% (2024: 8.25%) on the estimated assessable profits arising in Hong Kong during the year.

Chinese Mainland

No provision for Chinese Mainland income tax pursuant to the Corporate Income Tax Law of the People's Republic of China (the "**PRC**") and the respective regulations (the "**CIT Law**") has been made as the Group's subsidiaries which operate in Chinese Mainland are in loss position and have no estimated taxable profits.

Shenzhen HighTide was approved as a high technology enterprise under the relevant tax rules and regulations in December 2019, and accordingly, was entitled to a reduced preferential CIT rate of 15% from 2019 to 2021. This qualification is subject to review by the relevant tax authority in the PRC for every three years. The renewed qualification was obtained in December 2022 and 2025, Shenzhen HighTide is entitled a preferential income tax rate of 15% from 2022 to 2024 and 2025 to 2028, respectively.

JSK Consumer Healthcare Ltd, Hebei Puhui Pharmaceutical Co., Ltd. and Shanghai Fusion Therapeutics Inc. have met the requirement under the relevant tax rules and regulations for small and low-profit enterprises, and accordingly, are subject to a reduced preferential CIT rate of 20% for the years ended 31 December 2025 and 2024.

10. INCOME TAX (continued)

Australia

The subsidiary incorporated in Australia is subject to income tax at the rate of 25% (2024: 25%) on the estimated assessable profits arising in Australia during the year.

USA

The subsidiary incorporated in Maryland, the USA is subject to statutory United States federal corporate income tax at a rate of 21% (2024: 21%). In addition, it is also subject to the state income tax in Maryland at a rate of 8.25% (2024: 8.25%) during the year. Other states including California, Florida, and New Jersey also impose state income tax on the subsidiary to the extent that a sufficient nexus, or taxable connection, exists between the subsidiary and the respective states. The subsidiary was subject to the state income tax in California at a rate of 8.84% (2024: 8.84%), in Florida at a rate of 5.50% (2024: 5.50%), and in New Jersey at a rate of 6.50% (2024: 7.50%) during the year.

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

	2025	2024
	RMB'000	*RMB'000*
Loss before income tax	**(231,882)**	(381,519)
Tax at the applicable tax rate (25%)	**(57,970)**	(95,380)
Different tax rates enacted by local authorities	**32,769**	54,428
Additional deductible allowance for qualified research and development costs	**(16,361)**	(25,480)
Withholding income tax on overseas dividends	**206**	104
Income not subject to tax	**(21)**	(31)
Expenses not deductible for tax	**2,479**	8,702
Utilisation of unused tax loss previously not recognised	**(87)**	–
Deductible temporary differences and tax losses not recognised	**39,204**	57,926
	219	269

The Group has accumulated tax losses in Chinese Mainland of approximately RMB1,811,086,000 (2024: approximately RMB934,128,000) that will expire in one to ten years for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has accumulated tax losses in Hong Kong of approximately RMB8,125,000 (2024: approximately RMB9,176,000) that will be carried forward indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

10. INCOME TAX (continued)

Deferred tax assets have not been recognised in respect of these tax losses of approximately RMB1,819,211,000 (2024: approximately RMB943,304,000) and certain deductible temporary differences of nil (2024: approximately RMB462,949,000) as it is not considered probable that taxable profits will be available against which the tax losses or deductible temporary differences can be utilised.

11. DIVIDENDS

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

12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares of 479,740,151 (2024: 452,076,548) in issue during the year.

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

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

	2025 ***RMB'000***	2024 *RMB'000*
Loss		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	**(244,968)**	(381,788)

	2025	2024
Shares		
Weighted average number of shares in issue during the year used in the basic and diluted loss per share calculation	**479,740,151**	452,076,548
Loss per share (basic and diluted) (RMB per share)	**(0.51)**	(0.84)

13. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment *RMB'000*	Furniture, fittings and equipment *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
At 1 January 2024				
Cost	4,949	1,137	265	6,351
Accumulated depreciation	(3,127)	(674)	(140)	(3,941)
Net carrying amount	1,822	463	125	2,410
At 1 January 2024, net of accumulated depreciation	1,822	463	125	2,410
Additions	27	81	4,177	4,285
Disposals	(379)	(37)	–	(416)
Depreciation provided during the year	(583)	(137)	(289)	(1,009)
At 31 December 2024, net of accumulated depreciation	887	370	4,013	5,270
At 31 December 2024 and 1 January 2025				
Cost	3,570	958	4,442	8,970
Accumulated depreciation	(2,683)	(588)	(429)	(3,700)
Net carrying amount	887	370	4,013	5,270
At 1 January 2025, net of accumulated depreciation	**887**	**370**	**4,013**	**5,270**
Additions	**–**	**33**	**41**	**74**
Disposals	**(60)**	**(10)**	**–**	**(70)**
Depreciation provided during the year	**(277)**	**(135)**	**(1,002)**	**(1,414)**
At 31 December 2025, net of accumulated depreciation	**550**	**258**	**3,052**	**3,860**
At 31 December 2025				
Cost	**3,149**	**958**	**4,482**	**8,589**
Accumulated depreciation	**(2,599)**	**(700)**	**(1,430)**	**(4,729)**
Net carrying amount	**550**	**258**	**3,052**	**3,860**

As at 31 December 2025 and 2024, there were no pledged property, plant and equipment.

