创胜医药
TRANSCENTA

Transcenta Holding Limited
創勝集團醫藥有限公司

(registered by way of continuation in the Cayman Islands with limited liability)

Stock Code: 6628

2025 ANNUAL REPORT

CONTENT

Corporate Information

BOARD OF DIRECTORS

Executive Director

Dr. Xueming Qian (錢雪明) *(Chief Executive Officer and Chairman of the Board)*

Non-Executive Director

Dr. Li Xu (徐莉)

Independent Non-Executive Directors

Mr. Jiasong Tang (唐稼松)
Mr. Zhihua Zhang (張志華)
Dr. Kumar Srinivasan
Ms. Helen Wei Chen (陳瑋)

AUDIT COMMITTEE

Mr. Jiasong Tang (唐稼松) *(Chairperson)*
Mr. Zhihua Zhang (張志華)
Dr. Li Xu (徐莉)

REMUNERATION COMMITTEE

Dr. Kumar Srinivasan *(Chairperson)*
Mr. Jiasong Tang (唐稼松)
Mr. Zhihua Zhang (張志華)

NOMINATION COMMITTEE

Mr. Zhihua Zhang (張志華) *(Chairperson)*
Dr. Xueming Qian (錢雪明)
Dr. Kumar Srinivasan
Ms. Helen Wei Chen (陳瑋)

COMPANY SECRETARY

Ms. Leung Kwan Wai (梁君慧)
(Associate of The Chartered Governance Institute, Associate of The Hong Kong Chartered Governance Institute)

AUTHORISED REPRESENTATIVES

Dr. Xueming Qian (錢雪明)
Ms. Leung Kwan Wai (梁君慧)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
35/F One Pacific Place
88 Queensway Admiralty
Hong Kong *(Resigned with effect from November 12, 2025)*

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong *(Appointed with effect from November 12, 2025)*

REGISTERED OFFICE

Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands

HEADQUARTERS

B6-501, 218 Xinghu Street
Biobay
Suzhou 215123
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1928, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Corporate Information

LEGAL ADVISORS

As to Hong Kong law and United States law
Skadden, Arps, Slate, Meagher & Flom
42/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law
Zhong Lun Law Firm
6/10/11/16/17F, Two IFC, 8 Century Avenue
Pudong New Area
Shanghai
PRC

As to Cayman Islands law
Walkers (Hong Kong)
15/F, Alexandra House
18 Chater Road
Central
Hong Kong

COMPLIANCE ADVISOR

Anglo Chinese Corporate Finance, Limited
40th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman, KY1-9008
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Level 10, HSBC Main Building
1 Queen's Road Central
Hong Kong

China Construction Bank, Suzhou Branch
No. 158 Wangdun Road, Wuzhong District
Suzhou City, Jiangsu Province
China

STOCK CODE

6628

COMPANY WEBSITE

http://www.transcenta.com/

CEO's Statement

Dear Shareholders,

In 2025, Transcenta progressed steadily, delivering meaningful progress across both oncology and non-oncology pipelines, advancing our efforts to unlock value from our unique integrated continuous biomanufacturing platform, HiCB, and exercising important discipline in our corporate operations.

For osemitamab, our Claudin18.2-targeting antibody being studied in locally advanced or metastatic gastric/gastroesophageal junction (G/GEJ) cancer, we presented new data from the Phase I/II TranStar102 trial at ASCO and ESMO Asia, demonstrating compelling clinical activity in combination with nivolumab and CAPOX. In the trial, osemitamab delivered a median progression-free survival of 16.6 months, an objective response rate (ORR) of 68%, and a median duration of response (DoR) of 18.0 months among patients with high/medium CLDN18.2 expression. These ORR and DoR efficacy further increased in CLDN18.2 and PDL1 double positive patients. Overall survival did not yet reach at the time of analysis. With regulatory clearances from the U.S. FDA, China CDE, and South Korea MFDS, coupled with newly granted patents in China, Russia, and Hong Kong, osemitamab is positioned to potentially set a new global standard of care in the first-line treatment of G/GEJ cancer. Active discussions with pharmaceutical partners and investors are ongoing to pave the way for the TranStar301 Phase III trial to commence in 2026.

Beyond osemitamab, our next-generation oncology programs – including TST003, TST106, TST198, TST105, TST013, and ozekibart – continued to move forward, underpinned by robust preclinical and clinical data. While in immunology, TST801 and TST808 move decisively toward potential breakthroughs in the treatment of autoimmune diseases. Regulatory advances, such as the FDA's qualification of total hip bone mineral density (BMD) as a surrogate registrational endpoint for clinical trials of post-menopausal women with osteoporosis at high risk for fracture, provide a transformative opportunity to accelerate blosozumab development, potentially enabling faster patient access to life-changing therapies.

We additionally fortified our technology and business development platforms, entering a landmark collaboration and non-exclusive licensing agreement with EirGenix (TWSE: 6589) to expand integrated continuous biomanufacturing and global access to affordable biologics. This agreement, with substantial upfront, milestone, and royalty payments, validates our differentiated production capabilities and positions Transcenta for long-term, sustainable growth.

Complementing these efforts, our first post-IPO capital placement raised approximately HK$59.34 million, providing the financial firepower to accelerate our pipeline and seize emerging opportunities with speed and agility. We also continued to pursue and evaluate strategic funding deals, including NewCo formation, to advance our most promising assets and accelerate value creation. Finally, we streamlined operations, optimized cash flow, and enhanced capital flexibility by renewing and securing new banking facilities to support the most valuable operations and R&D.

Looking ahead, Transcenta is laser-focused on executing its strategic priorities for 2026: 1) laying a solid capital foundation by bringing in minimum of US$100 million cash infusion throughout the current fiscal year via product partnering proceeds, technology out-licensing and equity financing; 2) concentrating research and development efforts on the osemitamab (TST001) and blosozumab (TST002) core pipeline projects, while proactively driving business development and strategic cooperation for other pipeline assets; 3) continuing extensive business development and collaboration initiatives for our HiCB platform; and 4) continuing to enhance operational efficiency, implementing stringent cost control and expense management measures, optimizing resource allocation, and promoting refined operations to ensure the sustainable and healthy development of the business.

CEO's Statement

With an energized team, a robust pipeline, powerful strategic partnerships, and a clear strategic roadmap, Transcenta is uniquely positioned to capture opportunities, redefine patient care, and deliver exceptional long-term value to shareholders worldwide.

Thank you for your continued support.

Dr. Xueming Qian

Founder, Chairman and Chief Executive Officer

Transcenta Holding Limited

Hong Kong

March 30, 2026

Financial Highlights

International Financial Reporting Standards ("IFRS") Measures:

- **Revenue** decreased from RMB11.3 million for the year ended December 31, 2024 to RMB7.4 million for the year ended December 31, 2025, primarily attributable to the decrease in CDMO services.
- **Other income** decreased by RMB8.3 million from RMB23.5 million for the year ended December 31, 2024 to RMB15.2 million for the year ended December 31, 2025, primarily attributable to the decrease in interest income recognized during the year ended December 31, 2025.
- **Other gains and losses** decreased by RMB8.1 million from a loss of RMB20.2 million for the year ended December 31, 2024 to a loss of RMB12.1 million for the year ended December 31, 2025, primarily attributable to decrease in loss on disposal of property, plant and equipment.
- **Research and development expenses** decreased by RMB51.3 million from RMB192.1 million for the year ended December 31, 2024 to RMB140.8 million for the year ended December 31, 2025, primarily attributable to our pipeline advancement and resource prioritization.
- **Administrative and selling expenses** decreased by RMB11.5 million from RMB70.5 million for the year ended December 31, 2024 to RMB59.0 million for the year ended December 31, 2025, primarily attributable to the decrease in personnel cost and office expenses.
- As a result of the above factors, **total comprehensive loss for the year** decreased by RMB96.0 million from RMB294.3 million for the year ended December 31, 2024 to RMB198.3 million for the year ended December 31, 2025, primarily attributable to our pipeline advancement and resource prioritization.

Non-International Financial Reporting Standards ("Non-IFRS") Measures:

- **Revenue** decreased from RMB11.3 million for the year ended December 31, 2024 to RMB7.4 million for the year ended December 31, 2025, primarily attributable to the decrease in CDMO services.
- **Other income** decreased by RMB8.3 million from RMB23.5 million for the year ended December 31, 2024 to RMB15.2 million for the year ended December 31, 2025, primarily attributable to the decrease in interest income recognized during the year ended December 31, 2025.
- **Research and development expenses** excluding the share-based payment expenses decreased by RMB41.9 million from RMB178.1 million for the year ended December 31, 2024 to RMB136.2 million for the year ended December 31, 2025, primarily attributable to our pipeline advancement and resource prioritization.
- **Administrative and selling expenses** excluding the share-based payment expenses decreased by RMB5.1 million from RMB60.5 million for the year ended December 31, 2024 to RMB55.4 million for the year ended December 31, 2025, primarily attributable to decrease in personnel cost.
- **Adjusted loss and total comprehensive loss for the year** excluding share-based payment expenses decreased by RMB80.4 million from RMB270.4 million for the year ended December 31, 2024 to RMB190.0 million for the year ended December 31, 2025, primarily due to decrease in R&D expenses.

Business Highlights

SUMMARY

During the Reporting Period, the Company delivered strong execution across its oncology and non-oncology pipelines, with continued acceleration of clinical development and portfolio advancement.

In oncology, the Company's Claudin18.2-targeting antibody osemitamab (TST001) achieved significant late-stage progress in the treatment of patients with Claudin18.2-expressing locally advanced or metastatic gastric or gastroesophageal junction ("**G/GEJ**") cancer. Updated efficacy analyses from Cohort G of the Phase I/II TranStar102 study, presented at ASCO in June and ESMO Asia in December, further demonstrated the robust clinical activity of osemitamab in combination with nivolumab and CAPOX as the first-line treatment of patients with G/GEJ cancer. Among 26 patients with high/medium CLDN18.2 expression (≥40% ≥2+) and known PD-L1 CPS, the median progression-free survival reached 16.6 months, with an objective response rate of 68% and a median duration of response of 18.0 months, at a median follow-up of 25.8 months. The Company also obtained regulatory clearances from the U.S. Food and Drug Administration (FDA), China Center for Drug Evaluation (CDE), and South Korea Ministry of Food and Drug Safety for the planned global Phase III trial (TranStar301). In addition, patents relating to osemitamab (TST001) were granted by the China National Intellectual Property Administration, the Federal Service for Intellectual Property of the Russian Federation, and the Intellectual Property Department of Hong Kong, further strengthening the intellectual property position of the program.

The Company continued to advance discussions for the development and commercialization of osemitamab (TST001) with multiple global and regional pharmaceutical companies. Several parties are conducting due-diligence reviews and/or proceeding with term-sheet and contract level negotiations covering global and regional collaboration scopes. The Company has also garnered term sheet-level interest from global and regional investment institutions, with which the Company has been in active discussions to secure funding for the asset. Pending the successful completion of these partnerships or funding within the first half of 2026, the Company expects to initiate the TranStar301 Phase III trial within 2026.

Beyond osemitamab (TST001), the Company also made solid progress advancing its early next-generation oncology pipeline, which includes TST003, TST105, TST013, TST198 and ozekibart. Preclinical data for TST105, the humanized anti-FGFR2b antibody-drug conjugate, were presented at the American Association for Cancer Research (AACR) Annual Meeting in April and demonstrated enhanced anti-tumor activity compared with MMAE-based ADCs in gastric and colorectal cancer models, supporting the continued development of the program. Ozekibart, is an anti-DR5 mAb for which the Company holds exclusive rights to develop and commercialize in Greater China. The Company's partner Inhibrx announced positive registrational Phase II data in chondrosarcoma and plans to file a Biologics License Application (BLA) to the FDA in 2026. Given these positive developments, the Company is currently evaluating the most effective and efficient way to advance ozekibart in Greater China.

The Company also continued to expand and advance its non-oncology pipeline, TST801, a bifunctional antibody targeting BAFF and APRIL, and TST808, a second generation long-acting anti-APRIL antibody for autoimmune and kidney diseases. Further, the Company was pleased to learn that the FDA had qualified in December total hip Bone Marrow Density (BMD) as a validated surrogate endpoint to support clinical trials of investigational therapies for post-menopausal women with osteoporosis at risk for fracture, which allows for more efficient clinical trials, potentially enabling faster approval of new osteoporosis treatments and improving patient access. The Company is evaluating how to utilize this positive development to accelerate the clinical development of blosozumab, an anti-sclerostin antibody, in China.

Business Highlights

In parallel, the Company made solid and encouraging progress in partnership discussions relating to the technology transfer of certain proprietary bioprocessing technologies and intellectual property. The Company successfully entered into a strategic collaboration and non-exclusive licensing agreement with EirGenix Inc. ("**EirGenix**") (TWSE: 6589) to advance integrated continuous biomanufacturing and expand global access to affordable biologics. The terms of the agreement include substantial upfront and milestone payments, as well as future royalty payments associated with the commercial use of the licensed technologies, reflecting the long-term value both companies expect to create through this collaboration. This milestone collaboration further strengthens the Company's technology platform, validates its differentiated capabilities, and enhances its long-term growth and value creation potential. The Company continues to pursue additional such collaborations as a means for additive value creation.

During the Reporting Period, the Company also completed its first placement of new shares, coming approximately 4 years after its IPO and raising net proceeds of approximately HK$59.34 million. The proceeds will support accelerated pipeline development and further enhance the Company's financial strength.

CLINICAL PROGRAMS ACHIEVEMENTS

Osemitamab (TST001, A Humanized ADCC Enhanced Claudin18.2 mAb for Solid Tumors)

- In March 2025, the Hong Kong patent for Claudin18.2 was granted to the Company by the Intellectual Property Department of Hong Kong.
- In June 2025, the Company presented encouraging updated results from the Cohort-G of an ongoing Phase II trial of osemitamab (TST001) plus Nivolumab and CAPOX as the first-line treatment for patients with advanced G/GEJ cancer (TranStar102). The findings were showcased in a poster presentation (Abstract #4032) at the 2025 ASCO Annual Meeting in Chicago, IL, U.S. In the 26 patients who have CLDN18.2 expression on at least 40% of the tumor cells with 2+ or 3+ intensity per 14G11 IHC LDT assay and known PDL1 status, the median overall survival (mOS) reached 21.7 months and the median progression-free survival (mPFS) was 16.6 months. The confirmed objective response rate (cORR) was 68% with a median duration of response (mDoR) of 16.5 months in this population.
- In December 2025, the Company presented updated efficacy analysis of Cohort G by CLDN18.2 and PD-L1 expression from the phase I/II Transtar102 trial of osemitamab (TST001) plus nivolumab and CAPOX in first-line Gastric/Gastroesophageal Junction (G/GEJ) cancer at ESMO Asia. With longer follow up, the mDoR of the patients with CLDN18.2 expression ≥40% ≥2+ and PDL1 known patients increased to 18.0 months. The exploratory efficacy analysis showed better progression-free survival outcomes in patients with higher CLDN18.2 expression (≥40% ≥2+) than in those with lower CLDN18.2 expressors <(40%, ≥2+) in both PD-L1 CPS<1 and ≥ 1 subgroups, indicating the potential treatment benefit of osemitamab is consistent regardless of PD-L1 expression. In this CLDN18.2 and PDL1 double-positive population, the ORR and DoR efficacy further increased to 80% and 19.4 months, respectively, and overall survival had not yet been reached at the time of analysis. This new analysis reinforces the encouraging clinical benefit of the osemitamab triple combination regimen in the ongoing study and supports our clinical development strategy in the upcoming TranStar301 Phase III study.

Business Highlights

Companion Diagnostic Test (CDx) Progress for Osemitamab (TST001)

- The Company continued the collaboration with Agilent, a world leader in CDx development. The development of Claudin18.2 companion diagnostics (CDx) has advanced as planned to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment in patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ adenocarcinoma.

RESEARCH/EARLY DEVELOPMENT UPDATE

TST106 (Bispecific ADC Candidate targeting CLDN18.2 positive solid tumors)

- TST106 is a humanized bispecific antibody-based drug conjugate (ADC) targeting CLDN18.2 and an undisclosed tumor antigen expressed in multiple tumor types. CLDN18.2 is a clinically validated tumor antigen in gastric and pancreatic cancers, it is also overexpressed in lung cancer and other solid tumors. Further development toward IND filing is ongoing.

TST198 (A First-in-class Claudin18.2 Targeting RDC)

- TST198 is a first-in-class Claudin18.2 targeting RDC developed using Transcenta's Site-Specific Conjugated Engineered Antibody Radiopharmaceuticals (SEAR) Technology to address unmet needs in solid tumors. RDC offers a potentially differentiated approach to address payload resistance in patients pre-exposed to antibody drug conjugates. The company has obtained desired tumor-specific targeting and promising anti-tumor activity data for the lead RDC in both in vitro and in vivo studies. Further preclinical testing is on-going.

TST786 (A First-in-Class Next Generation Trispecific Antibody Candidate Targeting PD1, VEGF and GREMLIN-1)

- TST786 is a next generation trispecific antibody candidate targeting PD1, VEGF and GREMLIN-1. GREMLIN-1 is a stromal fibroblast derived regulatory protein and contributes to tumor metastasis and has been negatively associated with overall survival. Currently PD1-VEGF bispecifics have shown promising PFS benefits but OS benefit is to be confirmed. The Company's trispecific antibody has the potential to not only improve PFS benefits but also has a high probability to improve OS benefits by blocking tumor metastasis. It is at preclinical stage.
- In 2025, the lead molecule of the Company has been obtained and preclinical testing is ongoing.

TST013 (An ADC Candidate Targeting LIV-1, A Tumor Antigen Overexpressed in Multiple Solid Tumors)

- TST013 is a next generation ADC targeting LIV-1, a clinically validated tumor antigen for breast cancer. LIV-1 is also highly expressed in other solid tumors, including lung cancer, prostate cancer, etc. The ADC molecule features site-specific conjugation of a TOPO-I inhibitor to an in-house humanized antibody that targets a distinct epitope and exhibits prolonged PK. The Company has obtained exciting anti-tumor activity data in in vivo pharmacology studies for the ADC lead molecules and initiated the IND-enabling studies. Compared with the benchmark ADC, TST013 displayed significantly improved anti-tumor activity with a good tolerability profile at clinically relevant doses in animal models.
- The Company has completed in vivo testing of the lead ADC in PDX mouse models for breast cancer, lung cancer and prostate cancer, and initiated the cell line and process development to support IND filing.

Business Highlights

TST105 (A Bispecific ADC Candidate Targeting Biomarker Expressing Gastric Cancer and Other Solid Tumors)

- TST105 is a humanized bispecific antibody-based drug conjugate (ADC) targeting FGFR2b and an undisclosed tumor antigen. FGFR2b is a clinically validated tumor antigen in gastric cancer, it is also overexpressed in lung cancer and other solid tumors. The Company has obtained promising anti-tumor activity data for the lead ADC in in vivo studies. In April 2025, the Company presented the preclinical study results at the AACR Annual Meeting. TST105, with a novel topoisomerase I inhibitor payload utilizing glycosyltransferase mediated site-specific conjugation, demonstrated significantly enhanced anti-tumor activity compared to MMAE-based ADCs in preclinical gastric and colorectal tumor models. The encouraging data presented at AACR underscore the transformative potential of TST105 in treating cancers with FGFR2b overexpression. The Company is committed to advancing this promising candidate into a transformative therapy for patients globally.

TST801 (A Bifunctional Antibody Fusion Protein for Autoimmune Diseases)

- TST801 is a first-in-class bifunctional fusion protein of anti-BAFF antibody and TACI receptor. BAFF and APRIL, two ligands for TACI receptor, are involved in regulating B cell activation and differentiation. Dual targeting of BAFF and APRIL is a validated approach for the treatment of several autoimmune diseases, including Systemic Lupus Erythematosus (SLE), Lupus nephritis (LN), IgA nephropathy (IgAN), generalized myasthenia gravis (gMG), etc. TST801 has the potential of delivering improved efficacy in those diseases as well as other B-cell related autoimmune diseases. We have selected the lead molecule and initiated IND-enabling studies. The Company has completed the evaluation of TST801 versus other competing molecules in a mouse model of human Lupus nephritis (human BAFF overexpressing transgenic mice). TST801 demonstrated best-in-class profile in reducing memory B cells, double stranded DNA (dsDNA), Immunoglobulin A (IgA), Immunoglobulin M (IgM) and Immunoglobulin G (IgG), as well as reducing proteinuria and the kidney damage scores.
- The Company has completed the PK/PD study in non-human primates, and a lead molecule was selected for the process development and IND-enabling studies.

TST808 (A Humanized Long-acting Biparatopic Antibody Neutralizing APRIL, A Validated Key Target Regulating B/Plasma Cell Proliferation and Survival)

- TST808 is a humanized antibody neutralizing APRIL, a validated key target regulating B/plasma cell proliferation and survival. TST808 has improved properties in blocking B cell proliferation and signalling. It was engineered to achieve a longer half-life as well. TST808 has the potential of treating multiple autoimmune renal disorders including IgAN. The Company has obtained lead molecules and initiated IND-enabling studies. TST808 is second generation bi-paratopic antibody and is under preclinical evaluation.
- The Company has completed the PK/PD study in non-human primates, and a lead molecule was selected for the cell line development.

Business Highlights

TST008 (A Bi-specific Antibody for MASP-2 and BAFF for Autoimmune Diseases)

- TST008 is a first-in-class bispecific antibody dual targeting MASP-2 and BAFF. TST008 has both effects on B cell and lectin complement pathway, which provides the potential of delivering better efficacy to disease affected by both pathways, e.g. IgAN, SLE, LN, etc. As at the date of this report, it is at preclinical stage.

BUSINESS DEVELOPMENT ACHIEVEMENTS

- The Company has continued the clinical trial collaboration with BMS for the osemitamab (TST001), checkpoint inhibitor and chemotherapy combination in the TranStar102 trial in China and in the TranStar101 trial in the U.S.
- The Company has advanced the collaboration with Agilent for our Claudin18.2 specific IHC CDx Assay to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy.
- For osemitamab (TST001), the Company is engaged in active discussions with potential partners to support global and regional development and commercialization and has received multiple term sheets and contract level proposals, with negotiations on going.
- The Company is currently in active discussions on partnerships and collaborative opportunities for the Company's pipeline assets to leverage global expertise and resources of potential partners for development and commercialization. The Company is also evaluating strategic deal structures, including the formation of Companies ("**NewCo**") to advance preclinical and clinical-stage assets with external funding, reducing risk for the parent company while enabling focused and efficient asset development, to accelerate time to market and maximize asset value.
- On December 29, 2025, the Company together with its wholly-owned subsidiary, HJB (Hangzhou) Co., Ltd* (杭州奕安濟世生物藥業有限公司) ("**HJB Hangzhou**") (collectively, the "**Licensor**"), entered into strategic collaboration and non-exclusive licensing agreement with EirGenix Inc. (TWSE: 6589), a global biopharmaceutical development and manufacturing company. Under the agreement, the Company has received the upfront payment and is eligible to receive substantial further milestone payments, as well as future royalty payments associated with the commercial use of Transcenta's Highly Intensified Continuous Bioprocessing (HiCB) platform.
- The Company has strengthened the alliance with companies specialized in siRNA drug substance synthesis, providing CDMO services in siRNA formulation development and fill and finish.
- The Company's in-house cell culture media ExcelPro CHO are being evaluated for performance against market standards for fedbatch and perfusion processes by multiple external partners, including several global leading companies of CHO cell culture media business. This provides opportunities for potential collaboration of global commercialization of ExcelPro CHO media.

Business Highlights

CMC & CDMO UPDATES

Platform and technology development

- The Company continued to improve the in-house cell line expression system and is on track to make it available for the development of the internal programs as well as licensing to CDMO clients and industry partners.
- The Company established perfusion media for perfusion process. The Company also established basal and feed media for fed-batch process. Those media are ready for commercialization.
- The Company established ADC and RDC cold conjugation development services. The Company's conjugation process and quality analysis platform empowering development of innovative XDC drugs.

CDMO business

- The Company has expanded its services in siRNA drug product development and increased its exposure to international markets.
- The Company has extended its services to clients in need of drug products in lyophilization dosage form.
- The Company has continued its efforts in engaging new customers for such services.

Management Discussion and Analysis

OVERVIEW

Transcenta is a clinical-stage biopharmaceutical company with fully integrated capabilities across discovery, research, clinical development, and manufacturing, uniquely positioned to advance high-impact biologic innovations with global commercial potential. Supported by a seasoned and international executive leadership team, with particular research and clinical development experience, the Company is building a differentiated pipeline spanning oncology, osteoporosis, kidney disease, and autoimmune disorders.

The Company has established a multi-region development strategy designed to enable efficient global registration and commercialization. The Company's lead asset, osemitamab (TST001), is a best-in-class anti-Claudin18.2 monoclonal antibody currently advancing toward late-stage development. Osemitamab (TST001) has received regulatory clearances from the U.S. FDA, China CDE, and South Korea MFDS to initiate a global Phase III trial evaluating osemitamab (TST001) in combination with a checkpoint inhibitor and chemotherapy as the first-line treatment for Claudin18.2-expressing locally advanced or metastatic gastric and gastroesophageal junction (G/GEJ) adenocarcinomas. To support this pivotal study, the Company has developed a proprietary Claudin18.2 antibody companion diagnostic assay strengthening its precision medicine approach and commercial readiness.

Beyond osemitamab (TST001), the Company's proprietary antibody discovery platform also enables the rapid generation of first-in-class and best-in-class therapeutic candidates, while its comprehensive CMC infrastructure supports seamless advancement from discovery through late-stage clinical development and commercialization. Complementing this, the Company's advanced translational science platform drives biomarker discovery to support precision medicine development, significantly improving clinical success probabilities and accelerating value realization.

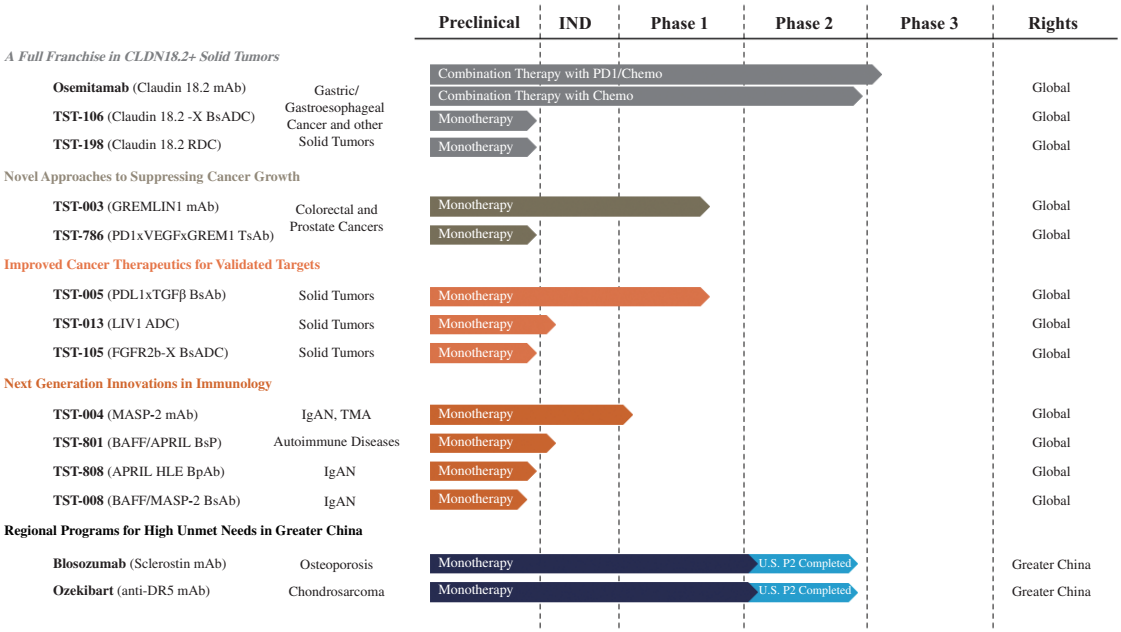
The Company's HiCB™ manufacturing platform delivers high-quality biologics at meaningfully lower production costs, providing a strong competitive advantage in scalability and margins. Leveraging its end-to-end CMC capabilities, the Company also offers select CDMO services to external partners, generating recurring revenue that enhances operational sustainability.

The Company continues to execute its global growth strategy through strategic collaborations with leading international and domestic biopharmaceutical companies and academic institutions, spanning R&D, manufacturing, and commercialization. In parallel, the Company actively explores innovative transaction structures, including NewCo and asset-level partnerships, to accelerate market entry, optimize capital efficiency, and maximize asset value. Together, these initiatives strengthen global rights management, enhance financial resilience, and expand long-term commercial opportunities across its pipeline.

Management Discussion and Analysis

Our Product Pipeline

The Company has established a diversified and differentiated pipeline of more than one dozen molecules in oncology, bone disorders, autoimmune diseases, nephrology, and other disorders. All but one of its antibody candidates were generated in-house by its antibody discovery platform covering validated, partially validated, and novel biological pathways; one pipeline candidate, blosozumab (TST002), was acquired through in-licensing. The following chart summarizes the drug candidates that are currently under development globally across various therapeutic areas as of the date of this report:



Source: Company

Abbreviations: PD-L1=Programmed death-ligand 1; TGFβ=Transforming growth factor beta; MASP-2=Mannan-binding lectin serine protease 2; IND=Investigational new drug; FIC=First-in-class; HPV=Human Papillomavirus; NSCLC=Non-small cell lung cancer; SLE=Systemic lupus erythematosus; LN=Lupus nephritis; TMA=Thrombotic microangiopathy; IgA nephropathy=Immunoglobulin A nephropathy; Mono=Monotherapy; Combo=Combination; Chemo=Chemotherapy; DR5=Death Receptor 5.

(1) Solid tumors in the "Indications" column include all tumor types other than hematologic malignancies. The particular tumor types as indications for each product depends on the mechanism of action of the corresponding drug candidate and emerging or established preclinical/clinical evidence. See the subsections headed "Clinical Development Plan" for each of our drug candidates in "Business" section of the Prospectus for the specific tumor types targeted for clinical development.

(2) Global in the "Clinical trial region" column represents Asia (including China), North America, South America, Europe and Oceania.

Management Discussion and Analysis

BUSINESS REVIEW

The Company has established a diversified and differentiated pipeline of more than one dozen molecules in oncology, bone disorders, nephrology and other disorders. In particular, the Company is proud to have developed its four best-in-class molecules, TST001, TST002, TST004, and TST808, and its six first-in-class molecules, TST106, TST198, TST003, TST786, TST801, and TST008. During 2025, the Company made significant progress with its pipeline assets in both oncology and non-oncology therapeutic areas and achieved multiple clinical and preclinical milestones that are listed as follows:

Oncology Program

The Company's oncology pipeline includes multiple innovative and differentiated biologic molecules targeting major cancer pathways. Several drug candidates, including osemitamab (TST001), TST003, and TST013, are designed to achieve anti-tumor activities with different mechanisms that are potentially synergistic with each other for indications of high unmet medical needs. The Company's key oncology candidates include:

- Osemitamab (TST001), the Company's lead asset, is a potential best-in-class and differentiated antibody targeting Claudin18.2, a validated tumor associated antigen in several solid tumors, including but not limited to gastric and gastroesophageal junction cancer, pancreatic cancer and lung cancer. Approvals to launch a global Phase III registration trial (TranStar301) to develop osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment for Claudin18.2 expressing G/GEJ adenocarcinomas have been received from the U.S. FDA, China CDE and South Korea MFDS. Further explorations include peri-operative G/GEJ adenocarcinoma and other Claudin18.2 expressing tumors in addition to G/GEJ cancer.
- TST106 is a humanized bispecific antibody-based drug conjugate (ADC) targeting CLDN18.2 and an undisclosed tumor antigen expressed in multiple tumor types. The bispecific antibody is designed to force the antibody to only bind to dual expressing tumor cells but not to CLDN18.2 expressing normal gastric epithelial cells and thus improve safety and efficacy in the targeting population.
- TST198 is a first-in-class Claudin18.2 targeting RDC optimized with specific tumor targeting to address unmet needs in CLDN18.2 expressing solid tumors.
- TST003 is a first-in-class humanized monoclonal antibody targeting GREMLIN-1. It blocks GREM1 signaling in the tumor microenvironment resulting in inhibition of tumor cell differentiation, growth and metastasis. It is currently being explored in solid tumors including CRC, CRPC etc.
- TST786 is a first-in-class next generation trispecific antibody candidate targeting PD1, VEGF and GREMLIN-1.
- TST013 is a next generation ADC targeting LIV-1, a clinically validated target antigen. It is at the preclinical stage with potential targeting breast cancer and other tumor types.
- TST105 is a bispecific ADC candidate targeting FGFR2b and an undisclosed tumor antigen. It is at preclinical stage for biomarker expressing gastric cancer, lung cancer and other solid tumors.

