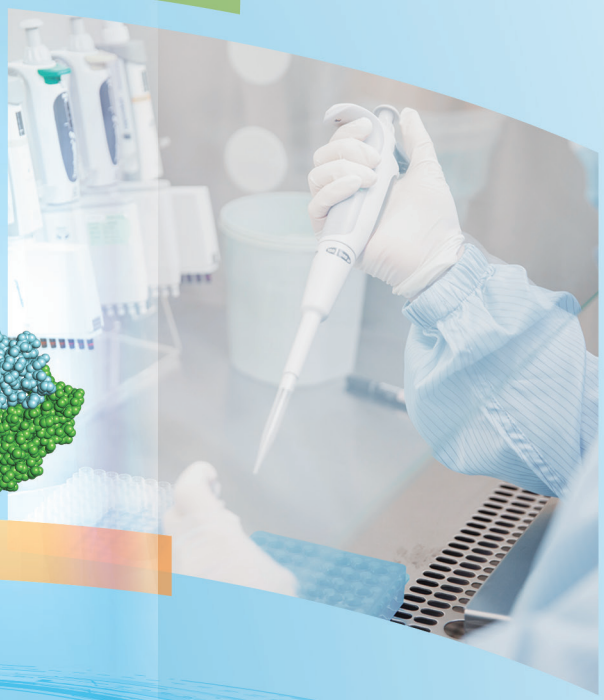
康宁杰瑞
ALPHAMAB ONCOLOGY

ALPHAMAB ONCOLOGY
康寧傑瑞生物製藥

(Incorporated in the Cayman Islands with limited liability)
Stock code : 9966

2025
ANNUAL REPORT



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Company Profile

OVERVIEW

We are a leading biopharmaceutical company in China with a fully integrated proprietary technology platform in ADCs, bispecific antibodies and multifunctional protein engineering. We deliver world-class innovative therapeutic biologics to treat patients globally by applying our unique drug discovery and development capabilities. We believe these capabilities are demonstrated by our strong R&D track record and supported by our proprietary technologies, platforms and expertise.

PIPELINE

Our highly differentiated in-house pipeline consists of ADCs, monoclonal antibodies and bispecific antibodies in staggered development status in oncology, including, among others, one product approved for marketing by the NMPA and multiple products in phase III or pivotal clinical trial stages.

- ***KN035 (Envafolimab Injectable) (brand name: ENWEIDA, 恩維達®)*** – an innovative anti-tumor immunotherapy drug, is the first subcutaneously injectable PD-L1 inhibitor worldwide and the first PD-L1 inhibitor produced domestically, offering advantages in safety, convenience, compliance, access to patients not suitable for intravenous infusion, and lower medical cost. KN035 was commercially launched in November 2021 and was registered by the Macau Pharmaceutical Administration Bureau for marketing, applicable for the treatment of adult patients with unresectable or metastatic MSI-H/dMMR advanced solid tumors in 2024. KN035 has received high recognition from 16 authoritative domestic guidelines and consensuses and has been granted breakthrough therapy designation by the CDE for the treatment of unresectable or metastatic solid tumors with high tumor mutational burden (TMB-H) in patients that have failed prior standard therapies and lack in satisfactory alternative therapies. In 2024, we have entered into a license agreement with 3D Medicines and Glenmark, pursuant to which 3D Medicines and we agreed to grant Glenmark an exclusive license and the right to sublicense in respect of oncology indications of KN035 to, among others, develop and commercialize KN035 in India, Asia Pacific (excluding Singapore, Thailand and Malaysia), Middle East and Africa, Russia, Commonwealth of Independent States and Latin America in all fields of use in oncology. In December 2025, KN035 was granted ODD by the U.S. FDA for the treatment of GC/GEJ. This marked the third ODD awarded to KN035, following previous designations for advanced biliary tract cancer and soft tissue sarcoma. In January 2026, the NDA for KN035 in combination with the Gemcitabine and Oxaliplatin (GEMOX) regimen for the first-line treatment of unresectable or metastatic biliary tract cancer has been formally accepted by the NMPA.