14. 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 of two to five years (2024: two to five 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 years are as follows:

	Property, office premises and plant *RMB'000*
As at 1 January 2024	12,571
Additions	11,544
Depreciation charge	(4,887)
Termination of leases	(611)
Exchange realignment	4
As at 31 December 2024 and 1 January 2025	**18,621**
Depreciation charge	**(4,843)**
Modification of lease	**(62)**
Exchange realignment	**(3)**
As at 31 December 2025	**13,713**

14. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

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

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	21,016	12,932
New leases	–	11,544
Accretion of interest recognised during the year	739	837
Modification of leases	(64)	–
Lease payment	(4,822)	(3,693)
Reductions as a result of termination of leases	–	(619)
Exchange realignment	(3)	15
Carrying amount at 31 December	16,866	21,016
Analysed into:		
Within 1 year	6,194	5,485
After 1 year but within 2 years	5,184	4,859
After 2 years but within 3 years	5,351	5,184
More than 3 years	137	5,488
	16,866	21,016

The weighted average incremental borrowing rate applied to lease liabilities as at 31 December 2025 was 3.53% (2024: 3.86%).

(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	739	837
Depreciation charge of right-of-use assets*	4,843	4,887
Expenses relating to short-term and low-value leases*	237	1,141
Total amount recognised in profit or loss	5,819	6,865

* Included in "Administrative expenses" and "Research and development costs" in profit or loss.

(d) The total cash outflow for leases and future cash outflows relating to leases are disclosed in notes 26(c) and 29(c), respectively.

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 *RMB'000*	2024 *RMB'000*
Prepayments	**11,104**	11,771
Input value-added tax	**3,259**	10,040
Consideration receivable from the disposal of a structured entity (note 16)	**14,058**	–
Deposits	**105**	178
Other receivables	**392**	295
Total	**28,918**	22,284

Prepayments mainly represent contractual advances to Outsourced Service Providers for progress of research and development activities.

Deposits and other receivables mainly represent payment on behalf of employees and deposits with suppliers. Other receivables had no historical default.

16. FINANCIAL ASSETS AT FVTPL

	2025 *RMB'000*	2024 *RMB'000*
Listed equity investments, at fair value	**95,368**	140,854
Treasury bills and money market funds	**81,445**	38,918
	176,813	179,772

The above equity investments were classified as financial assets at FVTPL as they were held for trading. The above equity investments were purchased though two structured entities, the Apollo and the Chaince (together the "**Funds**"), that the Group invested with initial capital contribution of USD12,500,000 and USD12,500,000 respectively, of which including subscription fee of USD125,000 for each Fund.

During the year ended 31 December 2025, one of the Funds, i.e. Apollo, introduced a new investor, who is an independent third party with the Group, through placement of new shares. After the new investor acquired a stake in the Apollo for USD6,400,000 (approximately RMB45,870,000) (with approximately 6,115 shares), the Company still held approximately 67% (12,375 shares) of the Apollo's shares, while the new investor held approximately 33% of the shares. Following the completion of this placement of new shares, the Group continues to consolidate the Apollo considering the change in the Group's equity interests in the Apollo does not result in the Group's losing control over the Apollo.

On 18 November 2025, the entire interest in the Chaince was fully disposed of to an independent third party with a consideration of USD2,000,000 (approximately RMB14,058,000). As at the disposal date, the net asset value of the Chaince was approximately USD1,827,000 (approximately RMB12,777,000), which comprises of financial assets at FVTPL, cash and cash equivalents and other payables with amounts of approximately USD1,856,000, USD11,000 and USD40,000 (approximately RMB12,980,000, RMB77,000 and RMB 280,000) respectively, resulting in a gain on disposal of approximately USD173,000 (approximately RMB1,281,000) (note 5) in the profit or loss of the Group. As at 31 December 2025, the consideration was not yet received and recorded under other receivables (note 15) in the consolidated statement of financial position of the Group, which was subsequently settled in full on 6 March 2026. After completion of this disposal, the Group no longer holds any interest in the Chaince.