The Company's broad portfolio also offers opportunities to cover additional unmet medical needs through combinations. For example, TST003 is highly synergistic with osemitamab (TST001) in pre-clinical studies. Therefore, proprietary combinations of TST003 with in-house anti-CLDN18.2 agents (ie. osemitamab, TST106 and TST198) may offer competitive advantage in treating CLDN18.2 expressing solid tumors.

Management Discussion and Analysis

Osemitamab (TST001) (A Humanized ADCC-enhanced anti-Claudin 18.2 mAb for Solid Tumors)

Osemitamab (TST001), the Company's lead asset, is a potential best-in-class and ADCC enhanced humanized antibody specifically targeting Claudin18.2 with high-affinity. Claudin18.2 is overexpressed in multiple tumor types, including G/GEJ cancer, pancreatic ductal adenocarcinoma (PDAC) and lung cancer. The Company's strategy is to lead the next wave of innovation by developing osemitamab (TST001) combination with the latest standard of care (i.e., chemotherapy + checkpoint inhibitor), delivering more effective treatment to patients with Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC and lung cancer.

In the first-line Claudin18.2 positive G/GEJ cancer, the combination of Claudin18.2 targeting antibody with chemotherapy has been validated by a competing molecule as an effective treatment option in two global Phase III trials. The competing molecule benefits around 38% of G/GEJ cancer, based on the data in its clinical trials. Osemitamab (TST001) is a second generation Claudin18.2 targeting antibody designed to have more potent anti-tumor activities than the competing molecule. It has higher binding affinity and more potent ADCC (antibody-dependent cellular cytotoxicity) than the competing molecule. Transcenta's preliminary clinical data indicated that osemitamab (TST001) had the potential to benefit a broader patient population (~55% of G/GEJ cancer). The Company's strategy in the first-line advanced or metastatic G/GEJ cancer is to offer patients the best-in-class next wave innovation with osemitamab (TST001) in combination with a checkpoint inhibitor and chemotherapy for patients with a Claudin18.2 expressing G/GEJ cancer.

The Company has made significant progress in 2025 in advancing the clinical development for osemitamab (TST001), which includes:

Recent Product Developments and Milestones

- In March 2025, the Hong Kong patent for Claudin18.2 was granted to the Company by the Intellectual Property Department of Hong Kong.
- In June 2025, the Company presented encouraging updated results from the Cohort-G of an ongoing Phase II trial of osemitamab (TST001) plus Nivolumab and CAPOX as the first-line treatment for patients with advanced G/GEJ cancer (TranStar102). The findings were showcased in a poster presentation (Abstract #4032) at the 2025 ASCO Annual Meeting in Chicago, IL, U.S. In the 26 patients who have CLDN18.2 expression on at least 40% of the tumor cells with 2+ or 3+ intensity per 14G11 IHC LDT assay and PDL1 known, the median overall survival (mOS) reached 21.7 months and the median progression-free survival (mPFS) was 16.6 months. The confirmed objective response rate (cORR) was 68% with a median duration of response (mDoR) of 16.5 months in this population.
- In December 2025, the Company presented updated efficacy analysis of Cohort G by CLDN18.2 and PD-L1 expression from the phase I/II Transtar102 trial of osemitamab (TST001) plus nivolumab and CAPOX in first-line Gastric/Gastroesophageal Junction (G/GEJ) cancer at ESMO Asia. The exploratory efficacy analysis indicates that better progression-free survival outcomes in patients with higher CLDN18.2 expression compared to lower CLDN18.2 expressors in both PD-L1 CPS<1 and ≥ 1 subgroups, which indicated the potential treatment benefit of osemitamab (TST001) is consistent regardless of PD-L1 expression. In this CLDN18.2 and PDL1 double-positive population, the ORR and DoR efficacy further increased to 80% and 19.4 months, respectively, and overall survival had not yet been reached at the time of analysis. This new analysis reinforces the encouraging clinical benefit of the osemitamab (TST001) triple combination regimen in the ongoing study.

Management Discussion and Analysis

CDx Progress for Osemitamab (TST001)

Recent Product Developments and Milestones

- The Company continued the collaboration with Agilent, a world leader in CDx development. The development of Claudin18.2 companion diagnostics (CDx) has advanced as planned to support the TranStar301 global Phase III pivotal trial of osemitamab (TST001) in combination with checkpoint inhibitor and chemotherapy as the first-line treatment in patients with Claudin18.2 expressing locally advanced or metastatic G/GEJ adenocarcinoma.

TST003 (A First-in-Class Humanized Anti-GREMLIN-1 Antibody)

TST003 is a first-in-class and high affinity humanized monoclonal antibody targeting GREMLIN-1, a regulatory protein that is highly expressed by stromal cells and tumor cells in diverse human carcinomas, especially in colon cancer, prostate cancer, gastric cancer, lung cancer, esophageal cancer, pancreatic ductal adenocarcinoma and breast cancer. It is currently tested in a global FIH trial at multiple clinical centers in the U.S. and China. Dose escalation as monotherapy has been completed. TST003 has demonstrated good safety and tolerability, and dose proportional PK profiles were observed.

TST106 (Bispecific ADC Candidate targeting CLDN18.2 positive solid tumors)

- TST106 is a humanized bispecific antibody-based drug conjugate (ADC) targeting CLDN18.2 and an undisclosed tumor antigen expressed in multiple tumor types. CLDN18.2 is a clinically validated tumor antigen in gastric and pancreatic cancers, it is also overexpressed in lung cancer and other solid tumors. Further development towards IND filing is ongoing.

TST198 (A First-in-class Claudin18.2 Targeting RDC)

- TST198 is a first-in-class Claudin18.2 targeting RDC optimized with specific tumor targeting to address unmet needs in solid tumors. RDC offers a potential differentiated approach to address payload resistance in patients pre-exposed to antibody drug conjugates. The company has obtained desired tumor specific targeting and promising anti-tumor activity data for the lead RDC in both in vitro and in vivo studies. Further preclinical testing is on-going.

TST786 (A First-in-Class Next Generation Trispecific Antibody Candidate Targeting PD1, VEGF and GREMLIN-1)

TST786 is a next generation trispecific antibody candidate targeting PD1, VEGF and GREMLIN-1. GREMLIN-1 is a stromal fibroblast regulatory protein and contributes to metastasis and has been negatively associated with overall survival. Currently PD1-VEGF bispecifics have shown promising PFS benefits but OS benefit is to be confirmed. The Company's trispecific ab has the potential to not only improve PFS benefits but also has a high probability to improve OS benefits by blocking tumor metastasis. It is at the preclinical stage.

Management Discussion and Analysis

Recent Product Developments and Milestones

- In 2025, the lead molecule of the Company has been obtained and preclinical testing is ongoing.

TST013 (An ADC Candidate Targeting LIV-1, A Tumor Antigen Overexpressed in Multiple Solid Tumors)

TST013 is a next generation ADC targeting LIV-1, a clinically validated tumor antigen for breast cancer. LIV-1 is also highly expressed in other solid tumors including lung cancer, prostate cancer, etc. The ADC molecule features site-specific conjugation of a TOPO-I inhibitor to an in-house humanized antibody that targets a distinct epitope and exhibits prolonged PK. The Company has obtained exciting anti-tumor activity data in in vivo pharmacology study for the ADC lead molecules. Compared with the benchmark ADC, TST013 displayed significantly improved anti-tumor activity with a good tolerability profile at clinically relevant doses in animal models. As at the date of this report, it is at preclinical stage. The Company has also observed significant preclinical activities in lung cancer.

Recent Product Developments and Milestones

- The Company has completed in vivo testing of the lead ADC in PDX mouse models for breast cancer, lung cancer and prostate cancer, and initiated the cell line and process development.

TST105 (A Bispecific ADC Candidate Targeting Biomarker Expressing Gastric Cancer and Other Solid Tumors)

TST105 is a humanized bispecific antibody-based drug conjugate (ADC) targeting FGFR2b and an undisclosed tumor antigen. FGFR2b is a validated tumor antigen in gastric cancer, and it is also expressed in lung cancer and other solid tumors. The Company is currently developing the bispecific ADC to improve therapeutic window. As at the date of this report, it is at preclinical stage.

Recent Product Developments and Milestones

- In April 2025, the Company presented the preclinical study results of TST105 at the AACR Annual Meeting. TST105, with a novel topoisomerase I inhibitor payload utilizing glycosyltransferase mediated site-specific conjugation, demonstrated significantly enhanced anti-tumor activity compared to MMAE-based ADCs in preclinical gastric and colorectal tumor models. The encouraging data presented at AACR underscore the transformative potential of TST105 in treating cancers with high FGFR2b overexpression. The Company is committed to translating this promising candidate into a transformative therapy for patients globally.

Non-oncology Program

The Company's highly differentiated non-oncology pipelines target bone, kidney and autoimmune diseases (blosozumab (TST002), TST004, TST008, TST801, and TST808) that have large patient population and high unmet medical needs. The Company has focused on indication expansion with huge market potentials and aim to form partnerships to accelerate product development.

The Company has been developing blosozumab (TST002), a Phase II stage agent targeting bone disorders as a lead asset. To further expand its current pipeline in autoimmune diseases, the Company is developing TST801, a first-in-class bi-functional antibody. This molecule also has the potential for the treatment of IgA nephropathy and other autoimmune diseases, such as SLE, a progressive disease affecting over three million people worldwide with early onset (age 18-44) and limited treatment options to slow down or stop the organ damages caused by the disease.

Management Discussion and Analysis

Blosozumab (TST002) (A Humanized Sclerostin mAb for Osteoporosis)

Blosozumab (TST002), is a humanized monoclonal antibody with neutralizing activity against sclerostin for which the Company inlicensed the Greater China rights from Eli Lilly. Eli Lilly had completed Phase II trial with blosozumab in postmenopausal women in the United States and Japan. The data had shown that blosozumab can induce significant dose-dependent increases in spine, femoral neck, and total hip bone mineral density (BMD) as compared with placebo. In these studies, in the highest dose group, blosozumab treatment increased mean BMD by 17.7% at the spine, and 6.2% at the total hip from baseline after 12 months. The Company obtained encouraging data from 32 Chinese patients treated with a single dose of blosozumab (TST002) and followed for 85 days, including safety, bone formation and resorption markers and BMD data. After a single dose of blosozumab (TST002) up to 1,200 mg, the increase of lumbar spine BMD at day 85 (D85) ranged from 3.52% to 6.20% and total hip BMD from 1.30% to 2.24% across dose cohorts. The safety, efficacy and PK/PD results of this study are consistent with the clinical data in the U.S. patients. The Company has received Phase II CTP from CDE.

TST004 (A Humanized MASP-2 mAb Candidate for IgAN)

TST004, is a humanized mAb targeting mannan-binding lectin serine protease 2 (MASP-2) designed to prevent inflammation and tissue damage mediated by lectin pathway complement activation. It could be potentially applied to multiple MASP-2-dependent complement mediated diseases, including IgAN, a highly prevalent chronic kidney disease globally. As at the date of this report, it is at the Phase I stage.

TST801 (A Bifunctional Antibody Fusion Protein for Autoimmune Diseases)

TST801 is a first-in-class bifunctional fusion protein of anti-BAFF antibody and TACI receptor. BAFF and APRIL, two ligands for TACI receptor, are involved in regulating B cell activation and differentiation. Dual targeting of BAFF and APRIL is a validated approach for the treatment of several autoimmune diseases including SLE, LN, IgAN, gMG, pSS, etc. TST801 has the potential of delivering better efficacy for the treatment of those diseases and potentially other B-cell related autoimmune diseases. The Company has selected the lead molecule and initiated IND-enabling studies. The Company has completed the evaluation of TST801 versus other competing molecules in a mouse model of human Lupus nephritis (human BAFF overexpressing transgenic mice). TST801 demonstrated best-in-class profile in reducing memory B cells, and dsDNA, IgA, IgM and IgG as well as reducing proteinuria and kidney damage scores. As at the date of this report, it is at preclinical stage.

Recent Product Developments and Milestones

- The Company has completed the PK/PD study in non-human primates, and the final lead molecule was selected for the process development and IND-enabling studies.

TST808 (A Humanized Antibody Neutralizing APRIL, A Validated Key Target Regulating B/plasma Cell Proliferation and Survival)

TST808 is a humanized antibody neutralizing APRIL, a validated key target regulating B/plasma cell proliferation and survival. TST808 has improved properties in blocking B cell proliferation and signalling. It was engineered to achieve a longer half-life as well. TST808 has the potential to treat multiple autoimmune renal disorders including IgAN. The Company has obtained the lead molecules and initiated IND-enabling studies. The Company has engineered a second generation bi-paratopic antibody which is under preclinical evaluation. As at the date of this report, it is at preclinical stage.

Management Discussion and Analysis

Recent Product Developments and Milestones

- The Company has completed the PK/PD study in non-human primates, and the final lead molecule was selected for the cell line development.

TST008 (A Bi-specific Antibody for MASP-2 and BAFF for Autoimmune Diseases)

TST008 is a first-in-class bispecific antibody dual targeting MASP-2 and BAFF. TST008 has both effects on B cell and lectin complement pathway, which provides the potential of delivering better efficacy to disease affected by both pathways, e.g. IgAN, SLE, LN, etc. As at the date of this report, it is at preclinical stage.

Cautionary Statement required by Rule 18A.08(3) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"): The Company cannot guarantee that it will be able to develop, or ultimately market, any of the above drug candidates successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

Research and Early Development Efforts

The Company is optimising its follow-on pipeline molecules using existing technology. The Company is also employing new technologies to explore new targets to enrich its pipeline by developing the next generation of molecules and treatment modalities. Additionally, the Company is developing antibody based targeted radioligand therapy by leveraging its antibody engineering and conjugation technologies for improving tumor tissue specific targeting and therapeutic index. This approach could offer a new modality for multiple targets and address potential limitations of ADC due to payload resistance.

Strategic Partnership to Advance Pipeline

Partnerships and collaborations are the key for maximizing the clinical and commercial potential of our assets. We have established clinical trial collaboration with BMS for osemitamab (TST001), in-licensed blosozumab (TST002) rights in the Greater China with Eli Lilly & Company, and are codeveloping TST004 in China with Alebund Pharmaceuticals. Additionally, we have established multiple research collaborations with an MNC and several companies with different ADC platforms. We also established multiple translational research collaborations with prominent academic institutions including Dana-Farber Cancer Institute and John Hopkins University.

Details of our existing partnerships are shown below.

Osemitamab (TST001)

The Company aims to develop osemitamab (TST001) as the global cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC, and lung cancer.

In 2022, the Company established a global clinical trial collaboration with Bristol Meyers Squibb (BMS) to evaluate the combination of osemitamab (TST001) with Opdivo® (nivolumab), a global approved anti-PD-1 therapy in the first-line G/GEJ cancer, for the treatment of patients with unresectable locally advanced or metastatic Claudin18.2 expressing G/GEJ cancer. The Company has continued the clinical trial collaboration with BMS.

Management Discussion and Analysis

The Company has been discussing with multiple MNCs and other strategic collaborators on the potential global collaboration of osemitamab (TST001) for Claudin18.2 positive gastric cancer and other solid tumors. With validation of Claudin18.2 target by competing molecule in G/GEJ cancer, the Company believes osemitamab (TST001) will offer a more efficacious treatment for a broader patient population with Claudin18.2 positive G/GEJ cancer through the triple combination, that is, the combination of osemitamab (TST001), the targeted therapy, with the checkpoint inhibitor, and the standard chemotherapy. The global Phase III trial (TranStar301) is designed to generate clinical evidence to support global regulatory approvals.

The Company has advanced its collaboration with Agilent for its Claudin18.2 specific CDx Assay, which is ready to be used for patient selection in our global Phase III study (TranStar301).

The Company is actively engaged in discussion with potential global partners to support development and commercialization and has received multiple term sheets and contract level proposals, with negotiations on going.

Blosozumab (TST002)

In 2019, the Company entered an exclusive and royalty bearing license agreement with Eli Lilly for LY-2541546 (blosozumab), LY-3108653 and LY-2950913 (each a "**Licensed Compound**"). The Company gained exclusive rights to develop, use or commercialize and manufacture the Licensed Compound in the Greater China regions including the PRC, Hong Kong, Macau and Taiwan.

The Company completed technology transfer, established manufacturing process for blosozumab (TST002), and GMP production for clinical use and all the additional pre-clinical studies required for IND application in China. The Company received IND Clearance from CDE for a Phase II study to validate efficacy and tolerability, and to generate necessary clinical data to support a Phase III study.

The Company has been actively discussing with multiple domestic pharmaceutical companies for the potential collaboration on the development and commercialization of blosozumab (TST002) in the Greater China. The Company is encouraged by the FDA's qualification of total hip bone mineral density (BMD) as a surrogate endpoint in osteoporosis clinical trials and is evaluating how to leverage this regulatory development to accelerate the clinical development of blosozumab in China.

TST004

The Company collaborates with Shanghai Alebund Pharmaceuticals Limited ("**Alebund Pharmaceuticals**") after establishing an equity joint venture registered under the law of PRC in 2020 to carry out pre-clinical research and conduct clinical trials in the Greater China region. Currently, the Company has completed GMP material productions, *in vitro/in vivo* product characterization studies, non-GLP tox studies, GLP tox studies and pharmacology studies.

IND clearance has been obtained from FDA. The Company is in discussions for potential global collaboration with multiple companies including MNCs on TST004.

Management Discussion and Analysis

Translational Research Collaborations

The Company also entered multiple research collaborations with prominent academic institutions around the world, including the Dana-Farber Cancer Institute of Harvard Medical School, John Hopkins University, Beijing Cancer Hospital, Shanghai Pulmonary Hospital, Zhongshan Hospital, Zhongshan University, and Shanghai Jiao Tong University. The research collaborations covered osemitamab (TST001), TST003 and TST005.

The Company also established strategic collaborations with multiple technology platform companies to explore different modalities for innovative targets, including multiple ADC platforms. These research collaborations further enhanced our global leading position in Claudin18.2 targeted combination therapies and strengthened our oncology programs.

Technology Partnership, and CMC & CDMO Updated

- On December 29, 2025, the Company together with its wholly-owned subsidiary, HJB (Hangzhou) Co., Ltd* (杭州奕安濟世生物藥業有限公司) ("**HJB Hangzhou**") (collectively, the "**Licensor**"), entered into strategic collaboration and non-exclusive licensing agreement with EirGenix Inc. (TWSE: 6589), a global biopharmaceutical development and manufacturing company. Under the agreement, the Company has received the upfront payment and is eligible to receive substantial further milestone payments, as well as future royalty payments associated with the commercial use of Transcenta's Highly Intensified Continuous Bioprocessing (HiCB) platform.
- The Company's in-house cell culture media ExcelPro CHO are being evaluated for performance against market standards for fedbatch and perfusion processes by multiple external partners including several global leading companies of CHO cell culture media business. This provides opportunities for potential collaboration of global commercialization of ExcelPro CHO media.
- The Company has strengthened its alliance with companies specialized in siRNA drug substance synthesis, providing CDMO services in siRNA formulation development and F&F.

Management Discussion and Analysis

Platform and Technology Development Advancement

The Company has made significant investment and progress in protein expression system, cell culture media development, bioprocessing technology, analytical technology, and expanding its capabilities into ADC and lyophilization drug product development.

- The Company continued to improve our in-house cell line expression system and are on track to make it available for the development of the internal programs as well as licensing to CDMO clients and industry partners.
- The Company established perfusion media for perfusion process, it also established basal and feed media for fed-batch process. Those media are ready for commercialization.

CDMO Business

- The Company established perfusion media for perfusion process, it also established basal and feed media for fed-batch process. Those media are ready for commercialization.
- The Company has completed CMC packages in support of clients' IND filings. The Company has expanded its services in siRNA drug product development and increased its exposure to international markets. The Company is supporting siRNA projects in formulation development and drug product fill finish as well as analytical methods development.
- The Company has expanded its services for clients who need drug products in lyophilization dosage form.
- The Company has continued its efforts and engaged new customers for such services.

EVENTS AFTER THE REPORTING PERIOD

- The Company received RMB10 million before withholding tax upfront payment of technology out-licensing of HiCB;
- The Company received RMB43 million new credit line and withdrew new bank loan of RMB13 million;
- The Company is in the contract negotiation for investment proposal from a major strategic investor;
- The Company is in contract negotiation for a product out-licensing partnership;
- The Company has received a new term sheet for a China rights partnership for a major product candidate;
- The Company presented its RDC technology platform, which enables the use of engineered antibody as ligand for RDC development, at the 2026 XDC Conference.

Management Discussion and Analysis

FUTURE OUTLOOK

Looking forward, the Company will advance its development in accordance with four core strategic initiatives to foster sustainable growth and long-term value creation, with clear objectives and actionable plans for the current year as follows:

- The Company is actively working to secure a minimum of US$100 million in financing throughout the current fiscal year, laying a solid capital foundation for the implementation of its strategic plans and sustained operational development.
- The Company will continue extensive business development and technology collaboration initiatives, leveraging strategic partnerships to broaden financing channels and attract additional funding to support its innovative development and business expansion.
- The Company will concentrate its research and development efforts on the osemitamab (TST001) and blosozumab (TST002) core pipeline projects, while proactively driving business development and strategic cooperation for other pipeline assets to accelerate the advancement and value realization of all pipeline programs.
- The Company will continue to prioritize enhancing operational efficiency, implementing stringent cost control and expense management measures, optimizing resource allocation, and promoting refined operations to ensure the sustainable and healthy development of the business.

The Company expects to advance multiple key pipeline molecule programs and continue to strive to establish collaboration on its leading assets as well as other pipeline molecules. The Company also plans to further advance its technology platform and enhance its out-licensing for new source of revenue. A detailed breakdown of expected developments for the year 2026 is as follows:

Clinical Developments

Osemitamab (TST001)

- The Company plans to continue to advance its global pivotal trial (TranStar301) of osemitamab (TST001) for first-line G/GEJ cancer patients with Claudin18.2 overexpression. The Company anticipates to initiate TranStar301 Phase III trial in 2026.
- The Company will continue exploring several Claudin18.2 expressing advanced solid tumors other than G/GEJ cancer, as well as early-stage G/GEJ cancer.
- The Company plans to submit the manuscript of study TST001-1002 to the target journal.

Blosozumab (TST002)

- The Company plans to initiate Phase IIb study to enable dose selection for pivotal trial.

Management Discussion and Analysis

TST003

- The Company will continue the TST003 Phase I trial to obtain safety, pharmacokinetic and pharmacodynamic data.
- The Company will expand the sample size to conduct exploratory studies in colorectal cancer (CRC) and castration resistant prostate cancer (CRPC).

The Company continued to focus on forming partnerships and leveraging external resources for further development of earlier stage assets including TST198, TST786, TST013, TST106, TST801 and TST808.

Potential Partnerships

- The Company expects that the potential collaboration with potential partners will move its lead asset osemitamab (TST001) into a global Phase III trial in the first line CLDN18.2 positive G/GEJ cancer, the critical first step in establishing osemitamab (TST001) as the cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC and lung cancer.
- The Company will continue partnership discussions for our clinical assets blosozumab (TST002), TST003, TST004, and pre-clinical assets including oncology assets TST198, TST106 and TST013, as well as non-oncology assets TST008, TST801 and TST808 to maximize the value of the assets.
- The Company expects to secure additional technology licensing deals for its HiCB technology platform.

CMC and Technology Developments

- The Company aims to strengthen its marketing initiatives for the HiCB continuous technology platform, cell culture media products, and development services to attract industry partners for technology licensing and media business collaborations.
- The Company plans to fully develop in-house cell line expression system and be ready for internal programs and out-licensing to industry partners.
- The Company will continue to strengthen RNA drug product development and manufacture ability.
- The Company will continue to strengthen and expand BD activities globally to increase select service contracts from both China and U.S. clients.
- The Company plans to increase its competitiveness by improving operational efficiency, reducing cost, improving quality, expanding new capabilities.

The Company is accelerating the advancement of its pipeline while actively pursuing high-impact strategic collaborations to further strengthen its global development capabilities. By continuously enhancing its products and technology platforms, the Company is driving greater operational efficiency and meaningful cost optimization. Anchored by a strong global vision and strategy, the Company is well positioned to unlock the full potential of its portfolio and deliver sustained, long-term value growth.

Management Discussion and Analysis

Outlook Beyond 2026

The Company plans to continue expanding and advancing its pipeline while actively exploring strategic partnerships to accelerate global development and maximize the commercial value of our assets. At the same time, the Company will continue to generate sustainable profits from our business, supported by its leading technology, high quality standards, and cost efficiency. Guided by a global vision from the outset, the Company remains committed to enhancing patient benefits and creating additional value across its product portfolio. The Company believes these efforts will unlock the full potential of its portfolio and deliver long-term value for its shareholders, customers, and patients.

FINANCIAL REVIEW

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue	**7,435**	11,261
Cost of sales	**(5,714)**	(7,258)
Gross profit	**1,721**	4,003
Other income	**15,248**	23,499
Other gains and losses, net	**(12,063)**	(20,238)
Research and development expenses	**(140,821)**	(192,055)
Administrative and selling expenses	**(58,990)**	(70,513)
Impairment losses under expected credit loss model	**(2,643)**	(11,831)
Impairment losses/(reversal of impairment losses) on contract costs	**32**	(10,155)
Finance costs	**(6,481)**	(13,283)
Share of profit of a joint venture	**22**	31
Loss before tax	**(203,975)**	(290,542)
Income tax credit	**250**	250
Loss for the year	**(203,725)**	(290,292)
Other comprehensive income/(loss) for the year		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of a foreign operation	**5,456**	(4,030)
Total comprehensive loss for the year	**(198,269)**	(294,322)
Non-IFRS measure[Note 1]:		
Add: Adjusted for share-based compensation expenses	**8,262**	23,931
Adjusted loss and total comprehensive loss for the year	**(190,007)**	(270,391)

1 See section below headed "FINANCIAL INFORMATION – Non-IFRS Measure" for the details of the non-IFRS measure adjustments.

Management Discussion and Analysis

Selected Data from Statement of Financial Position

AS AT DECEMBER 31, 2025

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Non-current assets	**870,165**	920,783
Current assets	**54,668**	279,494
Total assets	**924,833**	1,200,277
Current liabilities	**214,414**	342,507
Non-current liabilities	**92,326**	106,134
Total liabilities	**306,740**	448,641
Net current liabilities	**(159,746)**	(63,013)

1. Revenue

The Group provides CDMO services and research and development services. CDMO services stands as an integrated platform to support the development of manufacturing processes and the production of advanced intermediates and active pharmaceutical ingredients and formulation development and dosage drug product manufacturing, for preclinical, clinical trials, new drug application, and commercial supply of chemical drugs as well as wide spectrum development from early to late stage. The research and development services are mainly for investigational new drug enabling studies based on customers' needs.

The Group primarily earns revenues by providing CDMO services and research and development services to its customers through fee-for-service ("**FFS**") contracts. Contract duration is generally a few months to five years. Under FFS method, the contracts usually have multiple deliverable units, which are generally in the form of technical laboratory reports and/or samples, each with individual selling price specified within the contract. The Group identifies each deliverable unit as a separate performance obligation, and recognizes FFS revenue of contractual elements at the point in time upon finalization, delivery and acceptance of the deliverable units.

The Group's service contracts normally include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits ranging from 10% to 50% of total contract sum as part of its credit risk management policies. This will give rise to contract liabilities at the start of a contract until the deliverable units have been delivered and accepted by customers. The typical credit term is 30 to 90 days upon meeting specified delivery milestones.

Management Discussion and Analysis

Disaggregated revenue information:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
CDMO services	**6,376**	9,024
Research and development services	**1,059**	2,237
	7,435	11,261

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31, 2025 and the expected timing of recognising revenue are as follows:

	CDMO services	**Research and development services**
	RMB'000	RMB'000
Within one year	2,867	1,187
More than one year	1,466	33,019
	4,333	34,206

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31, 2024 and the expected timing of recognising revenue are as follows:

	CDMO services	**Research and development services**
	RMB'000	RMB'000
Within one year	4,457	–
More than one year	853	–
	5,310	–

Management Discussion and Analysis

2. Other Income

Other income consists of bank interest income and government grants. The grants related to income were granted by the PRC local government authorities to group entities as incentives for the Group's research and development activities, and were recognised in profit or loss upon the compliance of the Group with the conditions attached to the grants and the government acknowledged acceptance. The grants related to assets were released to the profit or loss over the expected useful lives of the relevant asset by equal annual instalments.

For the year ended December 31, 2025, other income of our Group decrease by RMB8.3 million from RMB23.5 million for the year ended December 31, 2024 to RMB15.2 million. The decrease was primarily due to the decrease in interest income we recognized during the year ended December 31, 2025.

3. Other Gains and Losses, Net

Our other net gains and losses decreased from losses of RMB20.2 million for the year ended December 31, 2024 to losses of RMB12.1 million for the Reporting Period. The changes were primarily due to decrease in loss on disposal of property, plant and equipment.

4. Research and Development Expenses

Research and development expenses primarily consist of pre-clinical expenses including testing fee and pre-clinical trial expenses, staff cost for our research and development personnel, clinical expenses including testing fee and clinical trial expenses, materials consumed for research and development of our drug candidates, depreciation and amortization expenses and others. The research and development expenses decreased by 26.7% from RMB192.1 million for the year ended December 31, 2024 to RMB140.8 million for the year ended December 31, 2025, primarily due to our key pipeline advancement and resource reprioritization.

As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB14.1 million, which represented only a small portion of the Group's annual research and development expenses for the year. The Group acknowledges that such cash resources alone would not be sufficient to support the full scope of its historical research and development activities. In response, the Group has adopted a more focused and capital-efficient R&D operating model, together with active funding initiatives.

Under this approach, the Group has prioritized internal funding and execution resources toward its core pipeline programs, namely osemitamab (TST001) and blosozumab (TST002), which are the Group's principal near- to medium-term value drivers. Key clinical, regulatory and CMC activities for these programs have been preserved and prioritized.

For other pipeline assets, the Group has adopted a more selective development approach, including pacing certain internal activities, prioritizing value-inflection studies, and actively pursuing external partnerships, out-licensing, co-development arrangements and other strategic structures, including NewCo opportunities, to advance such programs with reduced reliance on the Group's own capital.

In parallel, the Group is actively pursuing funding initiatives consistent with the strategy described in the CEO's Statement, including product partnering, technology out-licensing and equity financing, with the objective of securing additional capital to support its core R&D programs and operations. Together with ongoing cost control and resource optimization measures, the Group believes this approach better aligns its R&D activities with its current financial position while preserving the value of its broader pipeline.

Management Discussion and Analysis

The following table sets forth the components of the Group's research and development expenses for the year indicated.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Contracting costs	**27,736**	42,487
Staff costs	**61,797**	94,196
Materials consumed	**2,935**	1,028
Depreciation and amortization expenses	**38,984**	41,707
Others	**9,369**	12,637
Total	**140,821**	192,055

5. Administrative and Selling Expenses

Our administrative and selling expenses decreased by 16.3% from RMB70.5 million for the year ended December 31, 2024 to RMB59.0 million for the year ended December 31, 2025, primarily due to the decrease in personnel cost and office expenses.

Our administrative and selling expenses primarily consist of personnel cost, travel, depreciation and amortization and others. Our administrative expenses consist primarily of salaries and related benefits costs for our administrative personnel, professional fees for services provided by professional institutions, depreciation and amortization expenses, office expenses for our daily operation, traveling and transportation expenses, and others.