- ***KN026*** – a next-generation anti-HER2 BsAb that can simultaneously bind two distinct epitopes of HER2, demonstrating promising efficacy. Currently, multiple phase III clinical trials are undergoing in China, including KN026 in combination with chemotherapy as second-line or above treatment of HER2+ GC/GEJ (study number: KN026-001), KN026 in combination with docetaxel (albumin-bound) in the first-line treatment for HER2+ BC (study number: KN026-003), KN026 in combination with docetaxel (albumin-bound) as neoadjuvant therapy of BC (study number: KN026-004), and KN026 in combination with docetaxel (albumin-bound) and chemotherapy as adjuvant therapy of BC (study number: KN026-007). In August 2021, we entered into a licensing collaboration with JMT-Bio, pursuant to which JMT-Bio obtained the exclusive development and exclusive commercialization license rights for KN026 for BC and GC indications in Chinese Mainland (excluding Hong Kong, Macau and Taiwan regions). KN026 was granted breakthrough therapy designation by the CDE in November 2023. KN026-001, a phase II/III clinical trial of KN026, in combination with chemotherapy as second-line or above treatment of HER2+ GC/GEJ, has completed the first interim analysis and the results of the interim analysis have reached the primary endpoint of PFS in April 2025 with both statistical significance and clinical relevance and showed a trend toward OS benefit. Based on this interim analysis results, the NDA for KN026 was accepted by the NMPA on September 11, 2025 and included in the priority review and approval process, and successfully passed the drug registration inspection (pharmaceutical) and GMP compliance inspection in December 2025. The application is currently under review. The results have been presented at the 2025 ESMO Congress LBA Oral Presentation Session in October 2025. KN026-004, a phase III clinical trial of KN026, in combination with docetaxel (albumin-bound) as neoadjuvant treatment of HER2+ BC, has met the pre-specified primary endpoint of total pathological complete response in March 2026 and the results are highly statistically and clinically significant.

- ***JSKN003*** – a biparatopic HER2-targeting ADC, of which a TOPO1 inhibitor is linked to the N glycosylation site of the antibody KN026 (a recombinant humanized anti-HER2 bispecific antibody) via the glycosite-specific conjugation. The click chemistry-based conjugation confers better serum stability than maleimide-Michael reaction-based conjugation. The biparatopic HER2 targeting enhances internalization and bystander killing effect, resulting in potent anti-tumor activity in HER2-expression tumors. Currently, multiple phase III clinical trials of JSKN003 in the treatment of HER2+ BC (study number: JSKN003-301), HER2-low expression BC (study number: JSKN003-302), HER2+ advanced CRC (study number: JSKN003-305) and PROC (study number: JSKN003-306) in China are undergoing. We have entered into a licensing agreement with JMT-Bio to develop, sell, offer for sale and commercialize JSKN003 for the treatment of tumor-related indications in Mainland China since September 2024. In 2025, JSKN003 has been granted breakthrough therapy designation and fast track designation by the FDA for PROC and has been granted ODD by the FDA for GC/GEJ. JSKN003 has received the approval from FDA to initiate a phase II clinical study for the treatment of PROC that is not restricted by HER2 expression in the U.S. (study number: JSKN003-202). It has also been granted breakthrough therapy designations by the CDE of the NMPA for both PROC and CRC. In June 2025, the pooled analysis of the efficacy and safety of JSKN003 for the treatment of PROC, heavily pretreated HER2+ BC and advanced

HER2-overexpressing (IHC 3+) gastrointestinal tumors was presented during a poster session at the 2025 ASCO annual meeting. In October 2025, two latest clinical data on JSKN003 for the treatment of primary platinum-refractory OC and HER2+ metastatic CRC, along with the clinical study design of the phase III study of JSKN003 versus physician's choice of chemotherapy in PROC were presented as posters at the 2025 ESMO Congress.

- ***JSKN016*** – an in-house developed bispecific ADC, which can simultaneously target TROP2 and HER3 on tumor cells. JSKN016 was designed based on our Company's proprietary glycan-specific conjugation platform. After binding to TROP2 or HER3 on the surface of tumor cells, JSKN016 enters the lysosome through target-mediated endocytosis, releases the cytotoxic TOPO1 inhibitor, and then induces tumor cell death. In addition, the inhibitor can penetrate the cell membrane and enter the antigen-negative tumor cells to exert bystander effect. These effects can effectively inhibit the growth of tumor cells. JSKN016 has demonstrated excellent anti-tumor activity and safety in various solid tumors. Currently, multiple clinical studies of JSKN016 monotherapy and combination therapy in NSCLC and BC have been initiated. A phase III clinical study for the treatment of TNBC is underway.