17. CASH AND BANK BALANCES

(a) Cash and cash equivalents

	2025 RMB'000	2024 RMB'000
Cash and cash equivalents represents cash and bank balances denominated in:		
RMB	**160,211**	88,416
USD	**71,762**	220,090
AUD	**38**	79
HK$	**377**	2,165
Cash and bank balances	**232,388**	310,750

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

Cash at banks earns interest at floating rates based on daily bank deposit rates, the bank balances are deposited with creditworthy banks with no recent history of default.

(b) Short-term time deposit

	2025 RMB'000	2024 RMB'000
Short-term time deposit	**71,747**	–

As at 31 December 2025, short-term time deposit represented the bank deposit with original maturity of six months and fixed interest rate at 4.27% per annum.

(c) Long-term bank deposit

	2025 RMB'000	2024 RMB'000
Long-term bank deposit matures within one year	**21,775**	–
Long-term bank deposit matures more than one year	**–**	21,089

As at 31 December 2025 and 2024, this long-term bank deposit with original maturity of two year is redeemable on maturity on 30 December 2026, and with the fixed interest rate at 3.3% (2024:3.3%) per annum.

18. TRADE PAYABLES

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

	2025 RMB'000	2024 RMB'000
Within one year	**50,888**	51,473

The trade payables are non-interest-bearing and are normally settled within one month after the receipt of the invoice.

19. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Payroll payables	**1,609**	2,344
Other tax payables	**265**	298
Professional service fees payable	**6,618**	2,994
Others	**214**	418
Total	**8,706**	6,054

20. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate (%) per annum	Maturity	*RMB'000*
As at 31 December 2025			
Bank loans – unsecured, repayable within one year or on demand	**2.60%-3.50%**	**2026**	**32,500**
Bank loans – unsecured, repayable over one year but within two years	**2.60%-3.50%**	**2027**	**25,300**
Bank loans – unsecured, repayable over two years but within three years	**3.00%-3.50%**	**2028**	**52,200**
			77,500
			110,000
As at 31 December 2024			
Bank loans – unsecured, repayable within one year or on demand*	3.20%-3.70%	2025	46,934
Bank loans – unsecured, repayable over one year but within two years	3.50%	2026	9,955
			56,889

* As at 31 December 2024, included in the balance is an unsecured bank loan of RMB4,400,000 which was guaranteed by Shenzhen Hi-Tech Investment & Financing Guarantee Company, an independent third party, and this borrowing was fully repaid during the year ended 31 December 2025.

All bank loans are at fixed rates and are denominated in RMB.

21. DEFERRED INCOME

	2025 *RMB'000*	2024 *RMB'000*
As at 1 January	**331**	1,987
Amortisation	**(117)**	(1,656)
As at 31 December	**214**	331

The Group's deferred government grants represented government grants received for projects and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets or recognised as income on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

For the current year, an amount of RMB117,000 (2024: RMB1,656,000) was released from deferred income to the consolidated profit or loss. The remaining balance of deferred government grants as at 31 December 2025 is RMB214,000 (2024: RMB331,000), which will be recognised in future periods over the remaining useful lives of the related assets.

22. SHARE CAPITAL

	Number of shares	Share capital *USD'000*	RMB equivalent *RMB'000*
At 31 December 2025			
Authorised ordinary shares of USD0.0001 each	**1,000,000,000**	**100**	**633**
At 31 December 2024			
Authorised ordinary shares of USD0.0001 each	1,000,000,000	100	633

	Number of shares	Share capital *USD'000*	RMB equivalent *RMB'000*
At 31 December 2025			
Issued and fully paid:			
Ordinary shares of USD0.0001 each	**571,325,668**	**57**	**405**
At 31 December 2024			
Issued and fully paid:			
Ordinary shares of USD0.0001 each	514,770,668	51	364

22. SHARE CAPITAL (continued)

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

	Number of share in issue	Share capital *RMB'000*
At 1 January 2024, 31 December 2024 and 1 January 2025	**514,770,668**	**364**
Placing of ordinary shares (note)	**56,555,000**	**41**
At 31 December 2025	**571,325,668**	**405**

Note:

During the year ended 31 December 2025, a total of 56,555,000 placing shares (the "**Placing**") have been successfully placed to six independent placees at the placing price of HK$2.21 per placing share pursuant to the terms and conditions of the placing agreement. After completion of the Placing, the aggregate gross proceeds from the Placing are approximately HK$125.0 million (approximately RMB108,578,000) and the aggregate net proceeds from the Placing to be received by the Company (after deduction of the commissions and expenses relating to the Placing) amounted to approximately HK$123.4 million (approximately RMB107,188,000), and which resulted in approximately RMB41,000 and approximately RMB107,147,000 recorded in the share capital and premium on ordinary shares respectively in the consolidated statement of changes in equity of the Group.