The following table sets forth the components of the Group's selling and administrative expenses for the year indicated.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and related benefits costs	**26,762**	32,996
Professional fees	**17,065**	15,209
Depreciation and amortization expenses	**4,567**	6,874
Office expenses	**6,858**	9,758
Traveling and transportation expenses	**1,301**	1,738
Others	**2,437**	3,938
	58,990	70,513

Management Discussion and Analysis

6. *Trade and other receivables*

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Trade receivables	**31,851**	31,376
Less: Allowance for credit losses	**(15,674)**	(13,031)
Trade receivables, net of allowance for credit losses	**16,177**	18,345
Interest receivables	**–**	3,949
Prepayments for:		
Research and development services	**2,467**	4,570
Legal and professional services	**1,912**	1,830
Purchase of raw materials	**293**	1,128
	4,672	7,528
Other receivables		
Refundable rental deposits	**496**	1,419
Others	**204**	595
Less: Allowance for credit losses	**–**	(275)
Others, net of allowance for credit losses	**700**	1,739
	21,549	31,561
Analyzed as:		
Non-current	**181**	454
Current	**21,368**	31,107
	21,549	31,561

The Group normally grants a credit period of 30-90 days or a particular period agreed with customers effective from the date when the services have been completed and accepted by customers.

Management Discussion and Analysis

7. Trade and other payables

	At December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables	**67,068**	83,143
Accrued research and development expenses	**18,591**	11,558
Other payables:		
Purchase of property, plant and equipment	**5,989**	10,698
Legal and professional fee	**6,247**	2,149
Others	**1,182**	691
Loans from a related party	**2,021**	–
Interest payables	**95**	187
Other tax payables	**1,348**	1,418
Accrued staff costs and benefits	**4,074**	4,085
	106,615	113,929

The average credit period on purchases of goods and services of the Group is 30-90 days.

OTHER COMPREHENSIVE INCOME/(LOSS)

Our other comprehensive income/(loss) increased from the loss of RMB4.0 million in the year ended December 31, 2024 to the income of RMB5.5 million in the year ended December 31, 2025.

Management Discussion and Analysis

NON-IFRS MEASURE

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS Accounting Standards, the Company also uses adjusted loss and total comprehensive loss for the year and other adjusted figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS Accounting Standards. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS Accounting Standards. The Company's presentation of such adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this and other non-IFRS measures are reflections of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparisons of operating performance from year to year and company to company to the extent applicable.

Adjusted loss and total comprehensive loss for the period represents the loss and total comprehensive loss for the period excluding the effect of share-based compensation loss. The table below sets forth a reconciliation of the loss and total comprehensive loss to adjusted loss and total comprehensive loss during the periods indicated:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Total comprehensive loss for the year:	**(198,269)**	(294,322)
Add:		
Share-based compensation loss	**8,262**	23,931
Sub-total	**8,262**	23,931
Adjusted loss and total comprehensive loss for the year	**(190,007)**	(270,391)

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

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

	Number of employees	% of total number of employees
Research and Development	69	44.51
General and Administrative	40	25.81
Manufacturing	46	29.68
Total	**155**	**100.00**

The Group believes in the importance of attraction, recruitment and retention of quality employees in achieving the Group's success. Our success depends on our ability to attract, retain and motivate qualified personnel. The number of employees employed by the Group varies from time to time depending on our needs. Employees' remuneration is determined in accordance with prevailing industry practice and employees' educational background, experience and performance. The remuneration policy and package of the Group's employees are periodically reviewed.

Our employee remuneration comprises salaries, bonuses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees. The total employee benefit expenses for the twelve months ended December 31, 2025 was RMB16,742,000.

The Company also has one expired share scheme with awards outstanding and one existing share scheme, namely the Pre-IPO Equity Incentive Plan and the Share Incentive Scheme, respectively. Please refer to the section headed "Appendix IV Statutory and General Information – D. Share Schemes" in the prospectus of the Company dated September 14, 2021 (the "**Prospectus**") for further details of the Pre-IPO Equity Incentive Plan and the circular published by the Company on October 16, 2022 for further details of the Share Incentive Scheme.

During the Reporting Period, the Group did not experience any significant labour disputes or any difficulty in recruiting employees.

Management Discussion and Analysis

Liquidity and Financial Resources

On September 29, 2021, 40,330,000 ordinary shares of US$0.0001 par value each were issued at HK$16.00 per share for a total gross cash consideration of HK$645,280,000 (equivalent to RMB536,034,000).

On 17 September, 2025, the Company completed the placing of an aggregate of 14,400,000 new Shares (representing approximately 3.20% of the enlarged total number of Shares in issue (excluding treasury Shares) upon the completion of the Placing) under the terms and subject to the conditions set out in the placing agreement (the "**Placing**"), with an aggregate nominal value of US$1,440.00. The placing price for the Placing was HK$4.33 per Share. After deducting all applicable costs and expenses, the net price per Share was approximately HK$4.12. The placees were not fewer than six persons who were professional, institutional or other investors. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the placees and their respective ultimate beneficial owners are independent third parties. None of the placees became a substantial shareholder of the Company (as defined in the Listing Rules) as a result of the Placing. The closing price on the date of terms of the placing agreement were fixed on 9 September, 2025 was HK$5.33 per Share. The gross proceeds from the Placing and the net proceeds from the Placing (after deducting all applicable costs and expenses, including commission and levies) amounted to approximately HK$62.35 million and approximately HK$59.34 million, respectively. For details of the use of proceeds, please refer to the section headed "USE OF NET PROCEEDS" in this report.

As of December 31, 2025, bank balances and cash and pledged/restricted bank deposits were RMB14.4 million, as compared to RMB227.4 million as of December 31, 2024. The decrease was mainly due to the cash outflows of operating activities.

GEARING RATIO

The gearing ratio of the Group was calculated using interest-bearing borrowings less cash and bank balances divided by (deficiency of) total equity and multiplied by 100%. The gearing ratio is 15.11% as at December 31, 2025, as compared to 0.76% as of December 31, 2024.

Management Discussion and Analysis

OTHER FINANCIAL INFORMATION

Significant Investments, Material Acquisitions and Disposals

The Group did not make any significant investments (including any investment in an investee company with a value of five percent or more of the Group's total assets as at December 31, 2025) during the Reporting Period. The Group did not have any material acquisitions or disposals of subsidiaries, associated companies or joint ventures for the year ended December 31, 2025.

Foreign Exchange Risk

The functional currency of the Company is Renminbi. During the Reporting Period, certain bank balances and cash, trade and other receivables, amounts due from related parties, trade and other payables, financial instruments and financial liabilities at fair value through profit or loss are denominated in U.S. dollars, which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Bank Loans and Other Borrowings

As at December 31, 2025, we have no borrowings secured by time deposits.

As at December 31, 2024, borrowings amounting to RMB42,000,000 were secured by pledged bank deposits of RMB50,000,000.

We had an aggregate of RMB91,240,000 borrowings with fixed interest rates as at December 31, 2025.

Contingent Liabilities

As at December 31, 2025, the Group did not have any material contingent liabilities.

Funding and Treasury Policy

The Group adopts a prudent funding and treasury policy, the management team and the Board monitor and evaluate the financial conditions and liquidity from time to time and on a regular basis, to ensure the Group's assets, liabilities and commitments can meet the funding requirements.

Management Discussion and Analysis

Going concern issues and updates on mitigation plans and measures taken in resolving the Disclaimer of Opinion

Going concern issues

The independent auditor of the Company, Ernst & Young (the "**Independent Auditor**"), has issued a disclaimer of opinion ("**Disclaimer of Opinion**") in respect of its audit of the consolidated financial statements for the year ended December 31, 2025 (the "**Consolidated Financial Statements**"), details of which are set out in the sections headed "Basis for Disclaimer of Opinion" and "Disclaimer of Opinion" respectively in the Independent Auditor's Report, and extracted below in the paragraphs headed "Extract of Independent Auditor's Report".

Since the publication of the Company's annual report for the year ended December 31, 2024 (the "**2024 Annual Report**"), the Group has been undertaking a number of measures and actions, as well as following up on existing ones to mitigate its liquidity pressure and improve its financial position, for which updates on the implementation progress, status and expected outcome were disclosed in the announcements of the Company dated July 11, 2025, 22 October, 2025 and 22 January, 2026 (the "**Progress Updates**").

The Management's assessment on the Disclaimer of Opinion

The management of the Group has given careful consideration to the Disclaimer of Opinion and the basis thereof and has had continuous discussions with the Independent Auditor during the preparation of the Consolidated Financial Statements. The management of the Group understands that the Disclaimer of Opinion relates solely to the validity of going concern assumption, on which the Consolidated Financial Statements have been prepared. The management of the Group has prepared the Group's cash flow projection, which covers a period of not less than twelve months from December 31, 2025 (the "**Cashflow Projection**") and has given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, has been proactively following through on the plans as disclosed in the 2024 Annual Report and the Progress Updates.

The Directors' view on the Disclaimer of Opinion

The Directors, having perused the information prepared by the management, including but not limited to the Cashflow Projection, the Progress Update, and taking into account the management's report on the latest progress thereto and plans going forward, have (on the basis that such latest plans and measures (as set forth below) are effectively implemented as planned) come to the view that the Group will have sufficient financial resources to finance its operations and meet its financial obligations when they fall due within twelve months from the date of approval of the Consolidated Financial Statements. Accordingly, the Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Save for the matters disclosed herein, the Directors are not aware of any other events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, and thus it is appropriate for the Consolidated Financial Statements to be prepared on a going concern basis.

Management Discussion and Analysis

Updates on the latest plans and measures taken or to be taken

A summary of the latest plans and measures taken or to be taken to support such going concern assumptions, which have been considered, recommended and agreed by the audit committee of the Company (the "**Audit Committee**") after its critical review of the management's position for the year ended December 31, 2025 is set forth as follows:

(i) Engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing out" and/or "co-development plans"

The Group continued to advance discussions for the development and commercialization of its lead asset osemitamab with multiple global and regional pharmaceutical companies. Several parties are conducting due-diligence reviews and/or proceeding with term-sheet and contract level negotiations covering global and regional collaboration scopes. The Company has also garnered term-sheet and contract level interest from global and regional investment institutions, with which the Company has been in active discussions to secure funding for the asset. The Company expects to complete negotiations regarding one or more of these term sheets and contracts within the first half of 2026 and initiate the Phase 3 within 2026.

(ii) Pursuing out-licensing or fund raising to support further development of other pipelines

The Group continued to be in active discussions with potential partners and investors concerning its other pipeline programs, including among others TST003, TST013, TST198, blosozumab, TST801, TST808 and ozekibart, as part of the Group's broader and ongoing pipeline activities. Progress has been made toward potential global or regional licensing or joint-development arrangements for several of these assets, and multiple parties have been conducting due-diligence reviews. The Group also continued to engage in discussions on the formation of NewCos to attract dedicated external capital to advance selected portfolios.

(iii) Engaging in discussions and negotiations with various parties for capital fundings

The Group continued to take a systematic approach to and make progress on diversified financing channels and instruments. Since the last update, the Group has made significant progress with the strategic investment term sheets received. Active negotiations with institutional investors and financial intermediaries are ongoing to further strengthen the Group's balance sheet and fund key R&D programs. Since the last update announcement in January, the Company has engaged with several strategic investors and progressed discussions to the contracting stage with an indicative fundraising target of up to US$100 million by year-end, subject to market conditions and customary approvals.

Management Discussion and Analysis

(iv) Exploring non-exclusive, royalty-bearing proprietary technology platform out-licensing opportunities

On December 29, 2025, the Company announced it had entered into a strategic collaboration and non-exclusive licensing agreement with EirGenix Inc., a global biopharmaceutical development and manufacturing company, to grant a non-exclusive license to use its Highly Intensified Continuous Bioprocessing (HiCB) platform, including highly productive continuous perfusion and integrated hybrid continuous purification process technologies, along with comprehensive process documentation, know-how, and regulatory support packages. The Company has since received the upfront payment and is eligible to receive further milestone payments, as well as future royalty payments associated with the commercial use of the licensed technologies.

In addition, the Group has been continuing its parallel discussions with other biotechnology and contract manufacturing companies interested in evaluating or licensing its proprietary technology platform including continuous-manufacturing technologies.

(v) Exploring global partnerships in perfusion and fed batch culture media supply, as well as other co-development and licensing opportunities

The Group has broadened its collaborations with global and regional cell-culture-media suppliers through multiple material-transfer and evaluation agreements. These initiatives are intended to generate recurring CHO cell culture medium technology license-associated sales revenue streams and deepen strategic relationships within the global supply chain.

(vi) Negotiating with various banks to renew and extend existing bank borrowings, and secure new bank facilities

The Group has maintained positive relationships with its banking partners to support the renewal and extension of key loan facilities. The Group continued to make progress in securing additional credit lines to provide continued support for day-to-day operations and R&D expenditures. Discussions with other financial institutions for further financing facilities have also progressed, with a financial leasing secured.

(vii) Negotiating with suppliers to extend repayment dates of the overdue payables

The Group has also continued its constructive dialogue with major suppliers. Further payment extensions and revised schedules have been agreed upon, improving short-term cash flow flexibility while ensuring uninterrupted operations.

(viii) Prospecting and engaging new contract development and manufacturing (CDMO) customers

The Group's CDMO business continued to gain traction, adding new domestic and potentially international clients across various CDMO service models. This is supported by the Group's integrated capabilities in process development and manufacturing, as well as lead discovery, optimization and clinical development. In particular, continuous bioprocessing is gaining momentum, and more and more companies are exploring continuous bioprocessing for complicated molecules in development. Several new customer contracts are under final negotiation, demonstrating growing market recognition of the Group's integrated development and manufacturing capabilities.

Management Discussion and Analysis

(ix) Implementing initiatives to align its resources more effectively and efficiently with strategic objectives

The Group has continued efforts in streamlining its organization and prioritizing investment in programs with the highest partnering and commercial potential. The across-the-board savings in labor, R&D and operating expenses reflect disciplined cost management and enhanced operating efficiency. These actions have meaningfully supported the extension of the Group's cash runway.

Potential impact of the Disclaimer of Opinion on the Group's financial position

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying amounts of the Group's assets to their realisation amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group. The possible effects on the consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER OF OPINION

The Audit Committee has reviewed the facts and circumstances leading to the Disclaimer of Opinion, discussed with the Auditor and the management of the Company on matters and the basis for the Disclaimer of Opinion, and taken into account the Directors' views thereto and the latest plans and measures undertaken (and continue to focus on) by the Group to support the going concern assumptions used in preparation of the Consolidated Financial Statements. After careful analysis and prudent assessment of the aforementioned plans and measures (if effectively implemented) in mitigating the liquidity burden, optimising the Group's operations and improving its financial position, the Audit Committee concurs with the Directors' assessment and the basis for forming such a view with respect to adopting going concern assumptions in the preparation of the Consolidated Financial Statements.

ANNUAL GENERAL MEETING

The annual general meeting is scheduled to be held on Friday, June 5, 2026. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

Report of Directors

The Board of the Company is pleased to present this report of Directors 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 Director:

Dr. Xueming Qian (錢雪明) *(Chief Executive Officer and Chairman of the Board)*

Non-Executive Director:

Dr. Li Xu (徐莉)

Independent Non-Executive Directors:

Mr. Jiasong Tang (唐稼松)

Mr. Zhihua Zhang (張志華)

Dr. Kumar Srinivasan

Ms. Helen Wei Chen (陳瑋)

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 73 to 76 of this annual report.

GENERAL INFORMATION

The Company was incorporated in the British Virgin Island on August 20, 2010, and continued in the Cayman Islands as an exempted company with limited liability on March 26, 2021. The shares of the Company were listed on the Main Board of the Stock Exchange on September 29, 2021.

PRINCIPAL ACTIVITIES

We are a clinical stage biopharmaceutical company that integrates the capacities of discovery, research, development, manufacturing and business development. Our management team and the key operations, including clinical development, regulatory access and business development are based both in China and the United States, whereas our discovery, research and development, process development and manufacturing teams are based in China.

Analysis of the principal activities of the Group during the Reporting Period is set out in note 5 to the consolidated financial statements.

Report of Directors

RESULTS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 104 of this annual report.

BUSINESS REVIEW

A business review of the Group, as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of the Company's business, a description of the principal risks and uncertainties facing the Company, particulars of important events affecting the Company that have occurred since the end of the financial year, an indication of likely future development in the Group's business and an analysis of the Group's financial performance, is set out in the "Business review" and "Management Discussion and Analysis" on pages 13 to 40 of this annual report. All the review, discussions and analysis mentioned above form part of this report of Directors.

An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company and on which the Company's success depends is set out in the "Environmental, Social and Governance Report", which will be published at the same time as the publication of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

In accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Guide contained in Appendix C2 of the Listing Rules applicable to the financial year ended December 31, 2025, the Company's environmental, social and governance report will be available on our website and the website of the Stock Exchange at the same time as the publication of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

Our business involves certain risks as set out in the section headed "Risk factors" in the Prospectus. The following list is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control.

- its ability to successfully identify new drug candidates, complete clinical development, obtain regulatory approval and commercialize its drug candidates;
- all material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated;
- time-consuming and evolving regulatory approval processes of the NMPA, FDA, EMA or other comparable regulatory authorities for its drug candidates;
- the market size of its drug candidates and its ability to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success;

Report of Directors

- intense competition and rapid technological change;
- clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results;
- its relationship with third parties that conduct its pre-clinical studies and clinical trials and the ability of these third parties to successfully carry out their contractual duties or meet expected deadlines;
- its ability to obtain sufficient funding or generate sufficient revenue to continue the development of all programs; and
- its ability to obtain and maintain patent and other intellectual property protection for its drug candidates.

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.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

MAJOR CUSTOMERS AND SUPPLIERS

The Group recognizes the importance of maintaining a good relationship with its stakeholders, including Shareholders, employees, suppliers, business partners are key to the Group success. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Major Customers

During the Reporting Period, the Group derived its revenues from (i) provision of CDMO services; and (ii) research and development services. For the Reporting Period, revenue generated from the five largest customers in the aggregate accounted for approximately 74.24% (2024: 73.32%) of the Group's total revenue and revenue generated from the Group's largest customer for the Reporting Period accounted for approximately 31.81% (2024: 24.95%) of the Group's total revenue amount for the same year.

The children of Dr. Xueming Qian, the Director of the Company, are beneficiaries of Success Voyager Trust, which holds 100% equity interest in Westlake Biologics, the third largest customer of the Company during the Reporting Period. Westlake Biologics is focused on companion pet product and has no competition or conflict with the Company's business. Save as disclosed above, 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 shares (excluding treasury shares), has any interest in any of the Group's five largest customers.

Report of Directors

Major Suppliers

We procure raw materials and equipment for the development and manufacturing of our drug candidates from industry-leading, highly reputable manufacturers and suppliers around the world. We also procure properties and construction related services for the construction of our manufacturing facilities. In addition, we use contract research organizations, or CROs, and consultants to manage, conduct and support our clinical trials and pre-clinical studies in China and the United States.

During the Reporting Period, purchases from the Group's five largest suppliers in the aggregate accounted for approximately 33.65% (2024: 25.10%) of the Group's total purchases in the same year. Purchases from the Group's largest supplier for the Reporting Period accounted for approximately 8.76% (2024: 12.96%) of the Group's total purchases 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 shares (excluding treasury shares), has any interest in any of the Group's five largest suppliers.

During the Reporting Period, the Group did not experience any significant disputes with its customers or suppliers.

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 179 of this annual report. This summary does not form part of the audited consolidated financial statements.

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

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

SUBSIDIARIES

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

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 15 to the consolidated financial statements.

Report of Directors

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital and the treasury shares of the Company for the Reporting Period are set out in note 28 to the consolidated financial statements.

DEBENTURE ISSUED

The Group did not issue any debenture during the Reporting Period.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Equity Plans" in this annual report, no equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

DIVIDEND

The Board does not recommend the distribution of a final dividend for the Reporting Period. No dividend was paid or declared by the Company or other members of the Group during the Reporting Period.

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the Reporting Period. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

DISTRIBUTABLE RESERVES

As at December 31, 2025, Company's distributable reserves were RMB1,050.67 million.

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity on page 107 and in note 37 to the consolidated financial statements, respectively.

BORROWINGS

Particulars of bank loans and other borrowings of the Group as at December 31, 2025 are set out in the section headed "Management Discussion and Analysis" in this annual report and note 25 to the consolidated financial statements.

Report of Directors

DIRECTORS' SERVICE CONTRACTS

Dr. Xueming Qian has entered into an executive employment agreement with the Company for an initial term of three years from the date of appointment and (subject to re-election as and when required under the Articles of Association) be automatically renewed for successive periods of three years until terminated in accordance with the terms and conditions of the agreement.

Dr. Li Xu has entered into a service agreement with the Company for the appointment as a non-executive director for an initial term of three years commencing on August 28, 2024 and (subject to re-election as and when required under the Articles of Association) be automatically renewed for successive periods of three years until terminated in accordance with the terms and conditions of the service contract or by either party terminating the agreement by giving not less than three months' written notice.

Mr. Jiasong Tang and Mr. Zhihua Zhang have signed appointment letters with the Company for an initial term of three years from the Listing Date and has been renewed for a period of three years from the date immediately following September 13, 2024, which (subject to re-election as and when required under the Articles of Association) may be terminated by giving not less than three months' written notice.

Dr. Kumar Srinivasan has signed an appointment letter with the Company for an initial term of three years from December 19, 2022 and has been renewed for a period of three years from the date immediately following December 18, 2025, which (subject to re-election as and when required under the Articles of Association) may be terminated by giving not less than three months' written notice.

Ms. Helen Wei Chen has signed an appointment letter with the Company for an initial term of three years from August 23, 2023 and (subject to re-election as and when required under the Articles of Association) may be terminated by giving not less than three months' written notice.

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the note 33 to the consolidated financial statements, 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 during or at the end of the year ended December 31, 2025.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

The Company has no Controlling Shareholders during 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 Reporting Period.

Report of Directors

DIRECTORS' AND CHIEF EXECUTIVES' 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 and short positions of the Directors or chief executives of our Company in any of the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which will be required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules were as follows:

Name of Director	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[1]	Long position/ Short position
Dr. Xueming Qian	Beneficial owner[2], Founder and beneficiary of discretionary trust, Interest in controlled corporation[3]	38,030,000	8.41%	Long position
Mr. Jiasong Tang	Beneficial owner[4]	60,000	0.01%	Long position
Mr. Zhihua Zhang	Beneficial owner[5]	60,000	0.01%	Long position
Dr. Kumar Srinivasan	Beneficial owner[6]	30,000	0.01%	Long position
Ms. Helen Wei Chen	Beneficial owner[7]	30,000	0.01%	Long position
Dr. Li Xu	Beneficial owner[8]	4,461,501	0.99%	Long position

Notes:

1. The calculation is based on the total number of 452,408,999 Shares in issue as at December 31, 2025.
2. Includes 6,469,634 Shares Dr. Xueming Qian (the "**Dr. Qian**") holds in his name, and Dr. Qian's entitlement to receive up to 4,041,024 and 4,277,188 Shares pursuant to the share options and share awards granted to him, respectively.
3. Includes 23,242,154 Shares held by Qian Dynasty Irrevocable Trust. With regards to the Qian Dynasty Irrevocable Trust, the beneficiaries are Dr. Xueming Qian and his children and their descendants, the investment advisor is Dr. Qian and the trustee is HSBC Trust Company (Delaware) National Association.
4. Includes 30,000 Shares Mr. Jiasong Tang holds in his name, and Mr. Tang's entitlement to receive up to 30,000 Shares pursuant to the share awards granted to him.
5. Includes 30,000 Shares Mr. Zhihua Zhang holds in his name, and Mr. Zhang's entitlement to receive up to 30,000 Shares pursuant to the share awards granted to him.

Report of Directors

6. Includes 20,000 Shares Dr. Kumar Srinivasan holds in his name, and Dr. Srinivasan's entitlement to receive up to 10,000 Shares pursuant to the share awards granted to him.

7. Includes 20,000 Shares Ms. Helen Wei Chen holds in her name, and Ms. Chen's entitlement to receive up to 10,000 Shares pursuant to the share awards granted to her.

8. Includes 1,339,525 Shares Dr. Xu holds in her name, and Dr. Xu's entitlement to receive up to 3,091,976 and 30,000 Shares pursuant to the share options and share awards granted to her, respectively.

Save as disclosed above, as at December 31, 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

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

As at December 31, 2025, so far as the Directors or chief executives are aware, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to our 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 ordinary shares	Approximate percentage of holding[1]	Long position/ Short position/ Lending pool
Dr. Xueming Qian[2]	Beneficial owner; founder and beneficiary of discretionary trust; interest in controlled corporation	38,030,000	8.41%	Long position
HSBC Trust Company (Delaware) National Association[2]	Trustee of discretionary trust	45,653,530	10.09%	Long position
Yi Shi[3]	Interest in controlled corporation	70,536,703	15.59%	Long position
LAV Asset Management (Hong Kong) Limited[3]	Investment manager	70,536,703	15.59%	Long position
LAV Corporate GP, Ltd.[3]	Interest in controlled corporation	50,566,136	11.18%	Long position
LAV GP III, L.P.[3]	Interest in controlled corporation	50,566,136	11.18%	Long position
LAV Biosciences Fund III, L.P.[3]	Beneficial owner; interest in controlled corporation	33,710,963	7.45%	Long position
LAV Vitality Limited[3]	Beneficial owner	22,388,232	4.95%	Long position
Temasek Holdings (Private) Limited[4]	Interest in controlled corporation	28,086,380	6.21%	Long position
Fullerton Management Pte Ltd[4]	Interest in controlled corporation	26,021,880	5.75%	Long position
Temasek Life Sciences Private Limited[4]	Interest in controlled corporation	26,021,880	5.75%	Long position

Report of Directors

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[1]	Long position/ Short position/ Lending pool
TLS Beta Pte. Ltd.[4]	Beneficial owner	26,021,880	5.75%	Long position
China Structural Reform Fund Corporation Limited (中國國有企業結構調整基金股份有限公司)[5]	Beneficial owner; interest in controlled corporation	39,421,012	8.71%	Long position

Notes:

1. The calculation is based on the total number of 452,408,999 Shares in issue as at December 31, 2025.

2. Dr. Qian is an executive Director and chief executive officer of our Company.

   This includes 6,469,634 Shares Dr. Qian holds in his name, 23,242,154 Shares held by Qian Dynasty Irrevocable Trust; and Dr. Qian's entitlement to receive up to (i) 4,041,024 Shares pursuant to the share options granted to him under the Share Incentive Scheme; (ii) 4,277,188 Shares pursuant to the share awards granted to him under the Share Incentive Scheme. With regards to the Success Voyager Trust, the beneficiaries are Dr. Qian's children, the trustee is Trident Trust Company (South Dakota) Inc. With regards to the Qian Dynasty Irrevocable Trust, the beneficiaries are Dr. Xueming Qian and his children and their descendants, the investment advisor is Dr. Qian and the trustee is HSBC Trust Company (Delaware) National Association.

3. LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. are Cayman Islands exempted partnership funds. The general partner of LAV Biosciences Fund III, L.P. and Lilly Asia Ventures Fund III, L.P. are LAV GP III, L.P., whose general partner is LAV Corporate GP, Ltd., a Cayman exempted company wholly owned by Yi Shi. Both LAV Vitality Limited (beneficial owner of 22,388,232 Shares) and LAV Altitude Limited (beneficial owner of 10,276,020 Shares) are limited companies incorporated in the British Virgin Islands and are wholly-owned by LAV Biosciences Fund III, L.P. LAV Biosciences Fund III, L.P. also holds 1,046,711 Shares in its own name. Both LAV Verdure Limited (beneficial owner of 11,194,116 Shares) and LAV Acuity Limited (beneficial owner of 5,138,010 Shares) are limited companies incorporated in the British Virgin Islands and are wholly-owned by Lilly Asia Ventures Fund III, L.P.. Lilly Asia Ventures Fund III, L.P. also holds 523,047 Shares in its own name.

   LAV Biosciences Fund V, L.P. is a Cayman Islands exempted partnership fund. The general partner of LAV Biosciences Fund V, L.P. is LAV GP V, L.P., whose general partner is LAV Corporate V GP, Ltd., a Cayman exempted company wholly owned by Yi Shi. LAV Biosciences Fund V, L.P. holds 16,667,067 Shares in its own name and wholly-owns LAV Amber Limited, which is the beneficial owner of 3,303,500 Shares.

   Therefore, Yi Shi is deemed to be interested in the Shares held by LAV Biosciences Fund III, L.P., LAV Vitality Limited, LAV Altitude Limited, Lilly Asia Ventures Fund III, L.P., LAV Verdure Limited, LAV Acuity Limited, LAV Biosciences Fund V, L.P. and LAV Amber Limited.

Report of Directors

4. TLS Beta Pte. Ltd. is a company incorporated in Singapore, which is a direct wholly-owned subsidiary of Temasek Life Sciences Private Limited. Temasek Life Sciences Private Limited is a direct wholly-owned subsidiary of Fullerton Management Pte Ltd, which in turn is a direct wholly-owned subsidiary of Temasek Holdings (Private) Limited. Aranda Investments Pte. Ltd. (beneficial owner of 2,064,500 Shares) is a company incorporated in Singapore and an indirectly wholly owned subsidiary of Temasek Holdings (Private) Limited.

5. China Structural Reform Fund Corporation Limited (中國國有企業結構調整基金股份有限公司) is a company incorporated in the PRC and (i) wholly-owns EverestLu Holding Limited (永祿控股有限公司), which is a limited company incorporated in Hong Kong and the beneficial owner of 16,076,988 Shares, and (ii) is interested in approximately 75.8% of China Merchant Buyout Fund (深圳國調招商併購股權投資基金合夥企業(有限合夥)) in its capacity as a limited partner, which is the beneficial owner of 10,954,024 Shares.

Save as disclosed above, as at December 31, 2025, no persons other than the Directors or chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations" above had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our 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 under section 336 of the SFO.

EQUITY PLANS

The Company has one terminated share scheme (terminated on May 31, 2023) with awards outstanding and one existing share scheme, namely the Pre-IPO Equity Incentive Plan and the Share Incentive Scheme, respectively. Please refer to the section headed "Appendix IV Statutory and General Information – D. Share Schemes" in the Prospectus for further details on the principal terms of the Pre-IPO Equity Incentive Plan and the circular published by the Company on October 16, 2022 for further details on the principal terms of the Share Incentive Scheme.

5,766,000 new Shares, representing approximately 1.3% of the weighted average of issued shares (excluding treasury shares) of the Company, may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Pre-IPO Equity Incentive Plan and the Share Incentive Scheme (of which nil underlying new Shares have already been issued as at December 31, 2025).

Report of Directors

Further, details and relevant breakdowns of each of the equity plans are set out below:

1. *Pre-IPO Equity Incentive Plan*

The Pre-IPO Equity Incentive Plan of the Company was effective since January 1, 2019 and, as disclosed in the circular of the Company dated May 16, 2023, the Pre-IPO Equity Incentive Plan was terminated on May 31, 2023 and the Company shall not make any further grants under the Pre-IPO Equity Incentive Plan thereafter (the "**Termination of Pre-IPO Equity Incentive Plan**"). The termination of the Pre-IPO Equity Incentive Plan shall not affect the validity of the outstanding share options and restricted share units granted under the Pre-IPO Equity Incentive Plan, which shall continue to vest, be valid and exercisable in accordance with the terms of the Pre-IPO Equity Incentive Plan.

Purpose

The Pre-IPO Equity Incentive Plan is intended to grant options to, and to incentivize, employees of the Company other than the management.

Eligible participants

Those eligible to participate in the Pre-IPO Equity Incentive Plan include employees, directors and consultants of the Group as determined, authorized and notified by the Board or a committee authorized by the Board (the "**Committee**"). The Board or the Committee may, from time to time select from among all eligible individuals ("**Participants**") to whom awards ("**Pre-IPO Awards**") in the form of options ("**Pre-IPO Options**") and restricted share units ("**RSU**"), will be granted ("**Grantees**") and will determine the nature and amount of each grant.