- ***JSKN033*** – an in-house developed global first subcutaneous ADC co-formulation, consisting of JSKN003 and KN035. The phase I/II clinical trial of JSKN033 in patients with advanced metastatic malignant tumors is currently undergoing in China. This trial is part of the pilot program to optimize the regulatory review and approval process for clinical trials of innovative drugs. The research updates of a phase I/II clinical trial of JSKN033 for the treatment of HER2-expressing advanced or metastatic solid tumors conducted in Australia, have been presented for the first time as a poster in the LBA session at the 2024 SITC annual meeting. A phase II clinical trial evaluating JSKN033 for the treatment of HER2-mutant/expressing NSCLC has been initiated and is currently progressing smoothly. In March 2026, the IND application for a Phase II clinical study of JSKN033 in combination with platinum-based chemotherapy with or without bevacizumab as first-line treatment of advanced cervical cancer has been officially approved by the CDE.

- ***JSKN022*** – a first-in-class bispecific ADC targeting both PD-L1 and integrin αvβ6. Based on independently developed Envafolimab, our Company integrates immuno-oncology mechanisms with ADC approaches. This novel drug molecule utilizes glycan-specific conjugation technology to enhance both stability and homogeneity. The TOPO1 inhibitor (T01) is site-specifically conjugated to antibodies via a cleavable linker, enhancing therapeutic efficacy. JSKN022 is expected to provide a novel therapeutic option for cancers that are refractory or resistant to PD-1/PD-L1 inhibitors. The phase I clinical trial of JSKN022 for the treatment of advanced malignant solid tumors is currently undergoing.

- ***JSKN027 –*** a first-in-class bispecific ADC designed to co-engage PD-L1 and VEGFR2. By leveraging glycan-specific conjugation technology, it precisely links its cleavable linker and topoisomerase I inhibitor payload to the antibody's Fc region – maintaining a strong safety profile while unlocking potent anti-tumor activity. JSKN027's efficacy stems from a unique three-fold synergistic mechanism. Beyond the standard ADC effects of targeted cell killing and bystander activity, it also inhibits tumor angiogenesis by blocking VEGF/VEGFR2 signaling and reverses immune suppression by disrupting the PD-1/PD-L1 checkpoint. This integrated attack enhances overall anti-tumor power and is anticipated to help overcome therapeutic resistance. The phase I clinical trial of JSKN027 for the treatment of advanced malignant solid tumors is currently undergoing.

- ***JSKN021*** – a first-in-class dual payload bispecific ADC consisting of an EGFR/HER3 bispecific antibody conjugated with novel TOPO1 inhibitor (T01) and MMAE. Engineered with finely tuned binding avidity in both arms to address tumor heterogeneity while minimizing on-target, off-tumor toxicity, JSKN021 was designed for enhanced stability and improved homogeneity. It combines T01 (DAR 4) and MMAE (DAR 2) payloads to overcome non-response and resistance observed with single-payload treatment strategies. The IND application for JSKN021 was officially accepted by the CDE in March 2026.

- ***KN046*** – a BsAb immune checkpoint inhibitor simultaneously targeting two clinically-validated immune checkpoints, PD-L1 and CTLA-4, with a clear structural differentiation to improve localization with the tumor microenvironment and to reduce off-target toxicity. Multiple clinical trials at different stages of KN046 covering various indications, including, among others, NSCLC, have been conducted in China, the United States and Australia. We will determine the subsequent development plans for KN046 based on the actual situation.