Treasure shares of 62,610,764 (2024: 62,610,764) shares with carrying amount of approximately RMB44,000 (2024: RMB44,000) represent the shares held under the share incentive plan (note 25).

23. 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.

(a) Premium on ordinary shares

Premium on ordinary shares arose from the issue of shares at a price greater than the par value of the shares.

(b) Share awards reserve

Cumulative expenses recognised on the granting of share awards over the vesting period.

(c) Exchange fluctuation reserve

The exchange fluctuation reserve comprise all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserves are dealt with in accordance with the accounting policies set out in note 2.4.

24. RELATED PARTY TRANSACTIONS

The Group had no transactions with related parties during the years. The Group had no outstanding balances with related parties.

Compensation of key management personnel of the Group:

	2025	2024
	RMB'000	*RMB'000*
Short-term employee benefits	**12,090**	14,202
Share-based payment	**24,737**	81,623
Termination benefits	**–**	47
Total compensation paid to key management personnel	**36,827**	95,872

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors and the chief executive of the Company. Further details of directors' and the chief executive's emoluments are included in note 8.

25. SHARE-BASED PAYMENTS

In January 2020, the Company adopted an employee long-term incentive plan (the "**2020 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 employee long-term incentive plan may include any officers, directors and employees of the Company who render or have rendered bona fide services to the Company. The maximum aggregate number of shares that may be issued is 4,662,462 (27,974,772 as adjusted after the Capitalisation Issue) shares.

In March 2022, the Company amended and restated the employee long-term incentive plan to attract and retain the best available personnel and to provide additional incentives to employees and directors to promote the success of the Company's business. The maximum aggregate number of shares underlying all awards made under the 2020 Share Incentive Plan shall not exceed 8,849,294 (53,095,764 as adjusted after the Capitalisation Issue) shares.

In May 2023, the Company adopted a new employee long-term incentive plan (the "**2023 ESOP Scheme**") to attract, retain and award the eligible adopted talents with 4,000,000 (24,000,000 as adjusted after the Capitalisation Issue) ordinary shares of the Company issuable under such plan. Due to the final offer size of the global offering falling below the defined threshold, 2,400,000 (14,400,000 as adjusted after the Capitalisation Issue) shares have been repurchased and cancelled before the global offering pursuant to the terms of the 2023 ESOP Scheme, accordingly the current ordinary shares of the Company issuable under such plan is 9,600,000.

In June 2025, the Company adopted a new employee long-term incentive plan (the "**2025 ESOP Scheme**") to attract, retain and award the eligible adopted talents with 36,033,946 ordinary shares of the Company issuable under such plan. As at 31 December 2025, the 2025 ESOP Scheme had not yet been granted.

Under the 2020 Share Incentive Plan, the 2023 ESOP Scheme and the 2025 ESOP Scheme, the awards shall be vested in four (4) years and the awards shall be vested in equal yearly instalments of 25% at each anniversary date commencing from the vesting commencement date. Additionally, subject to any restriction contained in the 2020 Share Incentive Plan and 2023 ESOP Scheme, certain awards shall not be vested if the IPO hasn't occurred on or prior to the applicable vesting date of the individual awards, and the vesting of such corresponding part of individual awards shall be deferred to and effected on the date of IPO (or the immediately following trading day if such date is not a trading day). The share awards period of the share awards granted is determinable by the directors of the Company, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the share awards.

25. SHARE-BASED PAYMENTS (continued)

The following share awards were outstanding under the share incentive plan during the year:

	Total awards	Exercise price per share *USD*	Fair value per share *USD*
At 1 January 2024	62,695,764	0.14-0.47	1.35-5.95
Forfeited during the year	(8,374,698)	0.14-0.33	1.35-5.95
Exercised during the year	(85,000)	0.14	1.36
At 31 December 2024 and 1 January 2025	**54,236,066**	**0.14-0.47**	**1.35-5.95**
Forfeited during the year	**(3,816,276)**	**0.18-0.47**	**1.35-5.90**
At 31 December 2025	**50,419,790**	**0.14-0.47**	**1.35-5.95**
Exercisable:			
At 31 December 2024	23,946,560	0.14-0.47	1.35-5.95
At 31 December 2025	**31,328,654**	**0.14-0.47**	**1.35-5.95**

The fair value of the share awards granted during the year ended 31 December 2023 was approximately RMB259,712,000 and there was no new share award granted during the years ended 31 December 2024 and 31 December 2025. The Group recognised equity-settled share awards expenses in the consolidated profit or loss over the vesting period and an amount of approximately RMB27,094,000 was recognised during the year (2024: approximately RMB96,932,000).

The weighted average remaining contractual lives for share awards outstanding at the end of year was 6.42 years (2024: 7.27 years).

26. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had no non-cash additions to right-of-use assets and lease liabilities (2024: approximately RMB11,544,000 additions in respect of lease arrangements for plant).

(b) Changes in liabilities arising from financing activities

	Lease liabilities *RMB'000*	Interest-bearing bank borrowings *RMB'000*	Total *RMB'000*
At 1 January 2025	**21,016**	**56,889**	**77,905**
Changes from financing cash flows:			
Lease payment	**(4,083)**	**–**	**(4,083)**
New bank loans	**–**	**115,001**	**115,001**
Repayments of bank loans	**–**	**(61,890)**	**(61,890)**
Payment of interest	**(739)**	**(1,625)**	**(2,364)**
Total changes from financing cash flows	**(4,822)**	**51,486**	**46,664**
Other changes:			
Accretion of interest	**739**	**1,625**	**2,364**
Modification of leases	**(64)**	**–**	**(64)**
Currency translation differences	**(3)**	**–**	**(3)**
Total other changes	**672**	**1,625**	**2,297**
At 31 December 2025	**16,866**	**110,000**	**126,866**

26. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

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

	Lease liabilities *RMB'000*	Interest-bearing bank borrowings *RMB'000*	Total *RMB'000*
At 1 January 2024	12,932	3,500	16,432
Changes from financing cash flows:			
Lease payment	(2,856)	–	(2,856)
New bank loans	–	61,831	61,831
Repayments of bank loans	–	(8,442)	(8,442)
Payment of interest	(837)	(697)	(1,534)
Total changes from financing cash flows	(3,693)	52,692	48,999
Other changes:			
New leases	11,544	–	11,544
Accretion of interest	837	697	1,534
Termination of leases	(619)	–	(619)
Currency translation differences	15	–	15
Total other changes	11,777	697	12,474
At 31 December 2024	21,016	56,889	77,905

(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 operating activities	**237**	1,141
Within financing activities	**4,822**	3,693
Total	**5,059**	4,834

27. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2025

	Financial assets at fair value through profit or loss *RMB'000*	Financial assets measured at amortised cost *RMB'000*	Total *RMB'000*
Financial assets at FVTPL	176,813	–	176,813
Financial assets included in prepayments, other receivables and other assets	–	14,555	14,555
Financial assets included in other non-current assets	–	1,579	1,579
Short-term time deposit	–	71,747	71,747
Long-term bank deposit matures within one year	–	21,775	21,775
Cash and cash equivalents	–	232,388	232,388
Total	176,813	342,044	518,857

	Financial liabilities at amortised cost *RMB'000*
Trade payables	50,888
Interest-bearing bank borrowings	110,000
Financial liabilities included in other payables and accruals	6,832
Total	167,720

27. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

As at 31 December 2024

	Financial assets at fair value through profit or loss *RMB'000*	Financial assets measured at amortised cost *RMB'000*	Total *RMB'000*
Financial assets at FVTPL	179,772	–	179,772
Financial assets included in prepayments, other receivables and other assets	–	473	473
Financial assets included in other non-current assets	–	1,580	1,580
Long-term bank deposit	–	21,089	21,089
Cash and cash equivalents	–	310,750	310,750
Total	179,772	333,892	513,664

	Financial liabilities at amortised cost *RMB'000*
Trade payables	51,473
Interest-bearing bank borrowings	56,889
Financial liabilities included in other payables and accruals	3,412
Total	111,774

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, short-term time deposit, long-term bank deposit matures within one year and financial assets included in prepayments, other receivables and other assets, trade payables, interest-bearing bank borrowings, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

28. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

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 fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all required significant inputs to fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

The Group has investments in listed equities not quoted in an active markets which fair values are determined on recent transaction valuations. The Group classifies the fair values of these investments as Level 2.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB'000*	Significant observable inputs (Level 2) *RMB'000*	Significant unobservable inputs (Level 3) *RMB'000*	Total *RMB'000*
As at 31 December 2025				
Financial assets at FVTPL	**123,053**	**53,760**	**–**	**176,813**
As at 31 December 2024				
Financial assets at FVTPL	53,022	126,750	–	179,772

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: nil).

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, cash and cash equivalents, short-term time deposit and long-term bank deposit matures within one year. 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 trade payables, 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 Directors reviews and agrees policies for managing each of these risks and they are summarised below.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from financing by the Company or purchases by operating units in currencies other than their functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rate, with all other variables held constant, of the Group's loss before income tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in rate of foreign currency *%*	(Decrease)/ increase in loss before income tax *RMB'000*	Increase/ (decrease) in equity *RMB'000*
2025			
If RMB weakens against USD	**5**	**(1,724)**	**1,467**
If RMB strengthens against USD	**(5)**	**1,724**	**(1,467)**
2024			
If RMB weakens against USD	5	(4,609)	4,343
If RMB strengthens against USD	(5)	4,609	(4,343)

(b) Credit risk

Credit risk is the risk that a counterparty will default on contractual obligations resulting in financial loss to the Group.