Share Limit

The maximum number of Shares in respect of which Pre-IPO Awards may be granted under this Pre-IPO Equity Incentive Plan shall not exceed 69,325,254 Shares in the aggregate (representing 15.3% of the issued shares of our Company as at the date of this report), subject to any adjustments in the event of any alteration in the capital structure of the Company. No further Awards would be granted under the Pre-IPO Equity Incentive Plan after May 31, 2023 pursuant to the Termination of Pre-IPO Equity Incentive Plan.

Since the Termination of Pre-IPO Equity Incentive Plan on May 31, 2023, no Pre-IPO Options or RSUs has been available for grant under the Pre-IPO Equity Incentive Plan at the beginning and the end of the Reporting Period (i.e. as at January 1, 2025 and as at December 31, 2025). During the Reporting Period, 45,000 Pre-IPO Options and 1,560,834 RSUs had lapsed in accordance with the rules of the Pre-IPO Equity Incentive Plan.

Maximum number of new Shares available for issue

As at January 1, 2025, 21,004,473 new Shares were available for issue for the vesting and/or exercise of the Pre-IPO Awards under the Pre-IPO Equity Incentive Plan. During the Reporting Period, 321,890 new Shares were issued pursuant to the Pre-IPO Equity Incentive Plan. It follows that, as at December 31, 2025 and the date of this report, 20,682,583 new Shares and 20,682,583 new Shares (representing approximately 4.6% of the issued shares (excluding the treasury shares) of the Company as at the date of this report) were available for issue under the Pre-IPO Equity Incentive Plan, respectively.

Report of Directors

Maximum entitlement of each participant

There is no maximum entitlement of each participant.

Offer and Grant of Pre-IPO Awards

The Board shall be entitled to make an offer to any Participant as the Board may in its absolute discretion select to take up Pre-IPO Options in respect of such number of Shares and at any price per Share ("**Strike Price**") as the Board may determine. The details of the offer shall be set out in a letter, the form of which shall be approved by the Board and entered into by and among the Company and a Grantee regarding the offer of a Pre-IPO Award ("**Offer Letter**").

Pre-IPO Awards may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the Board may determine, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the Pre-IPO Equity Incentive Plan.

Vesting Period

The vesting criteria and conditions, and the vesting date are specified in the Offer Letter. Details of the vesting period of individual grants are stated in the table below.

Exercise Period

The exercise period of the Pre-IPO Options shall be 10 years from the date of grant, subject to the terms of the Pre-IPO Equity Incentive Plan and the Offer Letter.

Consideration

A Grantee is not required to pay for the grant of any Pre-IPO Option. The consideration to be paid (if any) for each Share subject to an RSU is determined by the Board and shall be set forth in the Offer Letter for such RSUs and may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion and permissible under applicable law. RSUs may be awarded for zero consideration if permitted under applicable law.

Price

The Strike Price and vesting of Pre-IPO Options and RSUs shall be approved by the Board and shall be set out in the Offer Letter.

Term of the Pre-IPO Equity Incentive Plan

After the termination of the Pre-IPO Equity Incentive Plan on May 31, 2023, no further Pre-IPO Awards will be granted but any Pre-IPO Award that is outstanding shall remain in force according to the terms of the Pre-IPO Equity Incentive Plan and the Pre-IPO Awards shall be exercised or settled in accordance with the terms upon which the Pre-IPO Awards are granted. Further details of the Pre-IPO Equity Incentive Plan are set out in the section headed "Statutory and General Information – D. Share Schemes – 1. Pre-IPO Equity Incentive Plan" of the Prospectus.

Report of Directors

Outstanding Pre-IPO Options granted under the Pre-IPO Equity Incentive Plan

As the Pre-IPO Equity Incentive Plan shall automatically terminate in relation to Pre-IPO Options (but not RSUs) upon Listing, no further Pre-IPO Options has been granted under the Pre-IPO Equity Incentive Plan after the Listing Date. Details of the movements of the Pre-IPO Options granted under the Pre-IPO Equity Incentive Plan as at December 31, 2025 are as follows.

Name	Date of grant	Vesting period[1]	Exercise price	Outstanding as at January 1, 2025[2]	Exercised during the Reporting Period	Weighted average closing price of Shares immediately before the date of exercise	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at December 31, 2025[2]
Director									
Dr. Li Xu	July 3, 2019	2,400,000 Options: vested over 4 years; and 1,600,000 Options: based on performance targets	US$0.34	2,200,000	–		–	–	2,200,000
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)									
204 Employee Participants in aggregate	Between September 28, 2016 to June 13, 2021	29,385,038 Options will vest over 2 to 4 years	Between US$0.001 to US$1.5	8,349,260	321,890[3]	HK$3.74	45,000	–	7,982,370
7 service providers in aggregate[4]	Between September 28, 2016 to November 16, 2020	1,596,925 Options will vest 4 to 5 years	Between US$0.0879 to US$0.4688	680,000	–	–	–	–	680,000
Total				**11,229,260**	**321,890**	**–**	**45,000**	**–**	**10,862,370**

Note:

1. The exercise period of the Pre-IPO Options shall be 10 years from the date of grant, subject to the terms of the Pre-IPO Equity Incentive Plan and the Offer Letter.
2. The outstanding calculations exclude Pre-IPO Options where the underlying Shares have been issued to Success Reach International Limited and Success Link International L.P.
3. The exercise price of the Pre-IPO Options exercised during the Reporting Period is US$0.0879~0.4688 per Share.
4. The service providers are consultants of the Company who are not employees or former employees of the Group.

Report of Directors

Outstanding RSUs granted under the Pre-IPO Equity Incentive Plan

Details of the movements of the RSUs granted under the Pre-IPO Equity Incentive Plan as at December 31, 2025 are as follows:

Name	Date of grant	Vesting period	Purchase price (per Share)	Performance target[1]	Closing price of Shares immediately before the date of grant	Fair value of RSUs on the date of grant[2]	Unvested RSUs as at January 1, 2025[3]	Granted during the Reporting Period	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested RSUs as at December 31, 2025[3]
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)													
17 Employee Participants in aggregate	Between July 3,2019 to August 30, 2022	2,370,000 RSUs: vested over 3 to 4 years; 300,000 RSUs based on performance targets	US$0.00~0.10	Based on Clinical Development Progress	HK$2.96	US$0.3478-0.9137	630,000	–	172,500	HK$1.80	65,000	–	392,500
1 Employee Participant[4]	December 19, 2022	3,400,000 RSUs will vest from the date of the grant to December 17, 2025; 1,000,000 RSUs based on performance targets	US$0.001	Based on valuation of the Company	HK$3.07	US$0.3009	1,850,000	–	354,166	HK$1.62	1,495,834	–	–
Total							**2,480,000**	**–**	**526,666[5]**	**–**	**1,560,834**	**–**	**392,500**

Note:

1. All performance targets are set out in the respective Offer Letters or Grant Letters.

2. The fair value of RSUs are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was binominal tree price model. The assumptions include risk free rate and expected volatility.

3. The unvested calculations exclude RSUs where the underlying Shares have been issued to Success Reach International Limited and Success Link International L.P.

4. This represents the Awards granted to Mr. Xiaolu Weng, who resigned as Chief Financial Officer of the Company with effect from February 28, 2025 and remained as a consultant of the Company till May 31, 2025.

5. The purchase price of the RSUs vested during the Reporting Period is between US$0.00 per Share to US$0.001 per Share.

For further details of the outstanding RSUs granted under the Pre-IPO Equity Incentive Plan, please refer to the announcements and circular published by the Company on December 20, 2022, January 26, 2023, February 16, 2023 and March 9, 2023.

2. *Share Incentive Scheme*

The Share Incentive Scheme was adopted pursuant to the written resolutions of the Shareholders passed on June 18, 2021 and amended on November 4, 2022 (the "**Scheme Amendment"**). Further details of the Share Incentive Scheme are set out in the circular published by the Company on October 16, 2022. Unless otherwise specified, capitalized terms used herein shall have the same meanings as those contained in the circular dated October 16, 2022.

Purpose

The purpose of the Share Incentive Scheme are:

(1) to align the interests of Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares; and

(2) to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

Eligible participants

Any individual, being an Employee (whether full-time or part-time employee), director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group or any Affiliate (including nominees and/or trustees of any employee benefit trust established for them) (an "**Eligible Person**" and, collectively "**Eligible Persons**"), or Service Provider, who the Scheme Administrator considers, in their sole discretion, to have contributed or will contribute to the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award or Option pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of Scheme Administrator, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person.

Report of Directors

The Board and the Scheme Administrator may, from time to time, select any Eligible Person to be a Selected Participant and grant an award (which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash) ("**Award(s)**") or option ("**Option(s)**") to such Selected Participant during the effective period of the Share Incentive Scheme.

Maximum number of Awards (either to be satisfied by new Shares or existing Shares) and Options available for grant

The aggregate number of Shares underlying all grants made or to be made pursuant to the Share Incentive Scheme would not exceed 44,551,933 Shares without Shareholders' approval (the "**Share Incentive Scheme Limit**"). In addition, the maximum number of Shares that may be issued upon exercise of all Award Shares and Options to be granted to Service Providers under the Share Incentive Scheme (excluding Award Shares or Options that have been forfeited in accordance with the Share Incentive Scheme) and any other share schemes was 8,910,386 (the "**Service Provider Sublimit**")

As of January 1, 2025, 2,383,784 Awards or Options were available for future grant under the Share Incentive Scheme Limit and 2,383,784 Awards or Options were available for future grant under the Service provider sublimit (Service provider Sublimit being subject to the Share Incentive Scheme Limit). During the Reporting Period, 2,966,000 Awards and 2,800,000 Options were granted to eligible participants pursuant to the Share Incentive Scheme, and 4,546,340 Awards and 241,666 Options had lapsed in accordance with the rules of the Share Incentive Scheme (of which 4,800 lapsed Awards were granted before the Scheme Amendment). It follows that, as of December 31, 2025, 1,400,990 Awards or Options were available for future grant under the Share Incentive Scheme Limit and 1,400,990 Awards or Options were available for future grant under the Service Provider Sublimit.

Maximum number of new Shares available for issue

The total number of new Shares issued and may be issued pursuant to the Share Incentive Scheme would not exceed 44,551,933 Shares, representing 10% of the Company's issued shares on the date of the extraordinary general meeting at which the Share Incentive Scheme was approved (the "**Share Incentive Scheme Mandate**"). In addition, the maximum number of Shares that may be issued upon exercise of all Award Shares and Options to be granted to Service Providers under the Share Incentive Scheme (excluding Award Shares or Options that have been forfeited in accordance with the Share Incentive Scheme) and any other share schemes was 8,910,386 (the "**Service Provider Sublimit**")

As of January 1, 2025, 19,072,433 new Shares were available for issue under the Share Incentive Scheme Mandate. During the Reporting Period, 1,254,664 new Shares were issued pursuant to the Share Incentive Scheme. It follows that, as of December 31, 2025 and the date of this report, 17,817,769 new Shares and 17,817,769 new Shares (representing approximately 3.9% of the issued shares (excluding treasury shares) of the Company as of the date of this report) were available for issue under the Share Incentive Scheme Mandate, respectively.

Report of Directors

Maximum entitlement of each participant

Under the Share Incentive Scheme, there is no specific limit on the maximum number of shares which may be granted to a single eligible participant. However, any grant of Options or Awards to an eligible participant shall be subject to 1% or 0.1% individual limit (as the case may be) as provided in the Listing Rules and be subject to Shareholders' approval in a general meeting.

Granting of Awards

The Board may, from time to time, grant Awards to a selected participant by way of an award letter. The award letter will specify the grant date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the vesting date and such other details as the Board or its delegate(s) may consider necessary.

Each grant of an award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of the grant of an award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of the Company.

Option period

An Option may be exercised, which is to be determined and notified by the Scheme Administrator to each grantee at the time of making an Offer, and shall not expire later than ten years from the date of grant.

Vesting Period

The vesting criteria and conditions, and the vesting date as determined by the Board or its delegate will be specified in the option letter and award letter, provided however that the vesting period for Options and Awards shall not be less than 12 months, except that any Options or Awards granted to an employee may be subject to a shorter vesting period, including where:

(a) grants of "make whole" Awards or Options to new employees to replace awards or options such Employees forfeited when leaving their previous employers;

(b) grants to an Employee whose employment is terminated due to death or disability or event of force majeure;

(c) grants of Awards or Options which are subject to the fulfilment of performance targets as determined in the conditions of his/her grant;

(d) grants of Awards or Options the timing of which is determined by administrative or compliance requirements not connected with the performance of the relevant Employee, in which case the Vesting Date may be adjusted to take account of the time from which the Award or Options would have been granted if not for such administrative or compliance requirements;

Report of Directors

(e) grants of Awards or Options with a mixed vesting schedule such that the Awards or Options vest evenly over a period of 12 months; or

(f) grants of Awards or Options with a total vesting and holding period of more than 12 months.

Consideration and purchase price

The amounts payable on application or acceptance of the Options or Awards, if any, and the period within which such payments or calls must or may be made or loans for such purposes must be repaid will be set out in the individual Award Letters or Options Letters and will be determined on an individual basis for each Selected Participant by the Scheme Administrator, taking into account the purpose of the Scheme, the interests of the Company and the individual circumstances of each Selected Participant. The Company will generally not provide any loans for such amounts payable unless exceptional circumstances justify the provision of such loans.

Exercise price

The Exercise Price shall be such price determined by the Scheme Administrator in their absolute discretion and notified to the Eligible Person in the Offer and shall be no less than the higher of (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

Term of the Share Incentive Scheme

The Share Incentive Scheme is valid and effective for a period of 10 years commencing from the Listing Date and expiring on September 28, 2031 (after which no further Awards or Options will be granted), and thereafter for so long as there are any non-vested Award Shares or Options granted hereunder prior to the expiration of the Scheme. The remaining life of the Share Incentive Scheme is approximately 5 years.

Further details of the Share Incentive Scheme are set out in the circular published by the Company on October 16, 2022.

Report of Directors

Outstanding Options granted under the Share Incentive Scheme

Details of the movements of the Options granted under the Share Incentive Scheme as at December 31, 2025 are as follows:

Name	Date of grant	Vesting period[1]	Exercise price	Performance targets[2]	Closing price of Shares immediately before the date of grant	Fair value of the Options on the date of grant[3]	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Weighted average closing price of Shares immediately before the date of exercise	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at December 31, 2025
Directors, chief executive or substantial shareholder													
Dr. Xueming Qian	December 19, 2022	400,000 Options: based on performance targets	HK$3.23	Upon the achievement of performance targets relating to market capitalization and various project milestone achievement on clinical development	HK$3.07	US$0.1552	400,000	–	–	–	–	–	400,000
	January 26, 2023	2,971,727 Options will vest over 3 years; and 669,297 Options: based on performance targets	HK$3.02	Upon milestone achievements of clinical development	HK$3.02	US$0.1622~ 0.1814	3,641,024	–	–	–	–	–	3,641,024
Dr. Li Xu	December 19, 2022	891,976 Options: based on performance targets	HK$3.23	Upon milestone achievements of clinical development	HK$3.07	US$0.1552~ 0.1944	891,976	–	–	–	–	–	891,976

Report of Directors

Name	Date of grant	Vesting period[1]	Exercise price	Performance targets[2]	Closing price of Shares immediately before the date of grant	Fair value of the Options on the date of grant[3]	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Weighted average closing price of Shares immediately before the date of exercise	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at December 31, 2025
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)													
21 Employee Participants in aggregate[4]	December 19, 2022	2,854,940 Options will vest over 1~4 years; 7,558,264 Options: based on performance targets	HK$3.23	Upon the achievements of performance targets including various project milestone achievements on clinical development, CMC, and partnership	HK$3.07	US$0.1552~ 0.2375	9,267,697	–	5,000	HK$4.25	191,666	–	9,071,031
1 Employee Participant[5]	January 26, 2023	3,062,212 Options will vest over 3 years; and 1,790,969 Options: based on performance targets	HK$3.02	Upon milestone achievements of clinical development	HK$3.02	US$0.1259~ 0.1555	3,946,633	–	349,664	HK$4.66	–	–	3,596,969
2 Employee Participants in aggregate	March 31, 2023	50,000 Options will vest over 4 years; 100,000 Options: based on performance targets	HK$2.56	Upon target achievements on success of business development and Company coverage	HK$2.56	US$0.1428~ 0.1781	150,000	–	–		50,000	–	100,000
1 Employee Participant	November 20, 2025	400,000 Options: based on performance targets	HK$2.86	Upon milestone achievements of fundraising and company valuation	HK$2.86	US$0.1824~ 0.2802	–	400,000	–		–	–	400,000

Report of Directors

Name	Date of grant	Vesting period[1]	Exercise price	Performance targets[2]	Closing price of Shares immediately before the date of grant	Fair value of the Options on the date of grant[3]	Outstanding as at January 1, 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Weighted average closing price of Shares immediately before the date of exercise	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Outstanding as at December 31, 2025
Service Provider													
Dr. Caroline Germa[6]	June 25,2025	2,000,000 Options: based on performance targets	HK$1.48	Upon milestone achievements of clinical development and partnership	HK$1.54	US$0.1097~ 0.1388[7]	–	2,000,000	–	–	–	–	2,000,000
1 Service Provider	November 20, 2025	200,000 Options will vest over 4 years; 200,000 Options: based on performance targets	HK$2.86	Upon milestone achievements of fund raising and partnership	HK$2.86	US$0.2392~ 0.2802	–	400,000	–	–	–	–	400,000
Total							**18,297,330**	**2,800,000**	**354,664**	**–**	**241,666**	**–**	**20,501,000**

Note:

1. The exercise period of the Options shall be 10 years from the date of grant, subject to the terms of the Share Incentive Scheme and the relevant grant letter.
2. All performance targets are set out in grant letters or offer letters.
3. The fair value of Options are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was binominal tree price model. The assumptions include risk free rate and expected volatility.
4. This includes the 4,000,000 vested options granted to Dr. Yining Zhao, who resigned as chairman of the Board and non-executive Director with effect from June 7, 2024. Such vested Options are valid and exercisable until the expiration of exercise period in accordance with the terms of the Share Incentive Scheme.
5. This represents the 3,946,633 vested options granted to Dr. Yining Zhao. Such vested Options are valid and exercisable until the expiration of exercise period in accordance with the terms of the Share Incentive Scheme.
6. This service provider is Dr. Caroline Germa, who has been engaged as a consultant of the Company with effect from May, 15, 2025.
7. Fair value of the Option have been adjusted from the disclosure in the last published interim report due to changes in certain valuation parameters.

For further details of the Options granted under the Share Incentive Scheme during the Reporting Period, please refer to the announcements published by the Company on June 25, 2025, July 7, 2025 and November 20, 2025.

Report of Directors

Outstanding Awards granted under the Share Incentive Scheme

Details of the movements of the Awards granted under the Share Incentive Scheme as at December 31, 2025 are as follows:

Name	Date of grant	Vesting period[1]	Purchase price (per Share)	Performance target[2]	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant[3]	Unvested Awards as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested Awards as at December 31, 2025
Directors, chief executive or substantial shareholder													
Dr. Xueming Qian	January 26, 2023	4,277,188 Awards: based on performance targets.	US$0.001	Upon target achievements on Company's valuation or market capitalization	HK$3.02	US$0.3002	4,277,188	–	–	–	–	–	4,277,188
Dr. Li Xu	December 27, 2023	150,000 Awards will vest over 1.5 years.	Nil	–	HK$2.61	US$0.3670	150,000	–	150,000	HK$1.43	–	–	–
	January 26, 2024	461,640 Awards will vest over 1.5 years.	Nil	–	HK$3.50	US$0.4324	461,640	–	461,640	HK$2.81	–	–	–
	June 25, 2025	30,000 Awards will vest over 3 years.	Nil	–	HK$1.54	US$0.1888	–	30,000	–	–	–	–	30,000
Mr. Jiasong Tang	June 25, 2025	30,000 Awards will vest over 3 years.	Nil	–	HK$1.54	US$0.1888	–	30,000	–	–	–	–	30,000
Mr. Zhihua Zhang	June 25, 2025	30,000 Awards will vest over 3 years.	Nil	–	HK$1.54	US$0.1888	–	30,000	–	–	–	–	30,000
Dr. Kumar Srinivasan	April 6, 2023	30,000 Awards will vest over 3 years.	Nil	–	HK$2.73	US$0.3418	20,000	–	10,000	HK$1.38	–	–	10,000
Ms. Helen Wei Chen	December 27, 2023	30,000 Awards will vest over 3 years.	Nil	–	HK$2.61	US$0.3670	20,000	–	10,000	HK$2.17	–	–	10,000

Report of Directors

Name	Date of grant	Vesting period[1]	Purchase price (per Share)	Performance target[2]	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant[3]	Unvested Awards as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested Awards as at December 31, 2025
Senior management													
Dr. Caroline Germa[4]	December 19, 2022	3,000,000 Awards will vest over 4 years.	US$0.001	–	HK$3.07	US$0.3850	1,500,000	–	–	–	1,500,000	–	–
	March 31, 2023	1,500,000 Awards will be vested based on performance targets.	US$0.001	Upon target achievements of clinical development progress milestones for several programs	HK$2.56	US$0.3093~ 0.3094	1,500,000	–	–	–	1,500,000	–	–
	April 6, 2023	500,000 Awards will be vested based on performance targets.	US$0.001	Upon target achievements of clinical development progress milestones for several programs	HK$2.73	US$0.3410	500,000	–	–	–	500,000	–	–
	December 27, 2023	100,000 Awards will vest over 1.5 years.	Nil	–	HK$2.61	US$0.3670	100,000	–	–	–	100,000	–	–
	January 26, 2024	305,620 Awards will vest over 1.5 years.	Nil	–	HK$3.50	US$0.4324	305,620	–	–	–	305,620	–	–
Other grantees in category (other than Directors, chief executive or substantial shareholders of the Company)													
269 Employee Participants in aggregate	April 15, 2022	1,446,300 Awards will vest over 3 years.	Nil	–	HK$7.15	US$0.9117	4,800	–	–	–	4,800	–	–

Report of Directors

Name	Date of grant	Vesting period[1]	Purchase price (per Share)	Performance target[2]	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant[3]	Unvested Awards as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested Awards as at December 31, 2025
89 Employee Participants in aggregate	December 19, 2022	1,675,160 Awards will vest over 1~4 years; 300,000 Awards based on performance targets.	Nil	Upon the achievement of performance targets on CMC, clinical development and partnership	HK$3.07	US$0.3858	848,596	–	314,282	HK$2.59	94,314	–	440,000
5 Employee Participants in aggregate	March 31, 2023	310,000 Awards will vest over 1~4 years.	Nil	–	HK$2.56	US$0.3101	222,500	–	67,500	HK$1.82	120,000	–	35,000
231 Employee Participants in aggregate	July 21, 2023	2,492,800 Awards will vest over 1~4 years; 300,000 Awards based on performance targets.	Nil	Upon target achievements of milestones for drug discovery, clinical development, regulatory approval and partnership development of several programs	HK$5.10	US$0.6559	276,734	–	128,066	HK$1.93	–	–	148,668
31 Employee Participants in aggregate[5]	December 27, 2023	1,603,000 Awards will vest over 1~4 years.	US$0.00-0.001	–	HK$2.61	US$0.3662~0.3670	275,000	–	25,000	HK$2.17	200,000	–	50,000
203 Employee Participants in aggregate[6]	January 26, 2024	3,452,010 Awards will vest over 1 year.	Nil	–	HK$3.50	US$0.2726~0.4324	3,406,380	–	3,406,380	HK$0.57	–	–	–
2 Employee Participants in aggregate[7]	August 30, 2024	200,000 Awards will vest over 12 months; 400,000 Awards will vest over 4 years; 300,000 Awards based on performance targets.	Nil	Upon target achievements of milestones for the fulfillment of the relevant partnership	HK$1.35	US$0.1713	833,336	–	183,330	HK$2.42	50,006	–	600,000

Report of Directors

Name	Date of grant	Vesting period[1]	Purchase price (per Share)	Performance target[2]	Closing price of Shares immediately before the date of grant	Fair value of Awards on the date of grant[3]	Unvested Awards as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Weighted average closing price of Shares immediately before the vesting date	Lapsed during the Reporting Period	Cancelled during the Reporting Period	Unvested Awards as at December 31, 2025
27 Employee Participants in aggregate	April 2, 2025	676,000 Awards will vest over 1 year.	Nil	–	HK$1.63	US$0.1969[8]	–	676,000	–	–	171,600	–	504,400
1 Employee Participant	December 29, 2025	1,000,000 Awards will vest over 4 years; 1,000,000 Awards based on performance targets.	Nil	Upon milestone achievements of product development	HK$2.17	US$0.2794	–	2,000,000	–	–	–	–	2,000,000
Service Provider													
1 Service Provider	November 20, 2025	200,000 Awards based on performance targets.	Nil	Upon milestone achievements of fundraising and partnership engagement or collaboration	HK$2.86	US$0.3705	–	200,000	–	–	–	–	200,000
Total							**14,701,794**	**2,966,000**	**4,756,198**	**–**	**4,546,340**	**–**	**8,365,256**

Note:

1. The exercise period of the Awards shall be 10 years from the date of grant, subject to the terms of the Share Incentive Scheme and the grant letter.
2. All performance targets are set out in the relevant grant letters or offer letters.
3. The fair value of Awards are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used was binominal tree price model. The assumptions include risk free rate and expected volatility.
4. Dr. Caroline Germa has been engaged as a consultant of the Company with effect from May 15, 2025.
5. This includes the 200,000 vested Awards granted to Mr. Xiaolu Weng.
6. This includes the 200,000 vested Awards granted to Mr. Xiaolu Weng.
7. This includes the 149,994 vested Awards granted to Mr. Xiaolu Weng.
8. Fair value of the Awards have been adjusted from the disclosure in the last published interim report due to changes in certain valuation parameters.

For further details of the Awards granted under the Share Incentive Scheme during the Reporting Period, please refer to the announcements published by the Company on April 2, 2025, June 25, 2025, November 20, 2025 and December 29, 2025.

Report of Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

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

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the Pre-IPO Equity Incentive Plan and Share Incentive Scheme. Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in note 10, note 11 and note 33, respectively to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

For the Reporting Period, the aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonuses) for our Directors was approximately RMB5,806,000 (as set out in note 10 to the consolidated financial statements).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in this annual report, during the Reporting Period, none of our Directors had any interest in a business, apart from the business of our Group, which materially competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The Group has not entered into any non-exempt continuing connected transactions from the Listing Date up to December 31, 2025. Details of related party transactions of the Group for the Reporting Period are disclosed in note 33 to the consolidated financial statements, none of which fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules for which disclosure is required. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the Reporting Period.

Report of Directors

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

During the Reporting Period and up to the date of this report, the Company repurchased a total of 166,500 ordinary shares (the "**Shares Repurchased**") of the Company on the Stock Exchange at an aggregate consideration of approximately HK$99,959.45. The repurchase of shares was conducted to enhance the value in the shares of the Company and for the benefits of the Company and the Shareholders as a whole. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Repurchase price per share or highest repurchase price per share	Lowest repurchase price per share	Aggregate Consideration
		(HK$)	(HK$)	(HK$)
January	166,500	0.6100	0.5800	99,959.45
Total	**166,500**	**–**	**–**	**99,959.45**

During the Reporting Period, the Shares Repurchased were subsequently reserved as treasury shares.

Save as disclosed above and in the section headed "Other Financial Information", neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including any sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange during the Reporting Period and up to the date of this report. As at December 31, 2025, the Company held 2,516,500 treasury shares, which will be used for to transfer or use for share grants under share schemes that comply with Chapter 17 of the Listing Rules, resell at market price to raise additional funds when the Company thinks appropriate, and for other purposes permitted under the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands, subject to market conditions and our Group's capital management needs.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the Reporting Period.

Report of Directors

USE OF NET PROCEEDS

References are made to the section headed "Future Plans and Use of Proceeds" in the Prospectus, which sets out the Company's intended use of the net proceeds (the "**Intended Use**") from the Global Offering of approximately HK$553.4 million ("**Net Proceeds**") at the time of the listing of its Shares on the Main Board of the Stock Exchange (the "**Listing**"), the "Change in Use of Net Proceeds" as disclosed in the annual results announcement for the year ended 2022 (the "**2022 Annual Results Announcement**"), the "Further Change in Use of Net Proceeds" as detailed in the interim results announcement for the six months ended June 30, 2024 (the "**2024 Interim Results Announcement**"), the "Latest Change in Use of Net Proceeds" as detailed in the annual results announcement for the year ended 2024 (the "**2024 Annual Results Announcement**") and the "Updated Change in Use of Net Proceeds" as detailed in the interim results announcement for the six months ended June 30, 2025 (the "**2025 Interim Results Announcement**") on the reallocation and change in use of Net Proceeds. Unless otherwise defined, capitalized terms used herein shall have the same meaning as those defined in the Prospectus, the 2022 Annual Results Announcement and the 2024 Interim Results Announcement (in the event of conflict or inconsistency, the definitions in the 2024 Interim Results Announcement shall prevail).

As a clinical stage biopharmaceutical company with fully integrated capacities in discovery, research, development, and manufacturing, we have established a diversified and differentiated pipeline with drug candidates that have first-in-class or best-in-class potential, demonstrate clear clinical benefits, address significantly unmet medical needs and are highly synergistic with other candidates in our pipeline. It is our endeavor to advance our pipelines and edging them closer to commercialization. As disclosed in the section headed "Risk Factors – Risks related to pre-clinical and clinical development of drug candidates" in the Prospectus, clinical trial is expensive and can take a few years to complete, with inherently uncertain outcome. Also disclosed in the Prospectus is the risk of having our limited resources allocated to pursue a particular drug candidate or indication whilst failing to capitalize on drug candidates or indications that may later prove to be more profitable or having a greater likelihood of success. With our business and results of operations hinging on our ability to commercialize our drug candidates, there is thus always the risk that the Intended Use formulated based on predictions, assessment and analysis of the clinical development stages and outcome at the time of the Listing may, at any point in time thereafter, be no longer compatible with our actual operative needs and commercialization goals.

In view of the accelerated development post-Listing of our leading assets including but not limited to osemitamab (TST001), a potential best-in-class and differentiated antibody targeting Claudin18.2, a validated tumor associated antigen, which has gradually emerged as having the highest potential of commercialization, the Board has, after re-evaluating the Intended Use, resolved to reallocate the respective amounts of approximately HK$166 million, HK$30.0 million and HK$50.8 million of the unutilized Net Proceeds to fund the development of osemitamab (TST001), details of such Change in Use of Net Proceeds, Further Change in Use of Net Proceeds, Latest Change in Use of Net Proceeds and Updated Change in Use of Net Proceeds, as well as the reasons therefor are disclosed in the 2022 Annual Results Announcement, the 2024 Interim Results Announcement, the 2024 Annual Results Announcement and the 2025 Interim Results Announcement. Such reallocation and deployment of unutilized Net Proceeds is considered to be more in line with our current business needs and our aim to develop osemitamab (TST001) as the global cornerstone treatment in Claudin18.2 expressing solid tumors including G/GEJ cancer, PDAC, and lung cancer, as well as enhance our Claudin18.2 franchise through proprietary combinations of osemitamab (TST001) with our other key oncology drug candidates.