Corporate Information

Board of Directors	**Executive Directors:** Dr. XU Ting *(Chairman of the Board and Chief Executive Officer)* Ms. LIU Yang **Non-executive Director:** Mr. CHO Man **Independent Non-executive Directors:** Mr. WU Dong Dr. GUO Zijian *(resigned on June 30, 2025)* Mr. WEI Kevin Cheng *(resigned on June 30, 2025)* Ms. WONG Yan Ki Angel *(appointed on June 30, 2025)* Dr. GAO Xiang *(appointed on June 30, 2025)*
Audit Committee	Mr. WEI Kevin Cheng (*Chairman*) *(resigned on June 30, 2025)* Ms. WONG Yan Ki Angel *(Chairwoman)* *(appointed on June 30, 2025)* Mr. WU Dong Dr. GUO Zijian *(resigned on June 30, 2025)* Dr. GAO Xiang *(appointed on June 30, 2025)*
Remuneration Committee	Mr. WU Dong *(Chairman)* Ms. LIU Yang Mr. WEI Kevin Cheng *(resigned on June 30, 2025)* Dr. GAO Xiang *(appointed on June 30, 2025)*
Nomination Committee	Dr. XU Ting *(Chairman)* Mr. WU Dong Dr. GUO Zijian *(resigned on June 30, 2025)* Ms. WONG Yan Ki Angel *(appointed on June 30, 2025)*
Strategy Committee	Ms. LIU Yang *(Chairwoman)* Dr. XU Ting Mr. CHO Man Dr. GUO Zijian *(resigned on June 30, 2025)* Dr. GAO Xiang *(appointed on June 30, 2025)*

Joint Company Secretaries	Ms. CHAN Lok Yee Ms. CHENG Qiulan *(resigned on April 8, 2026)* Ms. JIANG Rui *(appointed on April 8, 2026)*
Authorized Representatives	Ms. LIU Yang Ms. CHENG Qiulan *(resigned on April 8, 2026)* Ms. JIANG Rui *(appointed on April 8, 2026)*
Registered Office	Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Head Office and Principal Place of Business in China	No. 175 Fangzhou Road Suzhou Industrial Park Suzhou Jiangsu Province, PRC
Principal Place of Business in Hong Kong	Room 1901, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Legal Advisor as to Hong Kong Laws	**Kirkland & Ellis** 26/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong
Auditor	**Deloitte Touche Tohmatsu** *Registered Public Interest Entity Auditors* 35/F, One Pacific Place 88 Queensway Admiralty Hong Kong

Corporate Information

Principal Share Registrar	**Conyers Trust Company (Cayman) Limited** Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Hong Kong Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716 17/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Stock Code	9966
Company Website	http://www.alphamabonc.com

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I would like to express our sincere gratitude for your continued trust and support in Alphamab Oncology.

In 2025, the global pharmaceutical landscape underwent profound restructuring, while a wave of technological innovation surged across China's pharmaceutical industry. Facing both opportunities and challenges, Alphamab Oncology has consistently adhered to innovation-driven development. Aiming to address major unmet clinical needs, we accelerated the advancement of technological innovation, R&D synergy, and system evolution. During the Reporting Period, our core pipeline achieved successive breakthroughs, and our academic accomplishments stood out frequently. We also garnered repeated recognition from regulatory authorities worldwide. These differentiated innovative outcomes fully demonstrated the Company's core competitiveness of being "platform-driven" and its long-term development potential.

In 2025, the Company achieved operating revenue of RMB566.24 million, including product revenue attributable to the Company of RMB130.13 million. To consolidate the foundation of innovation, the Company's R&D investment for the full year amounted to RMB572.16 million, representing a year-on-year increase of 41.57%. Our financial fundamentals remained safe and robust, with a cash reserve of RMB1,350.32 million. Overall, our operations achieved steady progress with enhanced quality.

The commercialization process of innovative products has been accelerated. The global regulatory submissions for envafolimab (KN035), the world's first subcutaneous PD-L1 single-domain antibody, have been steadily advanced, with marketing applications filed in 13 countries and regions including Saudi Arabia. The drug's new indication for first-line biliary tract cancer in China has been accepted by the NMPA, which is expected to further broaden patient coverage and unlock new space for product revenue growth.

Anbenitamab (KN026) achieved dual strongly positive results in both PFS and OS in the second-and third-line treatment of HER2+ gastric cancer. The pivotal efficacy data were featured as an LBA oral presentation at the 2025 ESMO Congress and published in *Annals of Oncology*, a top-tier journal in the oncology field, demonstrating the clinical value of "innovative drugs from China" to the world. The marketing application for this indication has been accepted by the NMPA and included in the priority review and approval process, having successfully passed the drug registration verification and GMP compliance inspection. Upon launch, it is expected to reshape the treatment landscape for HER2+ gastric cancer and become the core engine for the Company's future performance growth.