The credit risk of the Group's financial assets, which primarily comprise cash and cash equivalents, short-term time deposit, long-term bank deposit matures within one year and financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

At the end of the reporting period, cash and cash equivalents, short-term time deposit and long-term bank deposit matures within one year were deposited in reputable financial institutions without significant credit risk. For financial assets included in prepayments, other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of such assets based on historical settlement records and past experience.

None of the financial assets included in prepayments, other receivables and other assets at the end of the reporting period were overdue, and all balances were categorised within Stage 1 for the measurement of expected credit losses. The Directors believe that there is no material credit risk inherent in the Group's outstanding balances.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) 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 at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Less than 1 year *RMB'000*	1 to 2 years *RMB'000*	2 to 3 years *RMB'000*	More than 3 years *RMB'000*	Total *RMB'000*
As at 31 December 2025					
Trade payables	**50,888**	**–**	**–**	**–**	**50,888**
Lease liabilities	**6,684**	**5,514**	**5,817**	**138**	**18,153**
Financial liabilities included in other payables and accruals	**6,832**	**–**	**–**	**–**	**6,832**
Interest-bearing bank borrowings	**33,630**	**27,623**	**53,453**	**–**	**114,706**
Total	**98,034**	**33,137**	**59,270**	**138**	**190,579**
As at 31 December 2024					
Trade payables	51,473	–	–	–	51,473
Lease liabilities	5,591	5,398	5,514	5,554	22,057
Financial liabilities included in other payables and accruals	3,412	–	–	–	3,412
Interest-bearing bank borrowings	48,286	10,043	–	–	58,329
Total	108,762	15,441	5,514	5,554	135,271

(d) 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 return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

30. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period that require additional disclosures or adjustments.

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Non-current assets		
Interests in subsidiaries	**1,358,073**	966,589
Total non-current assets	**1,358,073**	966,589
CURRENT ASSETS		
Prepayments and other receivables	**297,889**	574,877
Cash and bank balances	**101,991**	107,531
Total current assets	**399,880**	682,408
CURRENT LIABILITIES		
Other payables and accruals	**11,604**	2,396
Total current liabilities	**11,604**	2,396
NET CURRENT ASSETS	**388,276**	680,012
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,746,349**	1,646,601
Net assets	**1,746,349**	1,646,601
EQUITY		
Share capital	**405**	364
Treasury shares	**(44)**	(44)
Reserves (note)	**1,745,988**	1,646,281
Total equity	**1,746,349**	1,646,601

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 27 March 2026 and is signed on its behalf by:

Dr. LIU Liping
Director

Ms. YU Meng
Director

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium reserve *RMB'000*	Share awards reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Accumulated losses *RMB'000*	Total reserves *RMB'000*
At 1 January 2024	2,315,599	126,526	(32,471)	(760,708)	1,648,946
Loss for the year	–	–	–	(110,377)	(110,377)
Other comprehensive income for the year	–	–	10,780	–	10,780
Equity-settled share awards	–	96,932	–	–	96,932
At 31 December 2024 and 1 January 2025	**2,315,599**	**223,458**	**(21,691)**	**(871,085)**	**1,646,281**
Loss for the year	**–**	**–**	**–**	**(25,317)**	**(25,317)**
Other comprehensive loss for the year	**–**	**–**	**(9,217)**	**–**	**(9,217)**
Placing of new ordinary shares	**107,147**	**–**	**–**	**–**	**107,147**
Equity-settled share awards	**–**	**27,094**	**–**	**–**	**27,094**
At 31 December 2025	**2,422,746**	**250,552**	**(30,908)**	**(896,402)**	**1,745,988**

In this annual report, the following expressions have the meanings set out below unless the context requires otherwise.

"2020 ESOP Platform"	Wisdom Spring Group Limited
"2020 Share Incentive Plan"	the employee long term incentive plan originally adopted by our Company on January 22, 2020, amended and restated on October 18, 2021 and further amended and restated in its entirety on March 4, 2022
"2023 ESOP Platform"	Wisdom Summer Group Limited
"2023 Share Incentive Plan"	the employee long term incentive plan adopted by our Company on May 24, 2023
"2025 ESOP Platform"	Wisdom Sunshine Limited
"2025 Share Incentive Plan"	the employee long term incentive plan adopted by our Company on June 27, 2025
"AH"	alcoholic hepatitis, a type of alcohol-associated liver disease characterized by acute liver inflammation
"AIC Group"	refers to Dr. Liu, the Founder BVI, Greaty Investment, ZT Global Energy and Orient Champion
"Articles of Association" or "Articles"	the amended and restated articles of association of our Company conditionally adopted on December 11, 2023, and with effect from the Listing Date, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Australia HighTide"	HIGHTIDE BIOPHARMA PTY. LTD., a proprietary company limited by shares registered in Australia on July 15, 2015, and a subsidiary of our Company
"biomarker"	a measurable indicator of a biological state or condition
"Board" or "Board of Directors"	the board of directors of our Company
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"Chairwoman"	the chairwoman of the Board