Report of Directors

Further to the aforementioned strategic realignment of resources and to accord priority to pressing project needs, the Board has resolved to further change the Intended Use on August 27, 2025, by reallocating HK$28.8 million from the unutilized Net Proceeds previously applied towards the development of TST005, TST002 and business development to fund the development of osemitamab (TST001) and other projects that currently require support and funding to progress further, especially for pipeline products that require funding for pre-clinical trials and registration filings. The table below sets out the utilization of Net Proceeds as at December 31, 2025, the allocation of the remaining unutilized Net Proceeds and the expected timeline for utilization of the remaining unutilized Net Proceeds:

Use of Net Proceeds	Amount of utilized Net Proceeds as at December 31, 2025[1]	Amount of unutilized Net Proceeds as at December 31, 2025[1]	Amount utilized during the Reporting Period	Allocation of Net Proceeds before the Updated Change in Use of Net Proceeds	Intended allocation of the remaining Net Proceeds after the Updated Change in Use of Net Proceeds	Expected timeline of full utilization of the unutilized Net Proceeds
	HK$ million	HK$ million	HK$ million	HK$ million	% of remaining unutilized Net Proceeds (approximately)	
1. Research and development of our pipeline product candidates, funding of ongoing and planned clinical and pre-clinical trials, preparation for registration filings and other steps or activities related to the commercialization of our four anchor products as follows:	498.1	–	30.8	498.1	–	On or before December 31, 2025
(i) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, osemitamab (TST001)	375.1	–	25.6	375.1	–	On or before December 31, 2025
(ii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST005	14.3	–	2.0	14.3	–	On or before December 31, 2025
(iii) fund ongoing and planned clinical trials, preparation for registration filings and potential commercial launch (including sales and marketing) of our key product, TST002	31.1	–	–	31.1	–	On or before December 31, 2025

Report of Directors

Use of Net Proceeds	Amount of utilized Net Proceeds as at December 31, 2025[1]	Amount of unutilized Net Proceeds as at December 31, 2025[1]	Amount utilized during the Reporting Period	Allocation of Net Proceeds before the Updated Change in Use of Net Proceeds	Intended allocation of the remaining Net Proceeds after the Updated Change in Use of Net Proceeds	Expected timeline of full utilization of the unutilized Net Proceeds
	HK$ million	HK$ million	HK$ million	HK$ million	% of remaining unutilized Net Proceeds (approximately)	
(iv) fund ongoing and planned pre-clinical trials and preparation for registration filings of our key product and other pipeline products, including TST004, MSB0254, TST003, TST006 and TST008	77.6	–	3.2	77.6	–	On or before December 31, 2025
2. Fund the business development for pipeline expansion and technology development, with a focus in oncology assets that have synergy with our current pipeline and promising clinical evidences, and/or technology platforms that can complement our current discovery and development platforms, such as ADC, small molecule targeted therapies, and other advanced new technologies	–	–	–	–	–	On or before December 31, 2025
3. For general working capital purposes and general operation expenses	55.3	–	–	55.3	–	On or before December 31, 2025
Total	**553.4**	**–**	**30.8**	**553.4**	**–**	

Note:

1. The amount of utilized and unutilized Net Proceeds before the Updated Change in Use of Net Proceeds.

Report of Directors

During the Reporting Period, the Company also completed a placing of new Shares, which generated gross proceeds of approximately HK$62.35 million and net proceeds of approximately HK$59.34 million after deducting placing commissions and other related expenses. As at December 31, 2025, approximately HK$34.84 million of the net proceeds from the placing had been utilized for (i) the clinical development of the Group's pipeline assets, including TST001 and TST002, and (ii) the advancement of pre-clinical-stage pipeline assets with near-term out-licensing potential, including TST801, TST013 and TST786, and approximately HK$17.8 million had been applied towards working capital and general corporate purposes, including general business operations and business development.

The unutilized net proceeds from the placing as at December 31, 2025 amounted to approximately HK$6.7 million and are expected to be fully utilized on or before December 31, 2026, in accordance with the intended use as disclosed in the announcement of the Company dated 10 September 2025. The Board confirms that there has been no material change in the intended use of proceeds from the placing as previously disclosed. The Company intends to apply the net proceeds from the placing as follows:

Use of net proceeds from the Subscription	% of net proceeds	Net proceeds from the Subscription	Amount utilized as at December 31, 2025	Amount of unutilized net proceeds as at December 31, 2025	Expected timeline of full utilization
Clinical development of pipeline assets, including TST001 and TST002	40%	HK$23.74 million	HK$23.74 million	HK$0 million	On or before December 31, 2026
Advancement of pre-clinical-stage pipeline assets with near-term out-licensing potential, including TST801, TST013 and TST786	30%	HK$17.80 million	HK$11.1 million	HK$6.7 million	On or before December 31, 2026
Working capital and general corporate purposes, including general business operations and business development	30%	HK$17.80 million	HK$17.8 million	HK$0 million	On or before December 31, 2026
Total	**100%**	**HK$59.34 million**	**HK$52.64 million**	**HK$6.7 million**	

Report of Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

AUDITOR

At the annual general meeting of the Company held on June 6, 2025, Deloitte Touche Tohmatsu ("**Deloitte**") was re-appointed as the auditor of the Company. On November 12, 2025, Deloitte resigned as the auditor of the Company and Ernst & Young ("**EY**") was appointed as the new auditor of the Company with effect from November 12, 2025 to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company. Save as disclosed above, there was no other change in auditors of the Company during the past three years.

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by Ernst & Young, Certified Public Accountants, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Particulars of the Company's significant events affecting the Company after the year ended December 31, 2025 are set out in the section headed "Management Discussion and Analysis – Events after the Reporting Period" of this annual report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, we do not have other plans for material investments and capital assets.

By the order of the Board
Xueming Qian
Executive Director, Chairman and Chief Executive Officer
Hong Kong
March 30, 2026

Directors and Senior Management

The Board consists of one executive Director, one non-executive Director and four independent non-executive Directors.

DIRECTORS

Executive Director

Dr. Xueming Qian (錢雪明), Ph.D., aged 58, is an executive Director, chairman of the Board and our chief executive officer and a member of the nomination committee of our Company. Dr. Qian was appointed as our Director in October 2012 and was re-designated as an executive Director in June 2021. He is also a director of Transcenta Therapeutics Co., Ltd. (Previously called Mabspace Biosciences (Suzhou) Co., Ltd.) and HJB (Hangzhou) Co., Ltd. He joined the Company since October 2012.

Dr. Qian served as senior vice president, head of R&D at Shenogen Pharma Group from June 2010 to September 2012. Dr. Qian also successively worked as postdoctoral fellow, senior scientist, principal scientist and team leader at Amgen Inc. (NASDAQ: AMGN) from September 1997 to June 2010.

Dr. Qian received his bachelor of science in biophysics from Fudan University (復旦大學) in July 1990 and a master of arts in biophysics and physiology from Columbia University in October 1992. He received Ph.D. in neurosciences and pharmacology from Albany Medical Center in May 1998. He is a member of the American Association of Cancer Research, American Society of Clinical Oncology, the European Society of Medical Oncology, the International Association for the Study of Lung Cancer, the Clinical Research of Oncology Medicine Sub-Committee of the Chinese Anti-Cancer Association.

Non-executive Director

Dr. Li Xu (徐莉), aged 70, joined the Company in July 2019, is a non-executive Director and a member of the audit committee of our Company. Dr. Xu currently serves as the head of CDx. Dr. Xu is a co-founder of XEXUS, a Global Biopharma Clinical Development Consulting, LLC and worked as a venture partner at Lilly Asia Ventures until 2022. Dr. Xu has also served as or was a medical advisor for multiple companies, including Johnson & Johnson Pte. Ltd, Cullinan Therapeutics (a company listed on NASDAQ, stock code: CGEM), Zymeworks Inc. (a company listed on NASDAQ, stock code: ZYME), CSPC Pharmaceutical Group Limited (a company listed on the Stock Exchange, stock code: 01093), Lilly Asia Ventures, AlaMab Therapeutics, Inc., Kechow Pharma, NanGene Biomedical Co., Ltd, Duality Biologics, Kira Pharmaceuticals, and Acerand Therapeutics. Prior to that, Dr. Xu worked at ACEA Biosciences from October 2016 to June 2019, with her latest position as acting chief medical officer. She also worked as the vice president and head of Oncology Clinical Development at Jiangsu Hengrui Pharmaceuticals Co., Ltd. from October 2013 to October 2016 (a company listed on the Shanghai Stock Exchange, stock code: 600276). Dr. Xu received her Executive MBA degree in global management from Fairleigh Dickinson University in 2004, her Master of Science degree in dentistry, specifically in head and neck cancer, from University of Washington in 1991, and her Doctor of Medicine degree from Shandong Medical University in 1982.

Directors and Senior Management

Independent non-executive Directors

Mr. Jiasong Tang (唐稼松), aged 52, is an independent non-executive Director, chairperson of the audit committee and a member of the remuneration committee of our Company.

Mr. Tang has more than 20 years of experience in accounting and auditing. Mr. Tang previously worked at Deloitte Touche Tohmatsu Certified Public Accountants LLP from September 1995 to August 2015, and was partner from June 2007 to August 2015.

Mr. Tang has been an independent non-executive director, chairman of the audit committee and a member of the remuneration committee of Sichuan Zigong Conveying Machine Group Co., Ltd. (四川自貢運輸機械集團股份有限公司), a publicly listed company on the Shenzhen Stock Exchange (SZ: 001288), since November 2017 to April 2024.

Mr. Tang has been an independent non-executive director, chairman of the audit committee and a member of the remuneration committee of ENN Natural Gas Co., Ltd. (新奧天然氣股份有限公司 and formerly named ENN Ecological Holdings Co., Ltd. 新奧生態控股股份有限公司), a publicly listed company on the Shanghai Stock Exchange (SHA: 600803), since November 2019 to May 2025.

Mr. Tang has been an independent non-executive director, chairman of the audit committee and a member of the remuneration committee of Shanghai Jin Jiang Online Network Service Co., Ltd. (上海錦江在線網絡服務有限公司), a publicly listed company on the Shanghai Stock Exchange (SHA: 600650), since September 2021.

Mr. Tang has been an independent non-executive director of Shanghai Ganso Co., Ltd. (上海元祖夢果子股份有限公司), a publicly listed company on the Shenzhen Stock Exchange (SHA: 603886), since January 2025.

Mr. Tang is a member of the Chinese Institute of Certified Public Accountants. He graduated from Shanghai University International Trading Institute (presently known as Shanghai University of International Business and Economics), major in Accounting and Finance in June 1995.

Mr. Zhihua Zhang (張志華), aged 45, is an independent non-executive Director, chairperson of the nomination committee and a member of the audit committee and remuneration committee of our Company.

Mr. Zhang has served as an executive director and the president of Shanghai Jizi Investment Management Co., Ltd (上海季子投資管理有限公司) since December 2014. Mr. Zhang served as the deputy general manager of Shanghai Wangshi Industry Co., Ltd. (上海王獅實業有限公司), where he was responsible for corporate investment, from August 2009 to November 2014. Mr. Zhang worked at JunHe LLP in Shanghai as securities lawyer, where he worked on matters relating to corporate listing, investment and financing and mergers and acquisition from August 2007 to July 2009. Mr. Zhang worked at the office of the principal of Fudan University (復旦大學) as the director of the legal affairs office from July 2006 to August 2007.

Mr. Zhang received a bachelor of laws from Fudan University (復旦大學) in July 2004 and a master of laws majoring in civil and commercial law from Fudan University (復旦大學) in July 2006. Mr. Zhang holds a Chinese Legal Professional Qualification Certificate awarded in 2005.

Directors and Senior Management

Dr. Kumar Srinivasan, aged 61, is an independent non-executive Director of our Company, and a member of the nomination committee and the chairperson of the remuneration committee of our Company.

Dr. Srinivasan has been appointed as president and chief executive officer of Wugen, Inc. since March 13, 2023. During 2021 to 2022, Dr. Srinivasan served as the executive vice president and chief business officer of Turning Point Therapeutics (a biopharmaceutical company previously listed on NASDAQ, stock code: TPTX, but was delisted on August 16, 2022 and became a subsidiary company of Bristol Myers Squibb, a pharmaceutical manufacturer listed on the New York Stock Exchange) and was responsible for crafting and leading corporate strategy, licensing, business development and alliance of management activities. Prior to that, Dr. Srinivasan served as the vice president and global head of biopharmaceuticals for AstraZeneca Pharmaceuticals (a subsidiary of AstraZeneca PLC, which was listed on NASDAQ, stock code: ANZ), in which he was responsible for and leading all licensing and business development and alliance management activities across multiple therapy areas for the biopharmaceuticals business unit.

Dr. Srinivasan holds an MBA from the University of Chicago's Booth School of Business in the United States, a Ph.D. degree in organic chemistry from the Case Western Reserve University in the United States and a bachelor and master's degree with concentration in chemistry from the University of Madras in India.

Ms. Helen Wei Chen (陳瑋), aged 59, is an independent non-executive Director and a member of the nomination committee of our Company.

Ms. Chen serves as the global sector co-head for the healthcare practice and the Greater China managing partner of L.E.K. Consulting based in Shanghai. Ms. Chen has over 30 years of consulting and industry experience in the U.S. and Asia markets and has lived in China since 2000. Ms. Chen helps companies expand their presence in China and Asia, and leverages Asia's innovation to improve their global businesses. Ms. Chen was named one of Consulting magazine's Global Leaders in Consulting in 2019.

Ms. Chen is a frequent speaker and author on the opportunities and issues in the China healthcare and life sciences industry, and has been quoted by publications including BioCentury, BioWorld, In Vivo, Wall Street Journal, Financial Times and Forbes Asia.

Prior to joining L.E.K., Ms. Chen was an associate director of finance at Genentech Inc. (a wholly-owned member of the Roche Group, which is listed on OTCQX, stock code: RHHBY) and a sales planner at Abbott Laboratories (subsequently split to AbbVie Inc., which is listed on NYSE, stock code: ABBV). Ms. Chen received her A.B. cum laude in applied mathematics from Harvard University.

Senior Management

Dr. Xueming Qian (錢雪明), Ph.D., aged 58, is an executive Director, chairman of the Board and our chief executive officer and a member of the nomination committee. For further details, please see the paragraphs headed "Executive Directors" in "Directors" section.

Directors and Senior Management

Dr. Chuan Qi (戚川), M.D., aged 48, is an Executive Vice President, Head of Global R&D and Chief Medical Officer of the Company. Dr Qi had been Senior Vice President of Global Clinical Development Department of the Company since August 2020, before his promotion to Executive Vice President starting from May 2025. Dr Qi took the role of Chief Medical Officer, effective from January 2026. Dr. Qi is a medical oncologist by training and was a physician in the Oncology Department of Shanghai Pulmonary Hospital before joining the industry. He has 20 years of drug development experience. He has successfully led the clinical development of multiple small molecules, antibodies and ADCs and achieved regulatory approval in China and the overseas market.

Prior to joining the Company, Dr. Qi was the Head of Oncology Product Development of Roche Global Product Development Center ("**Roche**") in Shanghai and led his team in achieving China and global approval of more than 10 innovative anticancer drugs/indications, including Atezolizumab, Alecensa, Perjeta, Kadcyla, etc. Prior to his tenure at Roche, Dr. Qi served as Head of Clinical Science and program leader of Savolitinib, Surufatinib at Hutchison MediPharma ("**Hutchison**") where he led the China and global clinical development of multiple innovative drugs from phase I to phase III. Before Hutchison, Dr. Qi took multiple positions of Medical Liaison, Medical Manager and Medical Director at Eli Lilly and Roche and led the clinical development of innovative anti-cancer drugs in China including Avastin, Tarceva, Gazyva etc.

Mr. Weiwei Liang ("Mr. Liang"), aged 50, had been Vice President of Business Development & Corporate Strategy Department of the Company since August 2024 before his promotion to Senior Vice President and taking on the role of Acting Chief Financial Officer from March 1, 2025. Mr. Liang brings to his twin positions over 20 years of extensive global experience in business development, finance and commercial Strategy, having stepped up progressively into senior roles at Bristol Myers Squibb ("**BMS**"), Novartis, and Bayer.

Prior to joining the Company, Mr. Liang served as senior director of Business Development at BMS's global headquarters, where he led transformative collaborations and venture investments, whilst having played a key role in advancing artificial intelligence and machine learning innovations to accelerate drug discovery, development, and commercialization across all therapeutic areas. Prior to his tenure at BMS, Mr. Liang held key positions in business development, commercial strategy, and finance at Novartis and Bayer, with his expertise spanning the full business development lifecycle including deal sourcing, due diligence, negotiation, execution, and post-deal integration across a broad range of assets, including molecules, technologies, medical devices, and digital therapeutics. His finance background encompasses business planning and analysis, R&D and commercial finance, supply chain and manufacturing finance, corporate strategy and portfolio management, M&A finance, and controlling, where he served as controller within a strategic business unit.

Mr. Liang holds an MBA from Carnegie Mellon University's Tepper School of Business in the United States in 2006 after obtaining his bachelor's degree in Electronics Engineering from Beijing University of Technology (北京工業大學) in 1999.

Company Secretary

Ms. Leung Kwan Wai (梁君慧) is the company secretary of the Company since June 2021. Ms. Leung is a senior manager of Corporate Services of Tricor Services Limited. Ms. Leung is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute (formerly 'The Hong Kong Institute of Chartered Secretaries') and The Chartered Governance Institute (formerly 'The Institute of Chartered Secretaries and Administrators') in the United Kingdom.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at the date of this report since the last published interim report.

Corporate Governance Report

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

CORPORATE GOVERNANCE PRACTICES

The Company was incorporated under the laws of the British Virgin Islands on August 20, 2010 and continued in the Cayman Islands on March 26, 2021 as an exempted company with limited liability, and the Shares of the Company were listed on the Main Board of the Stock Exchange on September 29, 2021.

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all Shareholders.

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions set out in the CG Code as the basis of the Company's corporate governance practices. During the Reporting Period, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the CG Code under Appendix C1 to the Listing Rules, except for code provision C.2.1, as explained in the paragraph headed "Chairman and Chief Executive Officer" in this report.

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Xueming Qian currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own securities dealing code to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

The provisions under the Listing Rules in relation to compliance with the Model Code by the Directors regarding securities transactions have been applicable to the Company since the Listing Date. Having made specific enquiry, all the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the Reporting Period.

Corporate Governance Report

CORPORATE CULTURE

The Board has established the Group's purpose, values and strategy, and satisfy itself that these and the Group's culture are aligned. All Directors must act with integrity, lead by example, and promote the desired culture. The Board should instill such culture into the Company and continually reinforces across our Company's values of acting lawfully, ethically and responsibly.

A healthy corporate culture set up by the Group, including integrity and accountability, is vital for the Company to achieve its vision and mission towards sustainable growth. It is the Board's role to foster a corporate culture with core principles to guide the behaviors of its employees, and ensure that the Company's vision, values and business strategies are aligned to it.

BOARD OF DIRECTORS

The Board is responsible for the overall leadership of the Group, oversees the Group's businesses, strategic decisions, monitors performance and takes decisions objectively in the best interest of the Company.

The Board has delegated the authority and responsibilities for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the audit committee, the remuneration committee and the nomination committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

BOARD COMPOSITION

As at the date of this report, the Board comprises one executive Director, one non-executive Director and four independent non-executive Directors.

The composition of the Board is as follows:

Executive Director

Dr. Xueming Qian (錢雪明) *(Chairman of the Board, Chief Executive Officer)*

Non-executive Director

Dr. Li Xu (徐莉)

Corporate Governance Report

Independent non-executive Directors

Mr. Jiasong Tang (唐稼松)

Mr. Zhihua Zhang (張志華)

Dr. Kumar Srinivasan

Ms. Helen Wei Chen (陳瑋)

The biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 73 to 76 of this annual report.

To the best knowledge of the Company, none of the members of the Board is related to one another.

BOARD MEETINGS, COMMITTEE MEETINGS AND GENERAL MEETINGS

Pursuant to code provision C.5.1 of the CG Code, 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 communication. The Company had held six Board meetings during the Reporting Period.

A summary of the attendance record of the Directors at Board meetings, committee meetings and general meetings during Reporting Period is set out in the following table below:

	Number of meeting(s) attended/number of meeting(s) held during the Reporting Period				
Name of Directors	**Board meeting(s)**	**Audit Committee meeting(s)**	**Remuneration Committee meeting(s)**	**Nomination Committee meeting(s)**	**General meeting(s)**
Executive Director:					
Dr. Xueming Qian	6/6	N/A	N/A	1/1	1/1
Non-executive Director:					
Dr. Li Xu	6/6	3/3	N/A	N/A	1/1
Independent Non-executive Directors:					
Mr. Jiasong Tang	6/6	3/3	3/3	N/A	1/1
Mr. Zhihua Zhang	6/6	3/3	3/3	1/1	1/1
Dr. Kumar Srinivasan	6/6	N/A	3/3	1/1	1/1
Ms. Helen Wei Chen	6/6	N/A	N/A	1/1	1/1

Apart from regular Board Meetings, the Chairman of the Board also held one meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period in accordance with code provision C.2.7 of the CG Code.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the appointment of Dr. Qian as the chairman of the Board with effect from June 7, 2024, Dr. Qian has served as both the chairman of the Board and the chief executive officer. The nomination committee of the Board is of the view and the Board agrees that despite deviating from the Corporate Governance Code, Dr. Qian will provide solid and continuous leadership to the Group with his extensive experience and knowledge in management and the support of other members of the Board.

Further, vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enabling more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. As at date of this report, the Board currently comprises only one executive Director, one non-executive Director and four independent non-executive Directors, the majority of the Board will consist of independent non-executive Directors who will be able to assist in scrutinising important decisions and monitoring the exercise of power by Dr. Qian, being both the chairman and chief executive officer, the Directors are therefore of the view that there is a fairly strong independence element in the Board's composition and an appropriate delegation of authorities to the management. The Board will continue to review and consider segregating the roles of chairman of the Board and chief executive officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance and alignment with the latest measures and standards set out in the CG Code, and maintain a high standard of corporate governance practices of the Company.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period and up to the date of this report, the Board has at all times met the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent and remain so as of the date of this report.

Corporate Governance Report

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and succession planning for Directors and assessing the independence of independent non-executive Directors.

All Directors will hold office subject to provision of retirement by rotation and re-election at annual general meeting. Pursuant to Article 118(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Accordingly, the following Directors, Dr. Xueming Qian and Ms. Helen Wei Chen shall retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

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 in the interests of the Company.

All Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

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

The Board would regularly review the contribution required from each Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performs them.

The Board reserves for its decision on all major matters relating to policy matters, strategies, budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the Group's senior management whom are responsible for overseeing the general operation, business development, finance, marketing and operations.

Corporate Governance Report

The Board has clearly set out the circumstances under which the management should report to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The Board regularly reviews the above said circumstances and ensures they remain appropriate.

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of legal actions against Directors, officers and senior management of the Company arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

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.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the CG Code. The audit committee comprises of three non-executive Directors (including independent non-executive Directors), namely, Mr. Jiasong Tang, Mr. Zhihua Zhang and Dr. Li Xu. Mr. Jiasong Tang, being our independent non-executive Director with the appropriate professional qualifications, is the chairperson of the Audit Committee.

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 (if any) and to provide advice and comments to the Board. The terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The following is a summary of work performed by the Audit Committee during the Reporting Period:

- reviewed the annual and interim results and report, the Group's financial and accounting policies and practices and the scope of audit and appointment of auditors;
- reviewed the financial controls system and engagement of non-audit services;
- reviewed the risk management and internal control systems and internal audit function and discussed with the management and internal audit on their findings;

Corporate Governance Report

- discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company; and
- reviewed, discussed matters with respect to and made recommendations to the matters relating to ESG.

During the Reporting Period, the Audit Committee met three times to review the Company's annual results and annual report for the year ended December 31, 2024 and the interim results and interim report for the six months ended June 30, 2025, review the effectiveness of the risk management and internal control systems as well as the internal audit function of the Company, review the whistling blowing policy and anti-corruption policy, and review and make recommendation to the Board regarding the change of auditor.

On March 30, 2026, the Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period, and has met with the independent auditor, Ernst & Young and reviewed the consolidated financial statements of the Group for the year ended December 31, 2025 in conjunction with the Auditor. The Audit Committee considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee comprises three independent non-executive Directors, namely Dr. Kumar Srinivasan, Mr. Jiasong Tang and Mr. Zhihua Zhang. Dr. Kumar Srinivasan is the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management. The terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

During the Reporting Period, the Remuneration Committee met three times to review to the Board on the remuneration packages of individual executive directors and senior management. The following is a summary of work performed by the Remuneration Committee during the Reporting Period:

- assessed the performance of executive Directors;
- reviewed and made recommendations to the Board on the remuneration package of the individual executive Directors and senior management;
- reviewed and made recommendations to the Board on the remuneration of the non-executive Directors;
- reviewed and made recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management; and

Corporate Governance Report

- reviewed and approved matters relating to share schemes under Chapter 17 of the Listing Rules, including the grants of options or awards to the Directors and senior managers to attract, remunerate, incentivize and reward the key talents, and encourage them to work towards enhancing the value of the Company and its Shares, including the following material matters in relation to its existing share schemes:
  - the grant of share awards to 27 employees under the Share Incentive Scheme on April 2, 2025;
  - the grant of share awards to each of Dr. Li Xu, Mr. Jiasong Tang and Mr. Zhihua Zhang and share options to Dr. Caroline Germa under the Share Incentive Scheme on June 25, 2025;
  - the grant of share awards to Mr. Tyler Marciniak under the Share Incentive Scheme on November 20, 2025;
  - the grant of share awards to an employee under the Share Incentive Scheme on December 29, 2025;
  - in relation to the above grants of share awards to senior management and Directors that had a vesting period shorter than 12 months, the Remuneration Committee was of the view that such arrangement aligns with the purpose of the Share Incentive Scheme as it incentivizes and encourages them to work towards enhancing the value of the Company and its Shares; and
  - in relation to the above grants of share awards to senior management and Directors that did not contain any performance targets, the Remuneration Committee was of the view that (i) such grants formed part of their respective remuneration; and (ii) the grants were to recognize and reward the relevant persons for their past contributions to the Company, and can incentivize and retain the relevant grantees, whose contributions are beneficial to the continual operation, development and long-term growth of the Group. Therefore, the Remuneration Committee was of the view that it was not necessary to set performance targets for such relevant grants.

For details of the grants of options and share awards to Directors and senior management the Company, please refer to the announcements of the Company dated April 2, 2025, June 25, 2025, November 20, 2025 and December 29, 2025.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs.

Details of the fees and other emoluments paid or payable to the Directors for the Reporting Period are set out in note 10 to the consolidated financial statements contained in this annual report.

Corporate Governance Report

The remuneration of the members of senior management (excluding the Directors) of the Group by band for the Reporting Period is set out below:

	Year ended December 31,	
	2025 senior management	2024 senior management
HK$1,500,001 to HK$2,000,000	–	1
HK$2,000,001 to HK$2,500,000	1	–
HK$2,500,001 to HK$3,000,000	1	–
HK$3,000,001 to HK$3,500,000	–	2
HK$3,500,001 to HK$4,000,000	–	–
HK$4,000,001 to HK$4,500,000	–	–
HK$4,500,001 to HK$5,000,000	–	1
	2	**4**

NOMINATION COMMITTEE

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee comprises one executive Director, namely Dr. Xueming Qian, and three independent non-executive Directors, namely Mr. Zhihua Zhang and Dr. Kumar Srinivasan and Ms. Helen Wei Chen. Mr. Zhihua Zhang is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession. The terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

During the Reporting Period, the Nomination Committee held one meeting to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and consider the qualifications of the retiring directors standing for election at the forthcoming annual general meeting. The following is a summary of work performed by the Nomination Committee during the Reporting Period:

- assessed and disclosed the policy for the nomination of Directors;
- assessed the independence of the independent non-executive Directors;
- considered and/or made recommendations to the Board on the re-election of directors;

Corporate Governance Report

- reviewed the structure, size and composition of the Board;
- reviewed the board diversity policy and assessed the progress of the implementation;
- identified and/or made recommendations to the Board on introducing new directors and senior management;
- inspected and supervised the relevant policies and practices in complying with the legal and regulatory requirements, monitored the code of conduct and compliance guidelines; and
- inspected and supervised the training and continuous professional development of the directors and senior management.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, details of which will be set out in the section headed "Board Diversity Policy".

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence (for appointment of independent non-executive Directors), and Board diversity aspects, where appropriate, before making recommendation to the Board. The details of which will be set out in the section headed "Director Nomination Policy".

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy (the "**Diversity Policy**") in accordance with the CG Code, which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent.

The Company has two female Board members and one female member as the Group's senior management. Going forward, the Company will continue to work on enhancing the gender diversity of the Board.

The Nomination Committee will be responsible for identifying suitable female candidates and providing their recommendations to the Board to enhance the gender diversity of the Board. Subject to (i) the Board being satisfied with the background, qualification and experience of the relevant candidate(s) and their potential contributions to the development of the Group, (ii) the Directors fulfilling their fiduciary duties to act in the best interest of our Company and the Shareholders as a whole when making the relevant recommendation(s), and (iii) the Company's prevailing nomination policy, the Board recommended the female candidate after identifying suitable candidate to the Shareholders for appointment as a member of the Board.

Corporate Governance Report

The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level (with reference to the Diversity Policy) so that it will have a pipeline of female senior management and potential successors to the Board in due time to ensure gender diversity of the Board.

The following table sets out the gender ratio in the workforce of the Group as at the date of this report:

	Female	Male
Senior Management	25.00% (1)	75.00% (3)
Other employees	59.60% (90)	40.40% (61)
Overall workforce	58.71% (91)	41.29% (64)

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

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

DIRECTOR NOMINATION POLICY

On June 22, 2021, the Company adopted a director nomination policy (the "**Director Nomination Policy**") in accordance with the CG Code. The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The Director Nomination Policy sets out the non-exhaustive factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- reputation for integrity;
- professional qualifications and skills;
- accomplishment and experience in the biopharmaceutical sector;
- commitment in respect of available time and relevant interest;
- independence of proposed independent non-executive Directors; and
- diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

Corporate Governance Report

In terms of succession planning, the following considerations will be used by the Nomination Committee in making recommendations:

- required knowledge, skills and experience at a full Board composite level to effectively fulfil the Board's legal role and responsibilities;
- an appropriate balance of diversity across the Board;
- personal qualities of each candidates;
- continuity through a smooth succession of Directors; and
- compliance with the relevant legal and regulatory requirements.

The Nomination Committee will review the Director Nomination Policy, as appropriate, and recommend revision to the Board for consideration and approval.

WHISTLEBLOWING POLICY

On June 1, 2021, the Company adopted a whistleblowing policy (the "**Whistleblowing Policy**") and amended the policy on November 24, 2022 in accordance with the code provision D.2.3 of CG Code. The Company has established a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Company.

ANTI-CORRUPTION POLICY

On July 1, 2020, the Company adopted an anti-corruption policy (the "**Anti-corruption Policy**") and amended the policy on November 24, 2022 in accordance with the code provision D.2.4 of CG Code. The Anti-corruption Policy aims to promote and support anti-corruption laws and regulations.

BOARD INDEPENDENCE EVALUATION MECHANISM

On November 24, 2022, the Company adopted a board independence evaluation mechanism (the "**Board Independence Evaluation Mechanism**") in accordance with the code provision B.1.3 of CG Code. The Board Independence Evaluation Mechanism sets out the principles and guidelines that the Company intend to ensure independent view and input are available to the board. All Directors have timely access to all relevant information as well as the advice and services of the company secretary and senior management of the Company, with a view to ensuring that Board procedures and all applicable laws and regulations are followed. Any Director may seek independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board. During the year ended December 31, 2025, the Board has reviewed the board independence mechanisms and considered that the implementation of the mechanisms was effective.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTION

The Board would review 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 Board has performed the above duties during the Reporting Period.

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.

DIVIDEND POLICY

The Company has adopted a dividend policy effective as of March 22, 2022, which outlines the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders.

According to the Dividend Policy:

1. Subject to Cayman Islands company law and the Articles of Association (as amended from time to time), the Board has absolute discretion on whether to declare and distribute dividends. In addition, the Shareholders in general meeting may declare dividends but no dividend may be declared in excess of the amount recommended by the Board. In either case, a dividend may only be declared and paid out of the profits and reserves of the Company that are lawfully available for distribution (including share premium), and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend on the Company's future operations and earnings, capital requirements and surplus, cash flows, general financial condition, contractual restrictions and other factors that the Board considers relevant.

2. Any future dividend payments to Shareholders will also depend upon the availability of dividends received from the subsidiaries of the Company. Regulations in China may restrict the ability of the Company's PRC subsidiaries to pay dividends to the Company.

3. If the Company pays any dividends on the Shares, unless and to the extent that the rights attached to the Shares or the terms of issue thereof otherwise provide, (i) all dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on Shares in advance of calls may for this purpose be treated as paid up on the Shares, and (ii) all dividends will be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. The Board may deduct from any dividend or other monies payable to any of the Shareholders all sums of money (if any) presently payable by such Shareholders to the Company on account of calls, instalments or otherwise.

Corporate Governance Report

4. Any final dividend for a financial year will be subject to Shareholders' approval. The Company may declare and pay dividends in cash or by shares. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association and all applicable laws and regulations.

5. The Company does not have a fixed dividend payout ratio. The Company currently intends to recommend dividends commensurate with the industry average level, while maintaining adequate reserves for its operations, expansion and future growth. The Dividend Policy reflects the Board's current views on the Company's financial position. The Board will continue to review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.

The Board does not recommend the distribution of a final dividend for the year ended December 31, 2025.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows of the Group for that period.

In preparing the financial statements, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

A statement by the independent auditor of the Company, Ernst & Young, about their reporting responsibilities on the consolidated financial statements is included in the Independent Auditors' Report on pages 101 to 103 of this annual report.

GOING CONCERN AND MITIGATION PLANS AND MEASURES

Disclaimer of Opinion and the Directors' views

Pursuant to code provision D.1.3 of Part 2 of the CG Code, the Directors were aware of the matters disclosed in note 3.1 to the consolidated financial statements of the Group for the year ended December 31, 2025 (the "**Consolidated Financial Statements**"), and described in the Independent Auditor's Report as "events and conditions" that "may cast significant doubt on the Group's ability to continue as going concern", and for which the Auditor has issued a disclaimer of opinion ("**Disclaimer of Opinion**") in relation to the Consolidated Financial Statements, details of which are set out in the sections headed "Disclaimer of Opinion" and "Basis for Disclaimer of Opinion" respectively in the Independent Auditor's Report.

The Directors have given careful consideration to the Disclaimer of Opinion and had been in ongoing discussions with the Auditor when preparing the Consolidated Financial Statements. The Auditor has opined in the Independent Auditor's Report that save for the Disclaimer of Opinion, the Consolidated Financial Statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance. The management's views on such Disclaimer of Opinion are disclosed in the paragraphs headed "Directors' views on the Disclaimer of Opinion" in the Management Discussion and Analysis of this annual report, and substantially repeated as follows:

Corporate Governance Report

The Directors, having perused the information prepared by the management, including but not limited to the Cashflow Projection, the Progress Update, and taking into account the management's report on the latest progress thereto and plans going forward, have (on the basis that such latest plans and measures (as set forth below) are effectively implemented as planned) come to the view that the Group will have sufficient financial resources to finance its operations and meet its financial obligations when they fall due within twelve months from the date of approval of the Condensed Consolidated Financial Statements. Accordingly, the Directors have, at the time of approving the Condensed Consolidated Financial Statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Save for the matters disclosed herein, the Directors are not aware of any other events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, and thus it is appropriate for the Condensed Consolidated Financial Statements to be prepared on a going concern basis.

Updates on the latest plans and measures taken or to be taken

A summary of the latest plans and measures taken or to be taken to support such going concern assumptions, which have been considered, recommended and agreed by the audit committee of the Company (the "**Audit Committee**") after its critical review of the management's position for the year ended December 31, 2025 is set forth as follows:

(i) Engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing out" and/or "co-development plans"

The Group continued to advance discussions for the development and commercialization of its lead asset osemitamab with multiple global and regional pharmaceutical companies. Several parties are conducting due-diligence reviews and/or proceeding with term-sheet and contract level negotiations covering global and regional collaboration scopes. The Company has also garnered term-sheet and contract level interest from global and regional investment institutions, with which the Company has been in active discussions to secure funding for the asset. The Company expects to complete negotiations regarding one or more of these term sheets and contracts within the first half of 2026 and initiate the Phase 3 within 2026.

(ii) Pursuing out-licensing or fund raising to support further development of other pipelines

The Group continued to be in active discussions with potential partners and investors concerning its other pipeline programs, including among others TST003, TST013, TST198, blosozumab, TST801, TST808 and ozekibart, as part of the Group's broader and ongoing pipeline activities. Progress has been made toward potential global or regional licensing or joint-development arrangements for several of these assets, and multiple parties have been conducting due-diligence reviews. The Group also continued to engage in discussions on the formation of NewCos to attract dedicated external capital to advance selected portfolios.

Corporate Governance Report

(iii) Engaging in discussions and negotiations with various parties for capital fundings

The Group continued to take a systematic approach to and make progress on diversified financing channels and instruments. Since the last update, the Group has made significant progress with the strategic investment term sheets received. Active negotiations with institutional investors and financial intermediaries are ongoing to further strengthen the Group's balance sheet and fund key R&D programs. Since the last update announcement in January, the Company has engaged with several strategic investors and progressed discussions to the contracting stage with an indicative fundraising target of up to US$100 million by year-end, subject to market conditions and customary approvals.

(iv) Exploring non-exclusive, royalty-bearing proprietary technology platform out-licensing opportunities

On December 29, 2025, the Company announced it had entered into a strategic collaboration and non-exclusive licensing agreement with EirGenix Inc., a global biopharmaceutical development and manufacturing company, to grant a non-exclusive license to use its Highly Intensified Continuous Bioprocessing (HiCB) platform, including highly productive continuous perfusion and integrated hybrid continuous purification process technologies, along with comprehensive process documentation, know-how, and regulatory support packages. The Company has since received the upfront payment and is eligible to receive further milestone payments, as well as future royalty payments associated with the commercial use of the licensed technologies.

In addition, the Group has been continuing its parallel discussions with other biotechnology and contract manufacturing companies interested in evaluating or licensing its proprietary technology platform including continuous-manufacturing technologies.

(v) Exploring global partnerships in perfusion and fed batch culture media supply, as well as other co-development and licensing opportunities

The Group has broadened its collaborations with global and regional cell-culture-media suppliers through multiple material-transfer and evaluation agreements. These initiatives are intended to generate recurring CHO cell culture medium technology license-associated sales revenue streams and deepen strategic relationships within the global supply chain.

(vi) Negotiating with various banks to renew and extend existing bank borrowings, and secure new bank facilities

The Group has maintained positive relationships with its banking partners to support the renewal and extension of key loan facilities. The Group continued to make progress in securing additional credit lines to provide continued support for day-to-day operations and R&D expenditures. Discussions with other financial institutions for further financing facilities have also progressed, with a financial leasing secured.

Corporate Governance Report

(vii) Negotiating with suppliers to extend repayment dates of the overdue payables

The Group has also continued its constructive dialogue with major suppliers. Further payment extensions and revised schedules have been agreed upon, improving short-term cash flow flexibility while ensuring uninterrupted operations.

(viii) Prospecting and engaging new contract development and manufacturing (CDMO) customers

The Group's CDMO business continued to gain traction, adding new domestic and potentially international clients across various CDMO service models. This is supported by the Group's integrated capabilities in process development and manufacturing, as well as lead discovery, optimization and clinical development. In particular, continuous bioprocessing is gaining momentum, and more and more companies are exploring continuous bioprocessing for complicated molecules in development. Several new customer contracts are under final negotiation, demonstrating growing market recognition of the Group's integrated development and manufacturing capabilities.

(ix) Implementing initiatives to align its resources more effectively and efficiently with strategic objectives

The Group has continued efforts in streamlining its organization and prioritizing investment in programs with the highest partnering and commercial potential. The across-the-board savings in labor, R&D and operating expenses reflect disciplined cost management and enhanced operating efficiency. These actions have meaningfully supported the extension of the Group's cash runway.

Potential impact of the Disclaimer of Opinion on the Group's financial position

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying amounts of the Group's assets to their realisation amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group. The possible effects on the consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

Audit Committee's view on the Disclaimer of Opinion

The Audit Committee has reviewed the facts and circumstances leading to the Disclaimer of Opinion, discussed with the Auditor and the management of the Company on matters and the basis for the Disclaimer of Opinion, and taken into account the Directors' views thereto and the latest plans and measures undertaken (and continue to focus on) by the Group to support the going concern assumptions used in preparation of the Consolidated Financial Statements. After careful analysis and prudent assessment of the aforementioned plans and measures (if effectively implemented) in mitigating the liquidity burden, optimising the Group's operations and improving its financial position, the Audit Committee concurs with the Directors' assessment and the basis for forming such a view with respect to adopting going concern assumptions in the preparation of the Consolidated Financial Statements.

Corporate Governance Report

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

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

During the Reporting Period, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expense.

The Company arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

The training records of the Directors for the Reporting Period are summarized as follows:

Name of Directors	Attending training, briefings, seminars, conferences and workshops relevant to the Company's industry and business, director's duties and/or corporate governance	Reading news alerts, newspapers, journals, magazines and publications relevant to the Company's industry and business, director's duties and/or corporate governance
Executive Director:		
Dr. Xueming Qian	✓	✓
Non-executive Director:		
Dr. Li Xu	✓	✓
Independent Non-executive Directors:		
Mr. Jiasong Tang	✓	✓
Mr. Zhihua Zhang	✓	✓
Dr. Kumar Srinivasan	✓	✓
Ms. Helen Wei Chen	✓	✓

Corporate Governance Report

AUDITORS' REMUNERATION

At the annual general meeting of the Company held on June 6, 2025, the Company appointed Deloitte as the auditor of the Company. On November 12, 2025, Deloitte resigned as the auditor of the Company and the Company appointed EY as the new auditor of the Company with effect from November 12, 2025. Details of the fees paid/payable in respect of the audit and non-audit services provided by Deloitte and EY for the Reporting Period are set out in the table below:

SERVICES RENDERED FOR THE COMPANY	Fees paid and payable RMB'000
Audit service	3,000
– Annual audit services	3,000
Non-audit service	724
– Interim review	624
– ESG services	100
Total	3,724

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it has the overall responsibility to maintain sound and effective risk management and internal control systems and to review their effectiveness. The risk management and internal control measures 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. During the Reporting Period, the Board had conducted a comprehensive review of the effectiveness of the risk management and internal control system of the Company and considered the system effective and adequate.

The Company has established an Internal Audit and Internal Control System and it plays a vital role in the risk management and internal control. The Internal Audit and Internal Control System has designated the relevant personnel who will be monitoring all risk and internal controls of the Company and conclude report and follow up on a regular basis. Each member of the Company is required to adhere strictly to the Company's internal control procedures and report to the internal control team of any risks or internal control measures. The Board has reviewed the adequacy and effectiveness of the internal audit function and the review is satisfactory.

The Company has also adopted an information disclosure policy which sets out comprehensive guidelines in respect of handling and dissemination of inside information. The Board is responsible for monitoring and implementing the procedural requirements in the information disclosure policy. Release of inside information shall be overseen by the Board. Without the approval of the Board, the Company prohibits any inside information from being disclosed to the public and media or market speculation which may materially affect the trading price or volume of the Shares on the market.

Corporate Governance Report

In the ordinary course of the Company's business, sensitive data is collected and stored, including, among other things, identity information about our students and our employees, intellectual property, and proprietary business information. The Company manages and maintains our applications and data utilizing on-site systems. These applications and data encompass a wide variety of business critical information including commercial information, and business and financial information. The Company has implemented relevant internal procedures and controls to ensure that such sensitive data is protected and that leakage and loss of such data is avoided.

The Company's Audit Committee and management together monitor the implementation of our risk management policies on an ongoing basis to ensure our policies and implementation are effective and sufficient. 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, ESG risks, internal control, quality assurance or other matters of the Company. Our management, under the supervision of our Board or a committee of our Board takes reasonable steps to (i) monitor compliance with the code, and (ii) when appropriate, impose and enforce appropriate disciplinary measures for violations of the code.

RISK MANAGEMENT

The Company recognizes that risk management is critical to the success of our business operation. We have adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives and remediation actions on an on-going basis. Our Compliance Committee, Audit Committee, and ultimately the Board supervise the implementation of our risk management policies.

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

- Our Board of Directors, assisted by the Audit Committee, is responsible for monitoring and assessing the effectiveness of Company's risk management system, to ensure that the Company's operations are effective and comply with the relevant laws and regulations.
- Our Audit Committee assists the Board by forming independent opinion on the effectiveness of internal control and risk assessment systems, oversees and manages the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy; (ii) discussing with senior management to ensure that effective risk management system is in place; and (iii) evaluating any risk assessments are conducted and measures are applied to guide internal audit and compliance activities.
- Our Compliance Committee, chaired by the CEO, is responsible for analyzing and managing the risks and threats related to the Company's business operation. It sets out the compliance management principles, as well as the roles and responsibilities of each business area and function regarding risk management, and defines the Company's risk management objectives and risk management process.
- Our Internal Audit and Internal Control Department is responsible for performing assessment of our risk management system and supervising and evaluating its operations. The results of the assessment and evaluation are reported to the Audit Committee at least twice a year.

Corporate Governance Report

- The Company has established a risk management process, pursuant to which each operating department is required to identify any significant risks associated with their work. The relevant functions in our Company, including the finance department, the legal & compliance department and the human resources department, are responsible for implementing our risk management policy and carrying out day-to-day risk management practice.
- Our Company has efficiently allocated attention and resources towards controlling legal risks in various jurisdictions and enhancing compliance operations through a series of training and projects from the perspectives of intellectual property, employment, clinical data compliance and dispute resolution. By integrating advanced legal and compliance strategies and cultivating a culture of proactive risk management, our Company has not only preempted potential issues but also reached a seamless alignment with global regulatory standards.
- The Company has issued the "Information Security and Data Protection Policy" and the "Data Security and Personal Information Protection Policy", as the general outline and guidance for data compliance work in operation, specifying the objectives, principles, responsibilities, processes and monitoring mechanisms for data compliance. Moreover, we have strengthened all-staff training programs related to Information Security and Data Protection, Artificial Intelligence Usage Security and Standards, and Anti-piracy Software Training to enhance the data protection awareness and capabilities of all company personnel, and foster a culture of data compliance.

INTERNAL CONTROL

Internal Control is embedded in our Company's risk management system. Internal Control is aimed at ensuring the Company's operations are efficient and reliable and in compliance with statutory regulations. During the Reporting Period, the Board, through the Audit Committee, has conducted an annual review of the effectiveness on the internal control system of the Company. The Board believes that existing internal control system is adequate and effective during the Reporting Period. Below is a summary of the internal control policies, measures and procedures we have implemented:

- We have adopted a series of internal control policies and procedures designed to achieve effective and efficient business operations and reliable financial reporting. The structure of our internal control framework has been defined by using a top-down, risk-based approach. We also periodically review our compliance status with all relevant laws and regulations.
- We have established an audit committee which (i) makes recommendations to our Board on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Company.
- We have established a compliance committee that covers all business areas and functions within the Company and enables effective monitoring of different parts of the Group. The compliance committee meets at regular intervals to discuss emerging compliance risks. The compliance management system consists of anti-corruption, anti-bribery, reporting and investigation, conflicts of interest, related party transaction, protection of intellectual property, environment protection, occupational, health and safety, etc. We embed compliance awareness into employees' daily work to ensure business operations are carried out in an effective and controlled manner.

Corporate Governance Report

- We have provided regular training to employees on relevant compliance measures and internal procedures as an integral part of our employee training framework. To further enhance compliance awareness throughout the organization, we have also disseminated the updated employee code of conduct and disciplinary policy to all employees on a regular basis.
- We have engaged PRC law firms, US law firms as well as EU Data Protection Officer to advise us on and keep us abreast with PRC and all the applicable local laws and regulations on a regular basis. We will continue to arrange various trainings from time to time when necessary and/or any appropriate accredited institution to update our directors, senior management, and relevant employees on the latest PRC and applicable local laws and regulations.
- We have maintained strict anti-corruption and anti-bribery policies to promote an ethical culture with the Company, to control the operation risks and to protect the Company and its Shareholders' interests as a whole. We will also ensure that our sales and marketing personnel comply with applicable promotion and advertising requirements, and therefore be less affected by the increasingly stringent measures taken by the PRC and all the applicable governments to correct corruptive practices in the pharmaceutical industry.
- We also have a whistleblowing policy that serves the purpose of establishing whistleblowing procedures for any staff and/or external parties in any matter related to the Company, to report and escalate any suspicious misconduct or malpractice or unethical acts.

COMPANY SECRETARY

Ms. Leung Kwan Wai of Tricor Services Limited, external service provider, has been engaged by the Company as its Company Secretary. The primary contact person at the Company, whom Ms. Leung can contact, is Mr. Weiwei Liang, Senior Vice President of Business Development & Corporate Strategy Department and Acting Chief Financial Officer of the Company.

During the Review Period, Ms. Leung has taken no less than 15 hours of relevant professional training to update her skills and knowledge.

SHAREHOLDERS' RIGHTS

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

Corporate Governance Report

CONVENING OF EXTRAORDINARY GENERAL MEETINGS ("EGM") BY SHAREHOLDERS

Pursuant to article 71 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of 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. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Companies Law of Cayman Islands (as revised and amended from time to time) or the Articles of Association. However, shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out in paragraph above.

Detailed procedures for Shareholders to propose a person for election as a director of the Company are published on the Company's website.

PUTTING FORWARD ENQUIRIES TO THE BOARD

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

CONTACT DETAILS

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

Address: B6-501, 218 Xinghu Street, Biobay, Suzhou 215123, China
Telephone: 0512-6707-9200
Email: ir@transcenta.com

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

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company has in place a shareholders' communication policy which aims at promoting channels for shareholders to communicate their views on various matters affecting the Company and how the Company solicits and understand the views of Shareholders and stakeholders. The Board had reviewed the policy and considered that the implementation of the policy was effective.

The Company has used the following methods to communicate with Shareholders:

- publication of announcements, interim reports and annual reports
- publication of key corporate governance policies on the Company's website
- holding of annual general meeting and other general meetings of the Company

The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming AGM, Directors (or their delegates as appropriate), appropriate management executives and external auditor will use all reasonable endeavors to attend and answer enquiries from the Shareholders.

To promote effective communication, the Company maintains a website at http://www.transcenta.com/, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and does not contain any material omission, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions.

CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Company did not make any significant changes to its constitutional documents. A latest version of the Articles of Association is available on the websites of the Company and the Stock Exchange. Shareholders may refer to the articles of association for further details of the rights of shareholders.

By the order of the Board
Xueming Qian
Executive Director, Chairman and Chief Executive Officer
Hong Kong
March 30, 2026

Independent Auditor's Report

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979號
太古坊一座 27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

TO THE SHAREHOLDERS OF TRANSCENTA HOLDING LIMITED
(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Transcenta Holding Limited (the "Company") and its subsidiaries (the "Group") set out on pages 104 to 178, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

As set out in note 2.1 to the consolidated financial statements, during the year ended 31 December 2025, the Group incurred a net loss of RMB204 million and a net operating cash outflow of RMB136 million, and as at 31 December 2025, the Group had net current liabilities of RMB160 million. These conditions, together with other matters disclosed in note 2.1 to the consolidated financial statements, cast significant doubt on the Group's ability to continue as going concern.

The directors of the Company have been undertaking a number of plans and measures to improve the Group's liquidity and financial position, which are set out in note 2.1 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, including:

(i) successfully engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing-out" and/or "co-development" plans;

(ii) successfully pursuing out-licensing or fundraising to support further development of other pipelines;

(iii) successfully engaging in discussions and negotiations with various parties for capital fundings;

(iv) successfully exploring non-exclusive, royalty-bearing proprietary technology platform out-licensing opportunities;

Independent Auditor's Report

(v) successfully exploring global partnerships in perfusion and fed-batch culture media supply, as well as other co-development and licensing opportunities;

(vi) successfully negotiating with banks to renew and extend existing borrowings, and secure new facilities;

(vii) successfully negotiating with suppliers to extend repayment dates of overdue payables;

(viii) successfully prospecting and engaging new contract development and manufacturing customers; and

(ix) successfully implementing initiatives to align its resources more effectively and efficiently with strategic objectives.

Given the severe financial situation faced by the Group, the execution of the plans and measures by the Group is still in progress and no written contractual agreements or other documentary supporting evidence from the relevant counterparties that are available as at the approval date of the consolidated financial statements, we were unable to obtain sufficient appropriate audit evidence we considered necessary to assess the assumptions underlying the cash flow forecasts and the likelihood of success of the plans and measures currently undertaken by the Group. There were no other satisfactory audit procedures that we could perform to satisfy ourselves with the appropriateness of the directors' use of the going concern basis of accounting and adequacy of the related disclosures in the consolidated financial statements.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might have to be made to write down the carrying amounts of the Group's assets to their realisation amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group. The possible effects on the consolidated financial statements of undetected misstatements, if any, could be both material and pervasive.

Independent Auditor's Report

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our responsibility is to conduct an audit of the consolidated financial statements in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and to issue an auditor's report. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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 fulfilled our other ethical responsibilities in accordance with the Code.

The engagement partner on the audit resulting in this independent auditor's report is Ip Hing Lam (practising certificate number: P06562).

Ernst & Young
Certified Public Accountants
Hong Kong
30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 31 DECEMBER 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
REVENUE	5	**7,435**	11,261
Cost of sales		**(5,714)**	(7,258)
Gross profit		**1,721**	4,003
Other income	6	**15,248**	23,499
Other gains and losses, net	7	**(12,063)**	(20,238)
Research and development expenses		**(140,821)**	(192,055)
Administrative and selling expenses		**(58,990)**	(70,513)
Impairment losses under expected credit loss model	20	**(2,643)**	(11,831)
Impairment losses/(reversal of impairment losses) on contract costs		**32**	(10,155)
Finance costs	9	**(6,481)**	(13,283)
Share of profit of a Joint venture		**22**	31
LOSS BEFORE TAX	8	**(203,975)**	(290,542)
Income tax credit	12	**250**	250
LOSS FOR THE YEAR		**(203,725)**	(290,292)
Loss for the year attributable to:			
Owners of the Company		**(203,725)**	(290,292)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of a foreign operation		**5,456**	(4,030)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**5,456**	(4,030)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(198,269)**	(294,322)
Total comprehensive loss attributable to:			
Owners of the Company		**(198,269)**	(294,322)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
– Basic and diluted (RMB)	14	**(0.49)**	(0.72)

Consolidated Statement of Financial Position

31 DECEMBER 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**275,592**	321,101
Right-of-use assets	16	**20,210**	23,206
Goodwill	17	**471,901**	471,901
Other Intangible assets	18	**95,667**	95,752
Investments in a joint venture		**1,315**	1,293
Deposits paid for acquisition of property, plant and equipment		**128**	1,938
Value-added-tax ("VAT") recoverable		**4,891**	4,858
Other receivables	20	**181**	454
Pledged bank deposits	22	**280**	280
Total non-current assets		**870,165**	920,783
CURRENT ASSETS			
Inventories	19	**14,018**	16,620
Trade and other receivables	20	**21,368**	31,107
Contract costs	21	**3,729**	2,132
VAT recoverable		**1,406**	2,512
Pledged/restricted bank deposits	22	**4**	57,700
Cash and cash equivalents	22	**14,143**	169,423
Total current assets		**54,668**	279,494
CURRENT LIABILITIES			
Trade and other payables	23	**106,615**	113,929
Contract liabilities	24	**574**	547
Interest-bearing bank borrowings	25	**102,890**	217,090
Lease liabilities	16	**3,935**	2,541
Deferred income	26	**400**	8,400
Total current liabilities		**214,414**	342,507
NET CURRENT LIABILITIES		**(159,746)**	(63,013)
TOTAL ASSETS LESS CURRENT LIABILITIES		**710,419**	857,770

Consolidated Statement of Financial Position

31 DECEMBER 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
Non-current liabilities			
Interest-bearing bank borrowings	25	**4,900**	16,050
Lease liabilities	16	**12,518**	14,926
Deferred income	26	**50,300**	50,300
Deferred tax liabilities	27	**24,608**	24,858
Total non-current liabilities		**92,326**	106,134
Net assets		**618,093**	751,636
Equity			
Share capital	28	**295**	284
Treasury shares	28	**(2,461)**	(2,371)
Reserves	30	**620,259**	753,723
Total equity		**618,093**	751,636

Qian Xueming
Director

Tang Jiasong
Director

Consolidated Statement of Changes in Equity

YEAR ENDED 31 DECEMBER 2025

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserves RMB'000	Share-based payment reserves RMB'000	Translation reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	283	4,657,628	(17)	(231,245)	119,063	(8,960)	(3,509,119)	1,027,633
Loss and total comprehensive loss for the year	–	–	–	–	–	(4,030)	(290,292)	(294,322)
Recognition of equity-settled share-based payment (note 29)	–	–	–	–	23,931	–	–	23,931
Shares repurchased and cancellation of shares repurchased (note 28)	(1)	(3,282)	(2,354)	–	–	–	–	(5,637)
Issuance of shares hold on trust (note 28)	2	–	(2)	–	–	–	–	–
Exercise of share options/vesting of restricted share units	–*	41	2	–	(12)	–	–	31
At 31 December 2024	284	4,654,387**	(2,371)	(231,245)**	142,982**	(12,990)**	(3,799,411)**	751,636
At 1 January 2025	**284**	**4,654,387**	**(2,371)**	**(231,245)**	**142,982**	**(12,990)**	**(3,799,411)**	**751,636**
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**5,456**	**(203,725)**	**(198,269)**
Issuance of ordinary shares (note 28)	**10**	**56,991**	**–**	**–**	**–**	**–**	**–**	**57,001**
Share issue expenses	**–**	**(1,734)**	**–**	**–**	**–**	**–**	**–**	**(1,734)**
Recognition of equity-settled share-based payment (note 29)	**–**	**–**	**–**	**–**	**8,262**	**–**	**–**	**8,262**
Shares repurchased (note 28)	**–**	**–**	**(93)**	**–**	**–**	**–**	**–**	**(93)**
Issuance of shares hold on trust (Note 28)	**1**	**–**	**(1)**	**–**	**–**	**–**	**–**	**–**
Exercise of share options/vesting of restricted share units	**–***	**3,575**	**4**	**–**	**(2,289)**	**–**	**–**	**1,290**
At 31 December 2025	**295**	**4,713,219****	**(2,461)**	**(231,245)****	**148,955****	**(7,534)****	**(4,003,136)****	**618,093**

* Amount is less than RMB1,000.

** These reserve accounts comprise the consolidated reserves of RMB620,259,000 (2024: RMB753,723,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax:		**(203,975)**	(290,542)
Adjustments for:			
Interest on bank borrowings	9	**5,931**	12,494
Interest on loans from a related party	9	**26**	–
Interest on lease liabilities	9	**524**	789
Interest income	6	**(1,134)**	(8,944)
Share of results of a joint venture		**(22)**	(31)
Depreciation of property, plant and equipment	15	**45,126**	46,716
Depreciation of right-of-use assets	16	**3,471**	5,635
Amortisation of other intangible assets	18	**85**	108
Impairment losses under expected credit loss model	20	**2,643**	11,831
Impairment losses/(reversal of impairment losses) on contract costs		**(32)**	10,155
Foreign exchange differences, net	7	**5,615**	(5,035)
Loss on disposal of property, plant and equipment	7	**3,138**	25,202
Compensation loss for contract termination related to the purchase of property, plant and equipment		**1,646**	–
Gain on disposal of right-of-use assets	7	**–**	(969)
Share-based payment expenses	29	**8,262**	23,931
		(128,696)	(168,660)
Decrease in trade and other receivables		**3,420**	11,101
Decrease in inventories		**2,602**	1,287
Increase in contract costs		**(1,565)**	(29)
Decrease/(increase) in VAT recoverable		**1,073**	(1,131)
Decrease in trade and other payables		**(4,534)**	(48,756)
Decrease in deferred income		**(8,000)**	(7,600)
Increase/(decrease) in contract liabilities		**27**	(40)
Net cash flows used in operating activities		**(135,673)**	(213,828)

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2025

	Notes	**2025**	2024
		RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**5,083**	7,263
Proceeds from disposal of right-of-use assets		**–**	17,040
Purchases of items of property, plant and equipment		**(7,300)**	(2,322)
Placement of pledged/restricted bank deposits		**–**	(7,700)
Withdrawn of pledged/restricted bank deposits		**57,696**	–
Net cash flows from investing activities		**55,479**	14,281
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		**235,730**	242,490
Repayment of bank borrowings		**(361,080)**	(396,770)
Proceeds of borrowings from a related party		**4,000**	–
Repayments of borrowings from a related party		**(2,005)**	–
Interest paid		**(6,023)**	(12,646)
Repayments of lease liabilities (including related interests)	16	**(2,013)**	(5,529)
Payment for repurchase of ordinary shares		**(93)**	(5,637)
Proceeds in connection to exercise of share options		**1,290**	31
Proceeds from issuance of shares		**57,001**	–
Share issue expenses		**(1,734)**	–
Net cash flows used in financing activities		**(74,927)**	(178,061)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(155,121)**	(377,608)
Cash and cash equivalents at beginning of year		**169,423**	546,026
Effect of foreign exchange rate changes, net		**(159)**	1,005
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	**14,143**	169,423

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

1. CORPORATE AND GROUP INFORMATION

Transcenta Holding Limited (the "Company") was incorporated in the British Virgin Islands as an exempted company with limited liability on 20 August 2010, and re-domiciled to the Cayman Islands on 26 March 2021 as an exempted company with limited liability under the laws of Cayman Islands. On 29 September 2021, the Company's shares became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands and the principal places of business are in Suzhou and Hangzhou, China.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "Group") is an integrated biopharma platform that brings drug candidates from the discovery stage to the commercial stage, spanning discovery, research, development, manufacturing and commercialization.

Information about subsidiaries

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

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Transcenta Therapeutics Inc.	The United States of America	US$ 2,750,000	100%	–	Research, development and commercialization of innovation therapies
HJB (Hangzhou) Co., Ltd. (杭州奕安濟世生物藥業有限公司) (note b)	The People's Republic of China ("PRC")/ Chinese mainland	RMB 376,832,216	–	100%	Research, development and commercialization of pharmaceutical drug candidates and provision of related technical services
Suzhou Transcenta Therapeutics Co., Ltd. (蘇州創勝醫藥集團有限公司) (note b)	PRC/ Chinese mainland	US$ 115,657,153.39	–	100%	Research, development and commercialization of pharmaceutical drug candidates and provision of related technical services

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries (Continued)

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

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Transcenta Diagnostics (Suzhou) Co., Ltd. (創勝診斷科技(蘇州)有限公司) (note c)	PRC/ Chinese mainland	RMB5,000,000	–	100%	Research, development and commercialization of innovative therapies
Transcenta Therapeutics (Shanghai) Co., Ltd. (創勝生物醫藥(上海)有限公司) (note a)	PRC/ Chinese mainland	US$12,500,000	–	100%	Research, development and commercialization of innovative therapies
Transcenta Therapeutics (Beijing) Co., Ltd. (邁博斯生物科技(北京)有限公司) (note c)	PRC/ Chinese mainland	RMB20,000,000	–	100%	Research, development and commercialization of innovative therapies
Transcenta Therapeutics (Hangzhou) Co., Ltd. (創勝生物醫藥(杭州)有限公司) (note c)	PRC/ Chinese mainland	RMB160,160,000	–	100%	Research, development and commercialization of innovative therapies

a. This entity is registered as sino-foreign-owned enterprises under PRC law.

b. These entities are registered as wholly-foreign-owned enterprises under PRC law.

c. These entities are registered as wholly-domestic-owned enterprises under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

During the year ended 31 December 2025, the Group incurred a net loss of RMB204 million and a net operating cash outflow of RMB136 million, and as at 31 December 2025, the Group had net current liabilities of RMB160 million.

The above conditions indicate the existence of a material uncertainty which cast significant doubt over the Group's ability to continue as a going concern. In view of the above conditions, the directors of the Company have undertaken a number of plans and measures to improve the Group's liquidity and financial position, including

(i) The Group has been actively engaging with various third parties for further its global development and commercialization of a major pipeline, with "licensing-out" and/or "co-development" plans;

(ii) The Group has been actively pursuing out-licensing or fundraising to support further development of other pipelines;

(iii) The Group has been actively engaging in discussions and negotiations with various parties for capital fundings;

(iv) The Group has been actively exploring non-exclusive, royalty-bearing proprietary technology platform out-licensing opportunities;

(v) The Group has been actively exploring global partnerships in perfusion and fed-batch culture media supply, as well as other co-development and licensing opportunities;

(vi) The Group has been actively negotiating with banks to renew and extend existing borrowings, and secure new facilities;

(vii) The Group has been actively negotiating with suppliers to extend repayment dates of overdue payables;

(viii) The Group has been actively prospecting and engaging new contract development and manufacturing customers; and

(ix) The Group has been actively implementing initiatives to align its resources more effectively and efficiently with strategic objectives.

The directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2025. They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation (Continued)

Going concern basis (Continued)

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(i) successfully engaging with various third parties to further its global development and commercialization of a major pipeline, with "licensing-out" and/or "co-development" plans;

(ii) successfully pursuing out-licensing or fundraising to support further development of other pipelines;

(iii) successfully engaging in discussions and negotiations with various parties for capital fundings;

(iv) successfully exploring non-exclusive, royalty-bearing proprietary technology platform out-licensing opportunities;

(v) successfully exploring global partnerships in perfusion and fed-batch culture media supply, as well as other co-development and licensing opportunities;

(vi) successfully negotiating with banks to renew and extend existing borrowings, and secure new facilities;

(vii) successfully negotiating with suppliers to extend repayment dates of overdue payables;

(viii) successfully prospecting and engaging new contract development and manufacturing customers; and

(ix) successfully implementing initiatives to align its resources more effectively and efficiently with strategic objectives.

Should the Group be unable to achieve the above-mentioned plans and measures, it might not be able to continue as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their realisation amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Basis of consolidation

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

2.2 Changes in accounting policies and disclosures

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

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

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has assessed and concluded that the amendments did not have any impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.3 Issued but not yet effective IFRS accounting standards

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

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

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

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

[3] No mandatory effective date yet determined but available for adoption

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

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

Except for IFRS 18, the directors of the Company anticipate that the other new and amended IFRS Accounting Standards are not expected to have a material impact on the Group's financial performance and financial position in the year of initial application.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies

Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of a joint venture is included in profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's investments in the joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of a joint venture is included as part of the Group's investments in joint ventures.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Goodwill

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

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

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

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Impairment of non-financial assets

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

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

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

Related parties

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

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

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

  (ii) has significant influence over the Group; or

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

or

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Related parties (Continued)

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

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;

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

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

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

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

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

Buildings	4.75%
Leasehold improvements	Over the shorter of the lease terms and 9.5%
Plant and machinery	9.5% to 31.67%
Furniture and fixtures	19%
Motor vehicles	23.75%

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

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Property, plant and equipment and depreciation (Continued)

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and any capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

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

Intangible assets not ready for use are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. The impairment test compares the recoverable amount of the intangible asset to its carrying amount.

Research and development costs

All research costs, except for those acquired in-process research and development ("IPR&D"), are charged to profit or loss as incurred.

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding ten years, commencing from the date when the products are put into commercial production.

Acquired intangible assets (In-licenses)

In-licenses have not been ready for use and are measured at cost less any impairment losses.

Acquired in-process research and development

Certain IPR&D are acquired (including rights to develop, manufacture and commercialise drug candidates and rights to use manufacturing know-how and technology) with non-refundable upfront payment, milestone payment and royalty payment. Upfront payment is capitalised when paid. Milestone payment is capitalised as an intangible asset when incurred if the payment is due upon a verifiable outcome, and is expensed if it is due for the execution of activities or is treated as research and development expenditure, following the policy, if the payment is due for outsourced research and development work. Royalty payment is accrued in line with the underlying sales and recognised as a cost of sales. IPR&D acquired is stated at cost less accumulated amortisation and any impairment losses.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Leasehold land	45 years
Leased properties	3 to 10 years

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

(b) Lease liabilities

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

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Leases (Continued)

Group as a lessee *(Continued)*

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

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (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 are considered to be of low value.

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

Investments and other financial assets

Initial recognition and measurement

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

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

In order for a financial asset (debt instrument) 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.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (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 profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Impairment of financial assets (Continued)

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

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 except for trade receivables which apply the simplified approach as detailed below.

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

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

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

Simplified approach

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost, 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 and other payables 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 interesting-bearing bank loans)

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Treasury shares

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Inventories

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

Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less any 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.

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 and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Income tax (Continued)

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

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

Government grants

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

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Revenue recognition

Revenue from contracts with customers

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

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

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

Contract development and manufacturing ("CDMO") services and other contract services

The Group primarily earns revenues by providing CDMO services, research and development services, and other contract services to its customers through fee-for-service ("FFS") contracts. Under FFS method, the Group will recognise the revenue at a point in time upon delivery of the control of rights of the deliverables and acceptance by the customer.

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.

Contract liabilities

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates share incentive schemes, including a Pre-IPO equity incentive plan and a post-IPO share award 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 29 to the financial statements.

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

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

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Share-based payments (Continued)

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

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

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 5% of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

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

Foreign currencies

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

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

2. ACCOUNTING POLICIES *(Continued)*

2.4 Material accounting policies (Continued)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiary are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into RMB at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Research and development expenditures

Development expenses incurred on the Group's drug product pipelines are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management assesses the progress of each of the research and development projects and determine whether the criteria are met for capitalization. During the year ended 31 December 2025, all research and development costs are expensed when incurred.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty

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

Accrual of research and development expenses

The Group relies on contract research organisations, clinical site management operators, and clinical trial centres (collectively referred as "Outsourced Service Providers") to conduct, supervise, and monitor the Group's ongoing clinical trials in the PRC. Determining the amounts of research and development expenses 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.

Impairment of goodwill and in-licenses

The Group determines whether goodwill and in-licenses (not yet ready for use) are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and the in-licenses are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are disclosed in notes 17 and 18 to the financial statements, respectively.

Provision for expected credit losses on trade receivables

The Group categorizes its customers to recognise lifetime ECL for the trade receivables based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

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

Impairment on contract costs

At 31 December 2024, the Group reviewed the carrying amounts of contract costs to determine whether there was any indication that these assets had suffered an impairment loss. As such indication existed, the recoverable amount of the contract costs was estimated in order to determine the extent of the impairment loss.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill and in-licenses)

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

4. OPERATING SEGMENT INFORMATION

Segment information

For the purpose of resource allocation and performance assessment, the key management of the entities and business comprising the Group, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

Geographical information

(a) Revenue from external customers

	2025	2024
	RMB'000	RMB'000
Chinese mainland	**6,627**	10,138
United States of America	**808**	970
Others	**–**	153
Total	**7,435**	11,261

(b) Non-current assets

The Group's non-current assets are substantially located in the PRC.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

4. OPERATING SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue from customers individually contributing 10% or more of the Group's total revenue during the corresponding years is as follows:

	2025	2024
	RMB'000	RMB'000
Customer A	**2,365**	2,809
Customer B	**1,227**	1,983
Customer C	**808**	1,887
Customer D	**754**	–

5. REVENUE

An analysis of revenue is as follows:

	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers		
CDMO services	**6,376**	9,024
Research and development services	**1,059**	2,237
Total	**7,435**	11,261

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025	2024
	RMB'000	RMB'000
Geographical markets		
Chinese mainland	**6,627**	10,138
United States of America	**808**	970
Others	**–**	153
Total	**7,435**	11,261
Timing of revenue recognition		
At a point in time	**7,435**	11,261

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

5. REVENUE *(Continued)*

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information (Continued)

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

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
CDMO services	**340**	342

(b) Performance obligations

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

The Group provides CDMO services and research and development services. CDMO services stands as an integrated platform to support the development of manufacturing processes, the production of advanced intermediates and active pharmaceutical ingredients, formulation development and dosage drug product manufacturing, for preclinical, clinical trials, new drug application, and commercial supply of chemical drugs as well as wide spectrum development from early to late stage. The research and development services are mainly for investigational new drug enabling studies based on customers' needs.

The Group primarily earns revenues by providing CDMO services and research and development services to its customers through fee-for-service ("FFS") contracts. Contract duration is generally a few months to two years. Under FFS method, the contracts usually have multiple deliverable units, which are generally in the form of technical laboratory reports and/or samples, each with individual selling price specified within the contract. The Group identifies each deliverable unit as a separate performance obligation, and recognises FFS revenue of contractual elements at the point in time upon finalization, delivery and acceptance of the deliverable units.

The Group's service contracts normally include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits ranging from 10% to 50% of total contract sum as part of its credit risk management policies. This will give rise to contract liabilities at the start of a contract until the deliverable units have been delivered and accepted by the customer.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 RMB'000	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	**4,054**	4,457
After one year	**34,485**	853
Total	**38,539**	5,310

The amounts disclosed above do not include variable consideration.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

6. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Bank interest income	**1,134**	8,944
Government grants*	**15,084**	14,272
Materials sales income and expenses, net	**(970)**	283
Total	**15,248**	23,499

* The grants related to income were granted by the PRC local government authorities to group entities as incentives for the Group's research and development activities, and were recognised in profit or loss upon the compliance of the Group with the conditions attached to the grants and the government acknowledged acceptance. The grants related to assets were released to profit or loss over the expected useful lives of the relevant asset by equal annual instalments.

7. OTHER GAINS AND LOSSES, NET

	2025 RMB'000	2024 RMB'000
Foreign exchange differences, net	**(5,615)**	3,995
Compensation loss for contract termination related to the purchase of property, plant and equipment	**(3,082)**	–
Loss on disposal of property, plant and equipment	**(3,138)**	(25,202)
Gain on disposal of right-of-use assets	**–**	969
Others	**(228)**	–
Total	**(12,063)**	(20,238)

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

8. LOSS BEFORE TAX

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

	Notes	**2025**	2024
		RMB'000	RMB'000
Cost of services provided		**5,714**	7,258
Depreciation of property, plant and equipment	15	**45,126**	47,419
Depreciation of right-of-use assets	16(a)	**3,471**	5,635
Amortisation of other intangible assets	18	**85**	108
Research and development expenses*		**140,821**	192,055
Government grants	6	**(15,084)**	(14,272)
Payments for short-term lease and lease of low-value assets		**732**	728
Bank interest income	6	**(1,134)**	(8,944)
Compensation loss for contract termination related to the purchase of property, plant and equipment	7	**3,082**	–
Loss on disposal of property, plant and equipment	7	**3,138**	25,202
Gain on disposal of right-of-use assets	7	**–**	(969)
Auditor's remuneration		**3,000**	1,648
Staff cost (including directors' emoluments):			
– Salaries, allowances and benefits in kind		**59,713**	71,744
– Pension scheme contributions		**15,834**	20,923
– Equity-settled share-based payment expenses	29	**8,262**	23,931
– Directors' fees	10	**1,359**	1,437
– Termination benefits		**908**	524
Total		**86,076**	118,559
Foreign exchange differences, net	7	**5,615**	(3,995)
Impairment losses under expected credit loss model	20	**2,643**	11,831
Impairment losses on contract costs		**(32)**	10,155

* Research and development expenses include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and staff cost, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

9. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on bank borrowings	**5,931**	12,494
Interest on loans from a related party	**26**	–
Interest on lease liabilities	**524**	789
Total	**6,481**	13,283

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

	2025 RMB'000	2024 RMB'000
Fees	**1,359**	1,437
Other emoluments:		
Salaries, allowances and benefits in kind	**3,596**	2,087
Performance related bonuses	**–**	15
Equity-settled share-based payment expenses	**365**	2,394
Pension scheme contributions	**486**	167
Subtotal	**4,447**	4,663
Total	**5,806**	6,100

During the year, certain directors were granted restricted share units, in respect of their services to the Group, under the restricted share units scheme of the Company, further details of which are set out in note 29 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

(a) Independent non-executive directors

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

	Fees RMB'000	**Equity-settled share-based payment expenses RMB'000**	**Total remuneration RMB'000**
2025			
Mr. Jiasong Tang	**200**	**10**	**210**
Mr. Zhihua Zhang	**200**	**10**	**210**
Dr. Kumar Srinivasan	**200**	**8**	**208**
Ms. Helen Wei Chen	**200**	**16**	**216**
Total	**800**	**44**	**844**

	Fees RMB'000	Equity-settled share-based expenses RMB'000	Total remuneration RMB'000
2024			
Mr. Jiasong Tang	200	26	226
Mr. Zhihua Zhang	200	26	226
Dr. Kumar Srinivasan	200	20	220
Ms. Helen Wei Chen	200	37	237
Total	800	109	909

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

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

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension Scheme contributions RMB'000	Performance Related bonuses RMB'000	Equity-settled share-based payment expenses RMB'000	Total remuneration RMB'000
2025						
Executive directors:						
Dr. Xueming Qian (chief executive officer) ("Dr. Qian")	**359**	**1,883**	**246**	**–**	**161**	**2,649**
Non-executive director:						
Dr. Li Xu	**200**	**1,713**	**240**	**–**	**160**	**2,313**
Total	**559**	**3,596**	**486**	**–**	**321**	**4,962**

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension Scheme contributions RMB'000	Performance Related bonuses RMB'000	Equity-settled share-based payment expenses RMB'000	Total remuneration RMB'000
2024						
Executive directors:						
Dr. Qian	569	499	63	15	894	2,040
Mr. Xiaolu Weng (Note (i))	–	1,019	39	–	309	1,367
Subtotal	569	1,518	102	15	1,203	3,407
Non-executive director:						
Dr. Yining Zhao (Note (ii))	–	–	12	–	555	567
Dr. Li Xu (Note (iii))	68	569	53	–	527	1,217
Subtotal	68	569	65	–	1,082	1,784
Total	637	2,087	167	15	2,285	5,191

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

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

Notes:

(i) On 30 April 2024, Mr. Xiaolu Weng resigned as an executive director of the Company.

(ii) On 7 June 2024, Dr. Yining Zhao resigned as chairman of the board and non-executive director of the Company.

(iii) On 28 August 2024, Dr. Li Xu was designated as a non-executive director of the Company.

11. FIVE HIGHEST PAID EMPLOYEES

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

	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	**5,642**	6,512
Pension scheme contributions	**814**	624
Equity-settled share-based payment expenses	**465**	4,342
Total	**6,921**	11,478

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

	2025	2024
HKD2, 000,001 to HKD2, 500,000	**2**	–
HKD2, 500,001 to HKD3, 000,000	**1**	–
HKD3, 000,001 to HKD3, 500,000	**–**	1
HKD4, 500,001 to HKD5, 000,000	**–**	2
Total	**3**	3

During the year, restricted share units and share options were granted to the non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 29 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

12. INCOME TAX

The Company was incorporated in the BVI and re-domiciled to the Cayman Islands and is exempted from income tax.

Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profit.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25%.

On 8 December 2023, HJB (Hangzhou) Co., Ltd. (杭州奕安濟世生物藥業有限公司) ("HJB Hangzhou") qualified as a High and New Tech Enterprise recognised by the Ministry of Science and Technology and enjoys a preferential tax rate of 15% for a period of three years starting from 2023.

On 6 November 2023, Suzhou Transcenta Therapeutics Co., Ltd. (蘇州創勝醫藥集團有限公司) qualified as a High and New Tech Enterprise recognised by the Ministry of Science and Technology and enjoys a preferential tax rate of 15% for a period of three years starting from 2023.

Certain subsidiaries of the Company were small and low-profit enterprises, and in accordance with the Announcement on the Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), from 1 January 2023 to 31 December 2027, the annual taxable income of a small and low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%.

	2025	2024
	RMB'000	RMB'000
Current	**–**	–
Deferred (note 27)	**250**	250
Total tax credit	**250**	250

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

12. INCOME TAX *(Continued)*

	2025 RMB'000	2024 RMB'000
Loss before tax	**(203,975)**	(290,542)
Income tax expense calculated at 25%	**(50,994)**	(72,635)
Effect of different tax rates of subsidiaries operating in other jurisdictions and enacted by local authority	**14,429**	37,447
Profit attributable to a joint venture	**(5)**	(8)
Income not subject to tax	**(8,971)**	–
Tax effect of expenses not deductible for tax purposes	**98**	3,832
Additional deduction allowance for research and development expenses	**(25,124)**	(33,426)
Tax losses and deductible temporary differences utilised from previous periods	**(37)**	(77)
Tax effect of tax losses and deductible temporary differences not recognised	**70,354**	64,617
Income tax credit recognised in profit or loss	**(250)**	(250)

The Group has accumulated unused tax losses of RMB3,803,491,000 available for offset against future profits as of 31 December 2025 (2024: RMB3,537,347,000). The accumulated unused tax loss arising in mainland China or the other regions would expire in one to ten years or indefinitely for offsetting against taxable profits of the companies in which the losses arose. The Group had deductible temporary differences of RMB49,537,000 at 31 December 2025 (2024: RMB41,310,000), which are mainly related to Impairment and accrued expenses.

Deferred taxation have not been recognised in respect of these losses and deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

13. DIVIDENDS

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

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 414,191,329 (2024: 404,790,614) outstanding during the year.

No adjustment has been 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 options had an anti-dilutive effect on the basic loss per share amounts presented.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(Continued)

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

	2025 **RMB'000**	2024 RMB'000
Loss		
Loss attributable to ordinary equity holders of the Company for the purpose of calculating basic loss per share	**(203,725)**	(290,292)
Shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**414,191,329***	404,790,614

* The weighted average number of ordinary shares for the year shown above has been arrived after deducting the effect of the treasury shares held (note 28).

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture and fixtures RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025							
Cost	**178,865**	**6,459**	**418,335**	**303**	**3,007**	**2,933**	**609,902**
Accumulated depreciation and impairment	**(48,476)**	**(6,232)**	**(231,111)**	**(288)**	**(2,694)**	**–**	**(288,801)**
Net carrying amount	**130,389**	**227**	**187,224**	**15**	**313**	**2,933**	**321,101**
At 1 January 2025, net of accumulated depreciation and impairment	**130,389**	**227**	**187,224**	**15**	**313**	**2,933**	**321,101**
Depreciation provided during the year	**(8,982)**	**(165)**	**(35,869)**	**–**	**(110)**	**–**	**(45,126)**
Transfers	**20,063**	**3,221**	**(23,284)**	**–**	**–**	**–**	**–**
Disposals	**–**	**–**	**(383)**	**–**	**–**	**–**	**(383)**
At 31 December 2025, net of accumulated depreciation and impairment	**141,470**	**3,283**	**127,688**	**15**	**203**	**2,933**	**275,592**
At 31 December 2025							
Cost	**210,209**	**11,284**	**380,619**	**303**	**3,007**	**2,933**	**608,355**
Accumulated depreciation and impairment	**(68,739)**	**(8,001)**	**(252,931)**	**(288)**	**(2,804)**	**–**	**(332,763)**
Net carrying amount	**141,470**	**3,283**	**127,688**	**15**	**203**	**2,933**	**275,592**

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture and fixtures RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024							
Cost	178,865	6,459	416,754	303	3,007	24,619	630,007
Accumulated depreciation and impairment	(39,494)	(5,636)	(193,421)	(288)	(2,545)	–	(241,384)
Net carrying amount	139,371	823	223,333	15	462	24,619	388,623
At 1 January 2024, net of accumulated depreciation and impairment	139,371	823	223,333	15	462	24,619	388,623
Additions	–	–	–	–	–	5,099	5,099
Transfers	–	–	1,583	–	–	(1,583)	–
Disposals	–	–	–	–	–	(25,202)	(25,202)
Depreciation provided during the year	(8,982)	(596)	(37,692)	–	(149)	–	(47,419)
At 31 December 2024, net of accumulated depreciation and impairment	130,389	227	187,224	15	313	2,933	321,101
At 31 December 2024							
Cost	178,865	6,459	418,335	303	3,007	2,933	609,902
Accumulated depreciation and impairment	(48,476)	(6,232)	(231,111)	(288)	(2,694)	–	(288,801)
Net carrying amount	130,389	227	187,224	15	313	2,933	321,101

As at 31 December 2025, certain of the Group's property, plant and equipment with a net carrying amount of approximately RMB5,906,000 (2024: nil) were pledged to secure general facilities granted to the Group.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of land and properties for its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 45 years, and no ongoing payments will be made under the terms of these land leases. Leases of properties generally have lease terms between 3 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There were no extension options in the lease contracts.

(a) Right-of-use assets

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

	Leasehold land RMB'000	**Leased properties** RMB'000	**Total** RMB'000
As at 1 January 2024	23,387	21,525	44,912
Disposal	(16,071)	–	(16,071)
Depreciation charge	(666)	(4,969)	(5,635)
As at 31 December 2024 and 1 January 2025	6,650	16,556	23,206
Additions	–	475	475
Depreciation charge	(169)	(3,302)	(3,471)
As at 31 December 2025	**6,481**	**13,729**	**20,210**

(b) Lease liabilities

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

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**17,467**	22,207
New leases	**475**	–
Accretion of interest recognised during the year	**524**	789
Payments	**(2,013)**	(5,529)
Carrying amount at 31 December	**16,453**	17,467
Analysed into:		
Current portion	**3,935**	2,541
Non-current portion	**12,518**	14,926

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

16. LEASES *(Continued)*

The Group as a lessee (Continued)

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

	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	**524**	789
Depreciation charge of right-of-use assets	**3,471**	5,635
Expense relating to short-term leases and lease of low-value assets	**732**	728
Total amount recognised in profit or loss	**4,727**	7,152

(d) The total cash outflow for leases is disclosed in note 31(c) to the financial statements.

17. GOODWILL

	2025	2024
	RMB'000	RMB'000
Cost	**471,901**	471,901
Accumulated impairment	**–**	–
Net carrying amount	**471,901**	471,901

The goodwill arose from acquisition of Perfusion Biologics Co., Limited (formerly known as "Just Biotherapeutics Asia Inc.") ("Just Cayman") in 2019.

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to a group of cash-generating units that are expected to benefit from the synergies of such business combination for the purpose of impairment testing.

Impairment review on the goodwill of the Group has been conducted by management of the Company with reference to a report from an independent qualified professional valuer. For the purpose of impairment review, the recoverable amount of the group of cash-generating units is determined based on value-in-use calculations.

With the assistance of the valuer, management determined the recoverable amount of the goodwill based on the following approach and the key assumptions:

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

17. GOODWILL *(Continued)*

Impairment testing of goodwill (Continued)

- The cash flow projections are made based on financial budgets prepared by management till year 2040 based on the timing of clinical development and regulatory approval of relevant products. Cash flows beyond year 2040 are extrapolated using the estimated terminal growth rate at 0%. The management considers the length of forecast period is appropriate because it generally takes longer for a biopharma company to reach a perpetual growth mode, compared to companies in other industries, especially when the related products are still under clinical trials. Hence, the management believes that a forecast period for the cash generating units longer than five years is justifiable and consistent with industry practice;
- The discount rate used is pre-tax and reflect specific risks relating to the relevant products that would be considered by market participants; and
- The expected success rate of commercialization by reference to practices of pharmaceutical industries, development of technologies and related regulations from administrations.

The key parameters used for value-in-use calculations are as follows:

	2025	2024
Pre-tax discount rate	**17.4%**	17.5%
Expected annual growth rates till 2040 (note)	**1.7%-293.2%**	-1.6%-296.6%
Expected market penetration rate	**0.4%-25.0%**	0.4%-24.4%
Expected success rate of commercialization	**33.0%-38.0%**	33.0%-38.0%

Note: the compound growth rates calculated based on the expected annual growth rates till 2040 were 26% as at 31 December 2025 (31 December 2024: 29%).

The revenue growth rate for the forecast period and budgeted gross margin were determined by the management based on its expectation for market and product development. The terminal growth rate used does not exceed the industry growth forecast for the market in which the Group operates.

Based on the result of the goodwill impairment testing, the estimated recoverable amount of the group of cash-generating units exceeded its carrying amount as at 31 December 2025. Thus, no impairment is recognised.

Sensitivity

The Group performed the sensitivity test by increasing 1% of discount rate or decreasing 1% of revenue compound growth rate, which are the key assumptions determined the recoverable amount of the goodwill, with all other variables held constant. The impacts on the amount by which the goodwill's recoverable amount above its carrying amount (headroom) are as below:

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

17. GOODWILL *(Continued)*

Impairment testing of goodwill (Continued)

Sensitivity (Continued)

	2025 RMB'000	2024 RMB'000
Headroom	**612,287**	277,987
Impact by increasing discount rate	**(50,995)**	(54,122)
Impact by decreasing revenue compound growth rate	**(52,133)**	(49,212)

Considering there was still sufficient headroom based on the assessment, the Group's management believes that a reasonably possible change in any of the key assumptions would not cause the aggregate Group's carrying amount of the cash-generating units to exceed the recoverable amount.

18. OTHER INTANGIBLE ASSETS

	Software RMB'000	**IPR&D** RMB'000	**In-licenses** RMB'000 (note (i))	**Total** RMB'000
31 December 2025				
Cost at 1 January 2025, net of accumulated amortisation and impairment	**319**	**–**	**95,433**	**95,752**
Amortisation provided during the year	**(85)**	**–**	**–**	**(85)**
At 31 December 2025	**234**	**–**	**95,433**	**95,667**
At 31 December 2025				
Cost	**3,131**	**51,656**	**95,433**	**150,220**
Accumulated amortisation and impairment	**(2,897)**	**(51,656)**	**–**	**(54,553)**
Net carrying amount	**234**	**–**	**95,433**	**95,667**
31 December 2024				
At 1 January 2024:				
Cost	3,131	51,656	95,433	150,220
Accumulated amortisation and impairment	(2,704)	(51,656)	–	(54,360)
Net carrying amount	427	–	95,433	95,860
Cost at 1 January 2024, net of accumulated amortisation and impairment	427	–	95,433	95,860
Amortisation provided during the year	(108)	–	–	(108)
At 31 December 2024	319	–	95,433	95,752
At 31 December 2024 and at 1 January 2025:				
Cost	3,131	51,656	95,433	150,220
Accumulated amortisation and impairment	(2,812)	(51,656)	–	(54,468)
Net carrying amount	319	–	95,433	95,752

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

18. OTHER INTANGIBLE ASSETS *(Continued)*

(i) Licensing Agreement with Eli Lilly and Company ("Lilly")

In March 2019, HJB Hangzhou, a subsidiary of the Company, entered into a license agreement with Lilly with respect to certain technology, patent rights and proprietary materials related to certain compounds.

Under the terms of the agreement, the total upfront fee was comprised of non-refundable cash consideration of US$10,000,000 (equivalent to RMB67,531,000) and a non-cash consideration satisfied by the Company issuing certain number of preferred shares worthy of US$4,000,000. The total number of the series B-5 preferred shares issued by the Company to Lilly as a result was 2,797,514. As at 31 December 2025, the Group capitalized a total amount of RMB95,433,000 (equivalent to US$14,000,000) (2024: RMB95,433,000 (equivalent to US$14,000,000)) as an intangible asset. The Group also agreed to pay Lilly clinical development milestone payments up to US$21 million, commercial milestone payments up to US$8.5 million, as well as tiered royalties on sales of each licensed product.

Impairment testing of intangible assets not yet ready for use

Intangible assets not yet ready for use are tested annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. The appropriate cash-generating unit is at the product level. The annual impairment test was performed for the drug by engaging an independent qualified professional valuer to estimate value in use as the recoverable amount of the drug. The value in use is estimated using discount cash flow approach.

With the assistance of the valuer, management determined the recoverable amount of the intangible assets based on the following approach and the key assumptions:

- The cash flow projections are made based on financial budgets prepared by management till year 2040 (2024: 2038) based on the timing of clinical development and regulatory approval. The intangible asset is expected to generate cash inflows starting from year 2031 (2024: 2030), commercial ramp up to reach expected peak revenue potential till year 2040 (2024: 2038), and up to the end of the exclusivity for the product. The management considers the length forecast period is appropriate because generally takes longer for a biopharma company to generate positive cash flows, compared to companies in other industries, especially when the related products are under clinical trial. Hence, the management believes that a forecast period for the cash-generating unit longer than five years is justifiable and consistent with industry practice.
- The discount rate used is pre-tax and reflects specific risks relating to the relevant products that would be considered by market participants; and
- The expected success rate of commercialization by reference to practices of pharmaceutical industries, development of technologies and related regulations from administrations.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

18. OTHER INTANGIBLE ASSETS *(Continued)*

(i) Licensing Agreement with Eli Lilly and Company ("Lilly") (Continued)

Impairment testing of intangible assets not yet ready for use (Continued)

The key assumptions used for value in use calculation as at the end of the reporting period are as follows:

	2025	2024
Pre-tax discount rate	**18.1%**	18.0%
Expected annual growth rates till 2040 (note)	**1.4%-174.6%**	0.3%-211.8%
Expected market penetration rate	**1.2%-12%**	0.5%-8.9%
Expected success rate of commercialization	**38.0%**	38.0%

Note: The compound growth rates calculated based on the expected annual growth rates from 2031 to 2040 were 25% (2024: 2030 to 2038 were 28%) as at 31 December 2025.

Based on the result of impairment assessment, there was no impairment as at 31 December 2025 (2024: nil).

Sensitivity

The Company performed sensitivity test by increasing 1% of discount rate, or decreasing 1% of revenue compound growth rate, which are the key assumptions determined the recoverable amount of the intangible assets, with all other variables held constant. The impacts on the amount by which the intangible assets' recoverable amount above the aggregate carrying amount (headroom) are as below:

	2025	2024
	RMB'000	RMB'000
Headroom	**36,064**	22,709
Impact by increasing discount rate	**(6,774)**	(5,057)
Impact by decreasing revenue compound growth rate	**(5,081)**	(4,713)

Considering there was still sufficient headroom based on the assessment, the Group's management believes that a reasonably possible change in any of the key assumptions would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

19. INVENTORIES

	2025	2024
	RMB'000	RMB'000
Raw materials	**14,018**	16,620

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

20. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**31,851**	31,376
Impairment	**(15,674)**	(13,031)
Net carrying amount	**16,177**	18,345
Prepayments	**4,672**	7,528
Interest receivables	**–**	3,949
Other receivables	**700**	2,014
	5,372	13,491
Impairment allowance	**–**	(275)
Net carrying amount	**5,372**	13,216
Total	**21,549**	31,561
Analysed into:		
Current portion	**21,368**	31,107
Non-current portion	**181**	454

The Group allows a credit period ranging from 30 to 90 days to its customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	**1,559**	1,187
1 – 2 years	**12**	11,055
2 – 3 years	**8,503**	6,103
Above 3 years	**6,103**	–
Total	**16,177**	18,345

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

20. TRADE AND OTHER RECEIVABLES *(Continued)*

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	RMB'000
At beginning of year	**13,031**	1,200
Impairment losses, net (note 8)	**2,643**	11,831
At end of year	**15,674**	13,031

To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs below also incorporate forward-looking information. The impairment is determined as follows

	2025	2024
	RMB'000	RMB'000
Expected credit loss rate	**49%**	42%
Gross carrying amount	**31,851**	31,376
Impairment	**15,674**	13,031

21. CONTRACT COSTS

	2025	2024
	RMB'000	RMB'000
Costs to fulfill contracts	**3,729**	2,132

The amount of capitalised costs recognised in profit or loss during the year ended 31 December 2025 was RMB13,825,000 (2024: RMB7,285,000). There was an impairment loss of RMB10,155,000 recognised in the year ended 31 December 2024 in relation to opening balance of capitalised costs at 1 January 2024 or the costs capitalised during that year.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

22. CASH AND CASH EQUIVALENTS AND PLEDGED/RESTRICTED BANK DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	**14,427**	227,403
Less: Pledged for interest-bearing bank borrowings (note a)	**–**	(50,000)
Pledged for credit card and suppliers	**(280)**	(280)
Restricted bank deposits (note b)	**(4)**	(7,700)
Cash and cash equivalents	**14,143**	169,423

Notes:

a. As at 31 December 2024, the pledged bank deposits of the Group amounting to RMB50,000,000 was related to interest-bearing bank borrowings disclosed in note 25 to the financial statements. As at 31 December 2025, the bank borrowings were repaid and the pledged bank deposits were released.

b. As at 31 December 2025, the restricted bank deposits of the Group amounting to RMB4,000 were related to an restricted bank account. As at 31 December 2024, the restricted bank deposits of the Group amounting to RMB7,700,000 were related to lawsuits. The disputes were settled in January and August 2025 and the bank deposits were released subsequently.

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.