Definitions

"China", "Mainland China" or "PRC"	People's Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires otherwise, references in this annual report to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"cholestatic liver disease"	a disease characterized by a decrease or blockage in the flow of bile, including primary sclerosing cholangitis and primary biliary cholangitis
"clinical trial/study"	a research study for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"CMC"	chemistry, manufacturing, and controls
"Companies Act" or "Cayman Companies Act"	the Companies Act, Cap. 22 (As Revised) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	HighTide Therapeutics, Inc., a company incorporated under the laws of the Cayman Islands with limited liability on February 28, 2018
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purpose of this annual report, our Core Product refers to HTD1801
"CRO"	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"CVDs"	cardiovascular diseases, conditions affecting the heart or blood vessels
"diabetes"	a complex, chronic metabolic disease characterized by elevated levels of blood glucose, which leads over time to serious damage to the heart, blood vessels, eyes, kidneys, nerves and other organs, comprised of two categories including type 1 diabetes mellitus and type 2 diabetes mellitus

"Director(s)" or "our Director(s)"	the directors of our Company, including all executive, non-executive and independent non-executive Directors
"Dr. Liu"	Dr. LIU Liping (劉利平), the founder, executive Director and chief executive officer of our Company
"ESG"	environmental, social and governance; a collection of corporate performance evaluation criteria that assess the robustness of a company's governance mechanisms and its ability to effectively manage its environmental and social impacts
"Family Trust"	The ABLE XL FAMILY TRUST 2020, an irrevocable discretionary trust settled by Dr. Liu as the settlor pursuant to a trust deed dated December 31, 2020 under the laws of the State of Delaware for her succession planning, and pursuant to the aforesaid trust deed, the beneficiary is any one or more of Dr. Liu's children and more remote issue
"FDA"	the United States Food and Drug Administration
"Founder BVI"	GREAT MANTRA GROUP LIMITED, a limited company incorporated in the BVI on November 24, 2017, one of the members of the AIC Group and wholly-owned by the Family Trust
"FTD"	fast track designation, a designation granted by the FDA of a drug for expedited review to facilitate the development of drugs which treat serious or lifethreatening condition or fill an unmet medical need
"Global Offering"	the offer for subscription of an aggregate of 24,194,000 Shares at offer price of HK$11.50 under the Hong Kong public offering and the international offering of the Company
"Group" or "our Group"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"Hepalink"	Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (深圳市海普瑞藥業集團股份有限公司), a joint stock limited company incorporated under the laws of the PRC, whose A shares are listed on the Shenzhen Stock Exchange (stock code: 002399) and H Shares are listed on the Stock Exchange (stock code: 9989)

Definitions

"HK HighTide"	HighTide Therapeutics (Hong Kong) Limited, a limited company incorporated in Hong Kong on April 9, 2018, a wholly-owned subsidiary of our Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of our Shares on the Main Board
"Listing Date"	December 22, 2023, the date on which dealings in the Shares first commence on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"MASH"	metabolic dysfunction-associated steatohepatitis (formerly known as nonalcoholic steatohepatitis or NASH), an advanced form of MASLD
"MASLD"	metabolic dysfunction-associated steatotic liver disease (formerly known as nonalcoholic fatty liver disease or NAFLD), characterized by the excessive fat accumulation in the liver. At EASL Congress 2023, the multinational liver societies leaders from La Asociación Latinoamericana para el Estudio del Hígado (ALEH), American Association for the Study of Liver Diseases (AASLD), and European Association for the Study of the Liver (EASL) as well as the co-chairs of the MASLD Nomenclature Initiative announced that steatotic liver disease (SLD) was chosen as an overarching term to encompass the various aetiologies of steatosis
"mechanism of action"	the specific biochemical interaction through which a drug substance produces its pharmacological effect
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company conditionally adopted on December 11, 2023 with effect from the Listing Date, as amended from time to time