Cash and bank balances are denominated in currencies as set out below:

	2025 RMB'000	2024 RMB'000
RMB	**5,870**	189,197
US$	**7,438**	37,998
HK$	**1,119**	208
Total	**14,427**	227,403

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

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

23. TRADE AND OTHER PAYABLES

	2025	2024
	RMB'000	RMB'000
Trade payables	**67,068**	83,143
Accrued research and development expenses	**18,591**	11,558
Payable for purchase of property, plant and equipment	**5,989**	10,698
Loans from a related party (note 33(b))	**2,021**	–
Interest payables	**95**	187
Other tax payables	**1,348**	1,418
Accrued staff costs and benefits	**4,074**	4,085
Other payables	**7,429**	2,840
Total	**106,615**	113,929

The average credit period on purchases of goods and services of the Group is 30-90 days. An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	RMB'000	RMB'000
Within 1 year		
Within 30 days	**10,970**	9,699
31-120 days	**6,422**	3,367
121-365 days	**8,581**	34,267
1 – 2 years	**24,094**	25,876
2 – 3 years	**8,306**	9,879
Above 3 years	**8,695**	55
Total	**67,068**	83,143

Trade and other payables are unsecured, non-interest-bearing and repayable on 30-90 days.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

24. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000	2023 RMB'000
Amounts received in advance for CDMO services	**574**	547	587

The Group normally invoices its customers a percentage of the price on acceptance of manufacturing orders to commence work, which gives rise to contract liabilities at the start of a contract.

25. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current						
Bank loans – unsecured	**3.1%-3.8%**	**2026**	**67,000**	3.0%-3.8%	2025	175,090
Current portion of long term bank loans – unsecured	**2.95%-3.8%**	**2026**	**35,890**	–	–	–
Current portion of long term bank loans – secured (note)			**–**	3.27%	2025	42,000
Total-current			**102,890**			217,090
Non-current						
Bank loans – unsecured	**2.95%**	**2028**	**4,900**	3.0%-3.8%	2026	16,050
Total-non-current			**4,900**			16,050
Total			**107,790**			233,140

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable		
Within one year or on demand	**102,890**	217,090
In the second year	**100**	16,050
In the third year	**4,800**	–
Total	**107,790**	233,140

Note:

(i) As at 31 December 2024, borrowings amounting to RMB42,000,000 were secured by pledged bank deposits of RMB50,000,000.

All the Group's borrowings are denominated in the functional currencies of the relevant group entities.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

26. DEFERRED INCOME

	2025 **RMB'000**	2024 RMB'000
Conditional (note a)	**50,700**	50,700
Assets-related government grants (note b)	**–**	8,000
Total	**50,700**	58,700
Analysed into:		
Current portion	**400**	8,400
Non-current portion	**50,300**	50,300

Notes:

a. The deferred income mainly represents the government grant received from the local government to support the business operations of the Group. They are conditional upon meeting specific requirements based on the relevant grant documents. The Group received government grants with total amount of RMB50,700,000 but not yet recognised as other income, which is expected to be recognised when the relevant conditions fulfilled.

b. The asset-related grants were the subsidies received from the government for the purpose of compensation for purchase of the Group's property, plant and equipment. Amortisation of RMB8,000,000 was recognised in profit or loss in the current year.

27. DEFERRED TAX

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

Deferred tax liabilities

2025

	Right-of-use assets RMB'000	**Fair value adjustments of property, plant and equipment RMB'000**	**Intangible assets RMB'000**	**Total RMB'000**
At 1 January 2025	**4,139**	**1,000**	**23,858**	**28,997**
Deferred tax credited to profit or loss during the year (note 12)	**(707)**	**(250)**	**–**	**(957)**
Gross deferred tax liabilities at 31 December 2025	**3,432**	**750**	**23,858**	**28,040**

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

27. DEFERRED TAX *(Continued)*

Deferred tax assets

	Lease liabilities RMB'000
At 1 January 2025	**4,139**
Deferred tax charged to profit or loss during the year (note 12)	**(707)**
Gross deferred tax assets at 31 December 2025	**3,432**

Deferred tax liabilities

2024

	Right-of-use assets RMB'000	Fair value adjustments of property, plant and equipment RMB'000	Intangible assets RMB'000	Total RMB'000
At 1 January 2024	5,381	1,250	23,858	30,489
Deferred tax credited to the statement of profit or loss during the year (note 12)	(1,242)	(250)	–	(1,492)
Gross deferred tax liabilities at 31 December 2024	4,139	1,000	23,858	28,997

Deferred tax assets

	Lease liabilities RMB'000
At 1 January 2024	5,381
Deferred tax charged to profit or loss during the year (note 12)	(1,242)
Gross deferred tax assets at 31 December 2024	4,139

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

27. DEFERRED TAX *(Continued)*

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

	2025	2024
	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**–**	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	**24,608**	24,858

28. SHARE CAPITAL/TREASURY SHARES

Share capital

Shares

	2025	2024
	RMB'000	RMB'000
Issued and fully paid:		
452,408,999 (2024: 436,432,445) ordinary shares of US$0.0001 each	**295**	284

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

	Number of shares in issue	**Share capital** RMB'000
At 1 January 2024	435,203,375	283
Issuance of ordinary shares in relation to exercise of share option (Note i)	2,000	–
Cancellation of shares repurchased (Note ii)	(2,142,500)	(1)
Issuance of shares hold on trust (Note iii)	3,369,570	2
At 31 December 2024 and 1 January 2025	436,432,445	284
Issuance of ordinary shares in relation to exercise of share option (Note iv)	**676,554**	**–**
Issuance of shares hold on trust (Note v)	**900,000**	**1**
Issuance of ordinary shares (Note vi)	**14,400,000**	**10**
At 31 December 2025	**452,408,999**	**295**

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

28. SHARE CAPITAL/TREASURY SHARES *(Continued)*

Share capital (Continued)

Shares (Continued)

A summary of movements in the Company's share capital is as follows: *(Continued)*

Notes:

i. During the year ended 31 December 2024, the Company issued 2,000 ordinary shares in relation to the exercise of share options at an average exercise price of RMB0.72 per share.

ii. On 29 August 2024, the Company purchased 2,142,500 of its shares on the Hong Kong Stock Exchange at an average price of RMB1.53 and a total consideration of RMB3,283,000. The purchased shares were cancelled during the year.

iii. On 9 January 2024 and 29 August 2024, the Company issued 1,170,000 and 2,199,570 ordinary shares to Success Connect Trust to hold on behalf of future participants of the Post-IPO Share Award Scheme of the Company.

iv. During year ended 31 December 2025, the Company issued 676,554 ordinary shares in relation to the exercise of share options at an average exercise price of RMB1.91 per share.

v. On 31 March 2025, the Company issued 900,000 ordinary shares to Success Connect Trust to hold on behalf of future participants of the Post-IPO Share Award Scheme of the Company.

vi. On 17 September 2025, the Company issued 14,400,000 ordinary shares at a price of HK$4.33 (equivalent to RMB3.95) per share under general mandate.

Treasury Shares

A summary of movements in the Company's treasury shares is as follows:

	Number of treasury shares	Equivalent amount of ordinary shares RMB'000
At 1 January 2024	29,571,735	17
Shares repurchased	4,492,500	5,637
Cancellation of shares repurchased	(2,142,500)	(3,283)
Vesting of restricted share units	(4,862,171)	(2)
Issuance of shares hold on trust	3,369,570	2
At 31 December 2024 and 1 January 2025	30,429,134	2,371
Shares repurchased	166,500	93
Vesting of restricted share units	(5,282,864)	(4)
Issuance of shares hold on trust	900,000	1
At 31 December 2025	**26,212,770**	**2,461**

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

29. SHARE-BASED PAYMENT TRANSACTIONS

a) Pre-IPO Equity Incentive Plan

The Transcenta Holding Limited 2019 Equity Incentive Plan ("Pre-IPO Equity Incentive Plan") was effective since 1 January 2019. The purpose of the Pre-IPO Equity Incentive Plan was to provide incentives to employees, directors and consultants in order to promote the success of the business of the Company.

Under the Pre-IPO Equity Incentive Plan, the board of directors may grant share options or restricted share units to eligible employees, directors and consultants. The maximum number of shares which may be issued pursuant to all awards granted under the Pre-IPO Equity Incentive Plan is 69,325,254, subject to any adjustments to reflect any share dividends, share splits, or similar transactions. The Pre-IPO Equity Incentive Plan will expire on its 10th anniversary.

During the year ended 31 December 2025, no shares options were granted to employees, directors and consultants (2024: nil).

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

The following share options were outstanding under the Pre-IPO Equity Incentive Plan during the year:

	2025		2024	
	Weighted average exercise price US$	**Number of share options '000**	Weighted average exercise price US$	Number of share options '000
At 1 January	**0.58**	**13,900**	0.59	14,447
Forfeited during the year	**0.63**	**(45)**	0.71	(545)
Exercised during the year	**0.14**	**(322)**	0.10	(2)
At 31 December	**0.59**	**13,533**	0.58	13,900

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

a) *Pre-IPO Equity Incentive Plan (Continued)*

The exercise prices and exercise periods of the share options under the Pre-IPO Equity Incentive Plan outstanding as at the end of the reporting period are as follows:

2025

Number of options '000	Exercise price US$ per share	Exercise period
944	0.088	28-Sep-16 to 28-Sep-26
600	0.410	12-Oct-17 to 8-May-28
1,061	0.469	27-Jul-18 to 9-Jan-29
2,512	0.340	9-Jan-19 to 25-Oct-29
60	0.001	3-Jul-19 to 3-Jul-29
553	0.100	3-Jul-19 to 3-Jul-29
313	0.358	3-Jul-19 to 3-Jul-29
325	0.600	3-Jul-19 to 3-Jul-29
60	1.000	3-Jul-19 to 3-Jul-29
120	1.500	3-Jul-19 to 3-Jul-29
2,971	0.410	12-Jan-20 to 1-Jul-30
3,150	1.130	18-Nov-20 to 18-Nov-30
864	1.140	25-Apr-21 to 13-Jun-31
13,533		

The number of exercisable share options as at 31 December 2025 was 11,918,000, with a weighted average exercise price of US$0.63 per share.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

a) *Pre-IPO Equity Incentive Plan (Continued)*

The exercise prices and exercise periods of the share options under the Pre-IPO Equity Incentive Plan outstanding as at the end of the reporting period are as follows: (continued)

2024

Number of options '000	Exercise price US$ per share	Exercise period
1,004	0.088	28-Sep-16 to 12-Sep-26
607	0.410	12-Oct-17 to 8-May-28
1,085	0.469	27-Jul-18 to 9-Jan-29
2,528	0.340	9-Jan-19 to 25-Oct-29
313	0.358	2-Apr-19 to 3-Jul-29
60	0.001	3-Jul-19 to 3-Jul-29
780	0.100	3-Jul-19 to 3-Jul-29
120	1.500	3-Jul-19 to 3-Jul-29
325	0.600	3-Jul-19 to 3-Jul-29
60	1.000	3-Jul-19 to 3-Jul-29
2,989	0.410	12-Jan-20 to 1-Jul-30
3,160	1.130	18-Nov-20 to 18-Nov-30
869	1.140	25-Apr-21 to 13-Jun-31
13,900		

The number of exercisable share options as at 31 December 2024 was 12,225,000, with a weighted average exercise price of US$0.61 per share.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

a) Pre-IPO Equity Incentive Plan (Continued)

The following restricted share units were outstanding under the Pre-IPO Equity Incentive Plan during the year:

	2025	2024
	'000	'000
At 1 January	**2,480**	3,588
Forfeited during the year	**(1,560)**	(40)
Vested during the year	**(527)**	(1,068)
At 31 December	**393**	2,480

The grant prices and vesting periods of the restricted share units under the Pre-IPO Equity Incentive Plan outstanding as at the end of the reporting period are as follows:

2025

Number of shares	**Grant price**	**Vesting period**
'000	**US$**	
	per share	
18	**–**	**30-Aug-22 to 24-Mar-26**
375	**0.001**	**30-Aug-22 to 30-Aug-32**
393		

2024

Number of shares	Grant price	Vesting period
'000	US$	
	per share	
180	–	30-Aug-22 to 5-Apr-26
2,300	0.001	30-Aug-22 to 19-Dec-32
2,480		

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

b) Post-IPO Share Award Scheme

On 18 June 2021, the Company adopted a post-IPO share award scheme (the"Post-IPO Share Award Scheme", "the Scheme"). Under the Post-IPO Share Award Scheme, the board of directors may grant restricted share units/share options to eligible employees, directors and consultants. The maximum number of shares/share options which may be issued pursuant to all awards granted under the Post-IPO Share Award Scheme is 44,551,933.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

The following share options were outstanding under the Post-IPO Share Award Scheme during the year:

	2025		2024	
	Weighted average exercise price of share options HK$	**Number of share options '000**	Weighted average exercise price of share options HK$	Number of share options '000
At 1 January	**3.14**	**18,297**	3.13	19,776
Granted during the year	**1.87**	**2,800**	–	–
Forfeited during the year	**3.09**	**(241)**	3.10	(1,479)
Exercised during the year	**3.02**	**(355)**	–	–
At 31 December	**2.97**	**20,501**	3.14	18,297

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

b) *Post-IPO Share Award Scheme (Continued)*

The exercise prices and exercise periods of the share options under the Post-IPO Share Award Scheme outstanding as at the end of the reporting period are as follows:

2025

Number of options '000	Exercise price HK$ per share	Exercise period
10,363	**3.230**	**19-Dec-22 to 19-Dec-32**
7,238	**3.020**	**26-Jan-23 to 26-Jan-33**
100	**2.560**	**31-Mar-23 to 31-Mar-33**
2,000	**1.480**	**25-Jun-25 to 24-Jun-35**
800	**2.860**	**20-Nov-25 to 20-Nov-35**
20,501		

The number of exercisable share options as at 31 December 2025 was 17,080,338, with a weighted average exercise price of HK$3.14 per share.

2024

Number of options '000	Exercise price HK$ per share	Exercise period
10,560	3.230	19-Dec-22 to 19-Dec-32
7,587	3.020	26-Jan-23 to 26-Jan-33
150	2.560	31-Mar-23 to 31-Mar-33
18,297		

The number of exercisable share options as at 31 December 2024 was 17,084,497, with a weighted average exercise price of HK$3.14 per share.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

b) Post-IPO Share Award Scheme (Continued)

The following restricted share units were outstanding under the Post-IPO Share Award Scheme during the year:

	2025 **'000**	2024 '000
At 1 January	**14,702**	14,376
Granted during the year	**2,965**	5,120
Forfeited during the year	**(4,546)**	(999)
Vested during the year	**(4,756)**	(3,795)
At 31 December	**8,365**	14,702

The exercise prices and vesting periods of the restricted share units under the Post-IPO Share Award Scheme outstanding as at the end of the reporting period are as follows:

2025

Number of shares '000	**Grant price US$ per share**	**Vesting period**
4,088	**–**	**19-Dec-22 to 29-Dec-35**
4,277	**0.001**	**26-Jan-23 to 26-Jan-33**
8,365		

2024

Number of shares '000	Grant price US$ per share	Vesting period
6,725	–	15-Apr-22 to 30-Aug-34
7,977	0.001	19-Dec-22 to 6-Apr-33
14,702		

Note: Milestone-based restricted share units/share options are granted conditionally upon the achievement of specific performance targets including but not limited to completion of various research and development milestones. The expected vesting period is estimated by directors of the Company based on the expected timeline of each milestone achievement.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

29. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

b) Post-IPO Share Award Scheme (Continued)

The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 0.57 years (2024: 0.63 years).

The weighted average share price at the date of exercise for share options exercised during the year was HK$4.10 per share (2024: HK$3.80).

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

	2025	2024
Grant date ordinary share fair value	**US$0.19 – US$0.37**	US$0.17 – US$0.43
Exercise price	**US$0.19 – US$0.37**	US$0.00
Expected volatility	**75%**	75%
Expected life	**10 years**	10 years
Risk-free rate	**3.14%-3.35%**	3.91%-4.25%
Expected dividend yield	**0%**	0%

The Group recognised the total expense of RMB8,262,000 for the year ended 31 December 2025 (2024: RMB23,931,000) in relation to restricted share units and share options granted by the Company.

At the end of the reporting period, the Company had 34,034,000 share options and 8,758,000 restricted share units outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 34,034,000 additional ordinary shares of the Company and additional share capital of HK$22,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 34,034,000 share options outstanding under the Scheme, which represented approximately 7.5% of the Company's shares outstanding as at that date.

30. 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 on page 4 of the financial statements.

Other reserves include i) effect of share purchase options written to non-controlling shareholders of Mabspace Biosciences (Suzhou) Co., Ltd. ("Mabspace Suzhou") (邁博斯生物醫藥(蘇州)有限公司) and HJB Hangzhou for converting their equity interests In Mabspace Suzhou and HJB Hangzhou to the preferred shares of the Company; ii) effect of exercise of such share purchase options by these non-controlling shareholders, and iii) difference between the consideration paid and share of subsidiaries net assets acquired from non-controlling shareholders.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB475,000 (2024: nil) and RMB475,000 (2024: nil), respectively, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

2025

	Interest-bearing bank borrowings RMB'000	**Other payables** RMB'000	**Lease liabilities** RMB'000	**Total** RMB'000
At 1 January 2025	**233,140**	**187**	**17,467**	**250,794**
Changes from financing cash flows	**(125,350)**	**(4,028)**	**(2,013)**	**(131,391)**
New leases	**–**	**–**	**475**	**475**
Interest expense	**–**	**5,957**	**524**	**6,481**
At 31 December 2025	**107,790**	**2,116**	**16,453**	**126,359**

2024

	Interest-bearing bank borrowings RMB'000	Other payables RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	387,420	339	22,207	409,966
Changes from financing cash flows	(154,280)	(12,646)	(5,529)	(172,455)
Interest expense	–	12,494	789	13,283
At 31 December 2024	233,140	187	17,467	250,794

(c) Total cash outflow for leases

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

	2025 RMB'000	2024 RMB'000
Within operating activities	**710**	730
Within financing activities	**2,013**	5,529
Total	**2,723**	6,259

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

32. COMMITMENTS

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

	2025 RMB'000	2024 RMB'000
Plant and machinery	**282**	6,217

33. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with a related party during the year:

	2025 RMB'000	2024 RMB'000
Loans from a director:		
Dr. Qian (note)	**4,000**	–
Repayment of loans to a director:		
Dr. Qian (note)	**2,000**	–
Interest on loans from a director:		
Dr. Qian	**26**	–
Interest on loans paid to a director:		
Dr. Qian (note)	**5**	–

Note: In August 2025, the Group borrowed unsecured loans from Dr. Qian amounting to RMB4,000,000 at an interest rate of 3% per annum with a term from the date on receiving the loan by the Group to 31 October 2025. The Group and Dr. Qian renewed the loan contract and extended the maturity date to 31 December 2026. The Group repaid a principal of RMB2,000,000 with interest of RMB5,000 in September 2025.

(b) Outstanding balances with related parties

	2025 RMB'000	2024 RMB'000
Trade and other receivables		
Lisheng Biotech (Shanghai) Co., Ltd. (note)	**4,720**	4,720
Trade and other payables-Non-trade		
Dr. Qian	**2,021**	–

Note: The Group had an outstanding balance of trade receivable from its joint venture, Lisheng Biotech (Shanghai) Co., Ltd. of RMB4,720,000 (2024: RMB4,720,000) as at 31 December 2025. The balance is unsecured, interest-free and has no fixed terms of repayment.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

33. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Compensation of key management personnel of the Group:

	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	**8,884**	11,300
Performance related bonuses	**–**	15
Pension scheme contributions	**981**	1,043
Equity-settled share-based payment expenses	**617**	7,439
Total compensation paid to key management personnel	**10,482**	19,797

Further details of directors' and the chief executive's emoluments are included in note 10 to the financial statements.

34. FINANCIAL INSTRUMENTS BY CATEGORY

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

2025

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in trade and other receivables	**16,877**
Pledged/restricted bank deposits	**284**
Cash and cash equivalents	**14,143**
Total	**31,304**

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Financial liabilities included in trade and other payables	**101,193**
Interest-bearing bank borrowings	**107,790**
Total	**208,983**

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

34. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

2024

Financial assets

	Financial assets at amortised cost RMB'000
Financial assets included in trade and other receivables	24,033
Pledged/restricted bank deposits	57,980
Cash and cash equivalents	169,423
Total	251,436

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Financial liabilities included in trade and other payables	108,426
Interest-bearing bank borrowings	233,140
Total	341,566

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged/restricted bank deposits, financial assets included in trade and other receivables, financial liabilities included in trade and other payables and the current portion of interest-bearing bank borrowings 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 is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

35. 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 following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of other receivables, pledged bank deposits and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2025 were assessed to be insignificant.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, pledged/restricted bank deposits and interest-bearing bank borrowings. 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 and other receivables and trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Certain cash and cash equivalents, trade and other receivables and trade and other payables are denominated in foreign currency of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US$ or HK$ against RMB, with all other variables held constant, of the Group's loss before tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Foreign currency risk (Continued)

	Increase/ (decrease) in rate of foreign currency %	Increase/ (decrease) in loss before tax RMB'000	Increase/ (decrease) in equity RMB'000
2025			
If the HK$ weakens against the RMB	**5**	**(2)**	**2**
If the HK$ strengthens against the RMB	**5**	**2**	**(2)**
If the US$ weakens against the RMB	**5**	**12,325**	**21**
If the US$ strengthens against the RMB	**5**	**(12,325)**	**(21)**
2024			
If the HK$ weakens against the RMB	5	(10)	10
If the HK$ strengthens against the RMB	5	10	(10)
If the US$ weakens against the RMB	5	9,783	1,848
If the US$ strengthens against the RMB	5	(9,783)	(1,848)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Maximum exposure and year-end staging (Continued)

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	**Stage 2 RMB'000**	**Stage 3 RMB'000**	**Simplified approach RMB'000**	**Total RMB'000**
Trade receivables*	**–**	**–**	**–**	**31,851**	**31,851**
Financial assets included in other receivables					
– Normal**	**700**	**–**	**–**	**–**	**700**
Pledged deposits – Not yet past due	**284**	**–**	**–**	**–**	**284**
Cash and cash equivalents – Not yet past due	**14,143**	**–**	**–**	**–**	**14,143**
Total	**15,127**	**–**	**–**	**31,851**	**46,978**

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade receivables*	–	–	–	31,376	31,376
Financial assets included in other receivables					
– Normal**	5,563	–	–	–	5,563
– Doubtful**	–	400	–	–	400
Pledged deposits – Not yet past due	57,980	–	–	–	57,980
Cash and cash equivalents – Not yet past due	169,423	–	–	–	169,423
Total	232,966	400	–	31,376	264,742

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the financial statements.

** The credit quality of the financial assets included in other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Maximum exposure and year-end staging (Continued)

At the end of the reporting period, the Group had certain concentrations of credit risk as 63% (2024: 63%) and 97% (2024:97%) of total trade receivables were due from the Group's largest customer and five largest customers, respectively.

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on borrowings as significant sources of liquidity.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	2025				
	Less than 1 year and on demand RMB'000	**1 to 2 years RMB'000**	**2 to 5 years RMB'000**	**Over 5 years RMB'000**	**Total RMB'000**
Trade and other payables	**101,193**	**–**	**–**	**–**	**101,193**
Interest-bearing bank borrowings	**104,320**	**245**	**4,920**	**–**	**109,485**
Lease liabilities	**4,391**	**1,905**	**5,947**	**6,194**	**18,437**
Total	**209,904**	**2,150**	**10,867**	**6,194**	**229,115**

	2024				
	Less than 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Trade and other payables	108,426	–	–	–	108,426
Interest-bearing bank borrowings	224,681	17,192	–	–	241,873
Lease liabilities	2,679	2,208	5,604	10,089	20,580
Total	335,786	19,400	5,604	10,089	370,879

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group regards equity attributable to owners of the Company as its capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets with reference to the gearing ratio. To maintain or adjust the capital structure, the Group may redeem existing shares, issue new shares or issue new debts. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

	2025	2024
	RMB'000	RMB'000
interest-bearing borrowings	**107,790**	233,140
cash and bank balances	**14,427**	227,403
Total equity	**618,093**	751,636
Gearing ratio	**15.11%**	0.76%

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

37. 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	2024
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries and amounts due from subsidiaries	**1,055,225**	1,044,130
Loan to a subsidiary	**146,917**	145,817
Total non-current assets	**1,202,142**	1,189,947
CURRENT ASSETS		
Bank balances and cash	**1,268**	7,454
Total current assets	**1,268**	7,454
CURRENT LIABILITIES		
Trade and other payables	**5,954**	4,692
Total current liabilities	**5,954**	4,692
NET CURRENT LIABILITIES	**(4,686)**	2,762
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,197,456**	1,192,709
Net assets	**1,197,456**	1,192,709
EQUITY		
Share capital	**295**	284
Treasury shares	**(2,461)**	(2,371)
Other reserves (note)	**1,199,622**	1,194,796
Total equity	**1,197,456**	1,192,709

Notes to the Consolidated Financial Statements

31 DECEMBER 2025

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Information about the statement of financial position of the Company at the end of the reporting period is as follows: *(Continued)*

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share-based payment reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	4,657,628	119,063	(1,911,449)	2,865,242
Loss and total comprehensive loss for the year	–	–	(1,691,124)	(1,691,124)
Recognition of equity-settled share-based payment	–	23,931	–	23,931
Cancellation of shares repurchased	(3,282)	–	–	(3,282)
Exercise of share options/Vesting of restricted share units	41	(12)	–	29
At 31 December 2024 and 1 January 2025	4,654,387	142,982	(3,602,573)	1,194,796
Loss and total comprehensive loss for the year	**–**	**–**	**(59,979)**	**(59,979)**
Issuance of ordinary shares (note 28)	**56,991**	**–**	**–**	**56,991**
Share issue costs	**(1,734)**	**–**	**–**	**(1,734)**
Recognition of equity-settled share – based payment (note 29)	**–**	**8,262**	**–**	**8,262**
Exercise of share options/Vesting of restricted share units	**3,575**	**(2,289)**	**–**	**1,286**
At 31 December 2025	**4,713,219**	**148,955**	**(3,662,552)**	**1,199,622**

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

Five Year Financial Summary

Condensed Consolidated Income Statements

	For the year ended December 31,				
	2021 (RMB'000)	2022 (RMB'000)	2023 (RMB'000)	2024 (RMB'000)	**2025 (RMB'000)**
Revenue	50,242	101,892	53,849	11,261	**7,435**
Cost of Sales	(40,874)	(82,003)	(39,451)	(7,258)	**(5,714)**
Gross Profit	9,368	19,889	14,398	4,003	**1,721**
Other income	32,906	46,402	37,312	23,499	**15,248**
Other gains and losses, net	(1,199,972)	29,729	2,363	(20,238)	**(12,063)**
Research and development expenses	(344,370)	(349,781)	(382,047)	(192,055)	**(140,821)**
Administrative and selling expenses	(145,215)	(112,449)	(117,397)	(70,513)	**(58,990)**
Listing expenses	(48,605)	–	–	–	**–**
Impairment losses under expected credit loss model	(1,641)	–	(1,475)	(11,831)	**(2,643)**
Impairment losses/(reversal of impairment losses) on contract costs	–	–	–	(10,155)	**32**
Share of loss of a joint venture	(2,952)	(23,145)	43	31	**22**
Finance costs	(15,167)	(17,636)	(16,017)	(13,283)	**(6,481)**
Loss before tax	(1,715,648)	(406,991)	(462,820)	(290,542)	**(203,975)**
Income tax credit	105	246	250	250	**250**
Loss for the year	(1,715,543)	(406,745)	(462,570)	(290,292)	**(203,725)**
Other comprehensive income/(loss) income for the year	1,751	(10,947)	(3,100)	(4,030)	**5,456**
Loss and total comprehensive expenses for the year	(1,713,792)	(417,692)	(465,670)	(294,322)	**(198,269)**

Five Year Financial Summary

Condensed Consolidated Statements of Financial Position

	For the year ended December 31,				
	2021 (RMB'000)	2022 (RMB'000)	2023 (RMB'000)	2024 (RMB'000)	**2025 (RMB'000)**
Current assets	1,395,602	1,056,475	684,043	279,494	**54,668**
Inventories	20,792	20,566	17,907	16,620	**14,018**
Trade and other receivables	119,509	69,623	52,316	31,107	**21,368**
Contract costs	33,275	17,636	11,555	2,132	**3,729**
VAT recoverable	–	5,564	6,239	2,512	**1,406**
Pledged/restricted bank deposits	–	47,636	50,000	57,700	**4**
Cash and cash equivalents	1,222,026	895,450	546,026	169,423	**14,143**
Current liabilities	425,810	550,370	554,292	342,507	**214,414**
Trade and other payables	102,232	148,381	164,044	113,929	**106,615**
Contract liabilities	35,967	1,146	587	547	**574**
Short-term overdrafts	273,339	387,600	376,920	217,090	**102,890**
Lease liabilities	6,272	5,243	4,741	2,541	**3,935**
Deferred income	8,000	8,000	8,000	8,400	**400**
Net current assets/(liabilities)	969,792	506,105	129,751	(63,013)	**(159,746)**
Non-current assets	1,149,353	1,078,070	1,009,256	920,783	**870,165**
Non-current liabilities	153,576	110,275	111,374	106,134	**92,326**
Net assets	1,965,569	1,473,900	1,027,633	751,636	**618,093**
Total equity	1,965,569	1,473,900	1,027,633	751,636	**618,093**

Definitions

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Articles of Association"	the memorandum and articles of association of the Company adopted on June 18, 2021 with effect from the Listing Date, as amended from time to time
"AGM"	the annual general meeting of the Company to be held on Friday, June 5, 2026
"Audit Committee"	the audit committee of the Company
"Award"	the grant of Award Shares to the Eligible Persons in accordance with the terms of the Share Incentive Scheme
"Award Shares"	the Shares granted under the Share Incentive Scheme
"Board" or "Board of Directors"	the board of directors of our Company
"CDMO"	contract development and manufacturing organization
"CG Code"	the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 of the Listing Rules, as amended, supplemented or otherwise modified from time to time
"China" or the "PRC"	the People's Republic of China, and for the purpose of this annual report only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"CIC Report"	the report prepared by China Insights Industry Consultancy Limited (灼識企業管理諮詢(上海)有限公司), a market research and consulting company, an Independent Third Party
"CMC"	chemistry, manufacturing and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"Company", "our Company", "the Company" or "Transcenta"	Transcenta Holding Limited (創勝集團醫藥有限公司) (formerly named Mabspace International Limited), a limited liability company incorporated under the laws of the British Virgin Islands on August 20, 2010 and continued in the Cayman Islands on March 26, 2021 as an exempted company with limited liability under the laws of Cayman Islands

Definitions

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transactions"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of our Company
"FDA"	U.S. Food and Drug Administration
"Global Offering"	the Hong Kong Public Offering and the International Offering as defined and described in the Prospectus
"GMP"	good manufacturing practice, the regulations provided by the FDA that guide the design, monitoring, and maintenance of manufacturing facilities and processes
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company or an associate of such person within the meaning ascribed to it under the Listing Rules
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"IPO"	initial public offering
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange

Definitions

"Listing Date"	September 29, 2021, the date on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"NMPA"	National Medical Products Administration of China (國家藥品監督管理局), the successor of the China Food and Drug Administration (國家食品藥品監督管理總局), the State Food and Drug Administration (國家食品藥品監督管理局), and the State Drug Administration (國家藥品監督管理局)
"Nomination Committee"	the nomination committee of the Board
"Share Incentive Scheme"	the Share Incentive Scheme conditionally adopted by the Company on June 18, 2021 and amended on November 4, 2022
"Pre-IPO Equity Incentive Plan"	the employee equity plan approved and adopted by the Company and effective since January 1, 2019 (as amended from time to time)
"Prospectus"	the prospectus of the Company dated September 14, 2021
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Company
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"Reporting Period"	the year ended December 31, 2025
"Scheme Administrator"	the Board or the committee of the Board or person(s) to which the Board has delegated its authority (as applicable) to administer the Share Incentive Scheme in accordance with its rules

Definitions

"Share Incentive Scheme Limit"	44,551,933, the 10.0% of the total issued and outstanding Shares under Share Incentive Scheme as at November 4, 2022
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company, currently with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"%"	per cent