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MRI-PDFF"	magnetic resonance imaging-derived proton density fat fraction, a noninvasive, quantitative, and accurate measure of liver fat content
"Nanchang Fusion"	Nanchang Fusion Therapeutics, Ltd. (南昌福藥生物技術有限公司), a limited liability company established in the PRC on November 29, 2021, a wholly-owned subsidiary of our Company
"NDA"	new drug application, a process required by an regulatory authority to approve a new drug for sale and marketing
"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局) from 2013 to 2018 and the State Food and Drug Administration (國家食品藥品監督管理局) from 2003 to 2013
"Nomination Committee"	the nomination committee of the Board
"obesity"	abnormal or excessive fat accumulation in the body; defined as an individual having a body mass index over 30 kg/m2 or more
"ODD"	orphan drug designation, a designation granted by the FDA to a drug or biological product which prevents, diagnoses or treats a rare disease or condition, qualifying the sponsors for certain incentives
"Phase I clinical trial"	a study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its efficacy
"Phase II clinical trial"	a study in which a drug is administered to a limited patient population to preliminarily evaluate the efficacy of the product for specific targeted diseases, to identify possible adverse effects and safety risks, and to determine optimal dosage
"placebo"	a medical treatment or preparation with no specific pharmacological activity
"Placing"	placing of new shares under general mandate on July 7, 2025

Definitions

"Placing Announcements"	the announcements of the Company in relation to the Placing dated June 26, 2025 and July 7, 2025
"pre-diabetes"	a condition characterized by elevated blood sugar levels that fall below the threshold to diagnose diabetes
"Pre-IPO Share Incentive Plans"	the 2020 Share Incentive Plan and the 2023 Share Incentive Plan, collectively
"primary endpoint"	the specific key measurement upon which a clinical study is designed to assess the effect of the drugs being investigated
"Prospectus"	the prospectus of the Company dated December 14, 2023
"PSC"	primary sclerosing cholangitis, a life-threatening, multifactorial and rare liver disease characterized by hepatic inflammation, scarring and abnormal liver damage
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended December 31, 2025
"RMB"	the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanghai Fusion"	Shanghai Fusion Therapeutics, Ltd. (上海福藥生物技術有限公司), a limited liability company established in the PRC on May 20, 2021, a wholly-owned subsidiary of our Company
"Shanghai HighTide"	Shanghai HighTide Biopharmaceutical Ltd. (上海君聖泰生物技術有限公司), a limited liability company established in the PRC on March 14, 2014, a whollyowned subsidiary of our Company
"Share(s)" or "Ordinary Share(s)"	ordinary shares in the share capital of our Company with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of our Share(s)
"Shenzhen HighTide"	Shenzhen HighTide Biopharmaceutical Ltd. (深圳君聖泰生物技術有限公司), a limited liability company established in the PRC on November 15, 2011, a wholly-owned subsidiary of our Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing Limited
"subsidiary(ies)"	has the meaning ascribed to it in Section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"T2DM"	type 2 diabetes mellitus, a form of diabetes characterized by high blood sugar, insulin resistance and relative lack of insulin
"TG"	triglycerides, the main constituents of body fat in humans
"U.S. HighTide"	HighTide Therapeutics USA, LLC (formerly known as HighTide Biopharma USA, LLC), a stock corporation incorporated in the State of Maryland, United States on January 24, 2018, and a wholly-owned subsidiary of our Company
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"we", "us" or "our"	the Company or the Group, as the context requires

Five-Year Financial Summary

FINANCIAL HIGHLIGHTS FOR THE LAST FIVE YEARS ENDED DECEMBER 31, 2025

	For the Year ended December 31/As at December 31				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
OPERATING RESULTS					
Other income	**19,007**	67,971	34,214	20,581	13,821
Fair value (losses)/gains on convertible redeemable preferred shares	**–**	–	(522,160)	23,242	(93,656)
Other gains and losses, – net	**(24,954)**	(3,202)	(2,647)	(7,518)	(1)
Research and development costs	**(164,469)**	(363,525)	(311,567)	(182,651)	(84,012)
Administrative expenses	**(59,102)**	(81,229)	(136,670)	(43,433)	(48,064)
Finance costs	**(2,364)**	(1,534)	(400)	(426)	(4,528)
Loss before tax	**(231,882)**	(381,519)	(939,230)	(190,205)	(221,049)
Other comprehensive loss for the year, net of tax	**(7,553)**	6,250	(13,442)	(33,651)	3,735
Total comprehensive loss for the year	**(239,654)**	(375,538)	(952,748)	(223,888)	(217,410)
FINANCIAL POSITION					
Non-current assets	**19,152**	46,560	16,283	4,806	3,450
Current assets	**532,188**	513,371	778,753	851,018	775,182
Total assets	**551,340**	559,931	795,036	855,824	778,632
Liabilities					
Non-current liabilities	**88,386**	25,817	12,451	6,632	1,022,360
Current liabilities	**98,288**	109,946	79,811	1,319,720	28,534
Total liabilities	**186,674**	135,763	92,262	1,326,352	1,050,894
Net assets/(liabilities)	**364,666**	424,168	702,774	(470,528)	(272,262)