The global competitiveness of our differentiated ADC pipeline has become prominently evident. Relying on our globally leading glycan site-specific conjugation, linker-payload, and dual-payload conjugation platforms, the Company has continuously strengthened original innovation. Building upon the successful experience of our PD-L1 and HER2-targeted products, we are actively exploring new targets and novel combinations to accelerate the R&D of ADC drugs with international competitiveness. So far, six differentiated innovative ADC molecules have entered the clinical research stage, broadly covering highly prevalent tumor types globally such as breast cancer, ovarian cancer, colorectal cancer, gastric cancer, lung cancer, liver cancer, and squamous cell carcinoma of the head and neck (SCCHN). They have constructed an ADC product matrix with both breadth and depth.

Thanks to its advantages of high efficacy and low toxicity, JSKN003 (HER2 bispecific antibody ADC) was granted two Breakthrough Therapy Designations (BTD) by the CDE in 2025, as well as three international designations by the FDA: Breakthrough Therapy Designation, Orphan Drug Designation (ODD), and Fast Track Designation (FTD). Its outstanding efficacy and safety data were successively presented at the ASCO and ESMO conferences. At present, four Phase III clinical studies targeting second-line HER2+ breast cancer, HER2-low expressing breast cancer, platinum-resistant ovarian cancer, and HER2+ colorectal cancer are being comprehensively advanced. Among which, the Phase III study for second-line HER2+ breast cancer has completed full patient enrollment.

The Phases I/II studies of JSKN016 (TROP2/HER3 bispecific antibody ADC) has cumulatively enrolled over 460 patients, completing dose expansion and selection. After confirming efficacy in later-line lung cancer and breast cancer, it has advanced to the exploration of first-line combination with chemotherapy/immunotherapy, and the Phase III clinical study for triple-negative breast cancer (TNBC) has been initiated. Its high-concentration subcutaneous formulation has been approved for clinical trials in Australia.

JSKN033 (a high-concentration co-formulation of HER2 bispecific antibody ADC and PD-L1) has completed the proof-of-concept and dose optimization for second-line cervical cancer, and the proof-of-concept cohort for second-line endometrial cancer is currently enrolling. Concurrently, the Phase II clinical study for lung cancer is being advanced, and a Phase II clinical study for first-line treatment of cervical cancer in combination with chemotherapy has been initiated, strengthening pan-tumor and all-population development through ADC/IO combinations.

JSKN022 (PD-L1/αvβ6 bispecific antibody ADC) has advanced to the sixth dose escalation level, demonstrating preliminary efficacy and favorable safety. The Phase I clinical study of JSKN027 (PD-L1/VEGFR2 bispecific antibody ADC) is proceeding smoothly. With innovative design and outstanding preclinical data, JSKN021 (EGFR/HER3 bispecific antibody dual-payload ADC) showcased the Company's cutting-edge technological breakthroughs at the World ADC Summit, and its IND application for the Phase I clinical study has been accepted by the CDE.

Innovation is an endless journey, and our pace of development never ceases. Starting from 2026, the Company expects to launch at least one new product or new indication, and advance 1-2 new molecules into clinical research annually. This will provide safer and more effective treatment options for patients globally and inject robust momentum into the Company's sustained growth.

Going forward, Alphamab Oncology will uphold its mission of "enabling patients to achieve long-term, high-quality survival." Centered around the strategic direction of being patient-needs-oriented and differentiated-innovation-driven, the Company will continuously promote the iterative upgrading of its technology platforms, deepen the global layout of bispecific antibodies and dual-payload ADCs, and fully unlock the therapeutic potential and full life-cycle value of innovative molecules. We aspire to become a biopharmaceutical enterprise with continuous innovation capabilities and international competitiveness.

Xu Ting
Chairman and Chief Executive Officer
Suzhou, China

Definitions and Glossary of Technical Terms

"2025 ESMO Congress"	European Society for Medical Oncology Congress for the year of 2025
"Advantech I"	Advantech Capital Investment I Limited, a company incorporated in the Cayman Islands
"Advantech II"	Advantech Capital II AlphaMab Partnership L.P., a limited partnership registered in the Cayman Islands
"ADC(s)"	antibody-drug conjugate(s)
"AGM"	the annual general meeting of our Company to be held at 10 a.m. on Friday, June 12, 2026 at No. 175, Fangzhou Road, Suzhou Industry Park, Suzhou, Jiangsu, China or any adjournment thereof
"Alphamab Australia"	Alphamab (Australia) Co Pty Ltd, a company incorporated in Australia on November 20, 2017 and a direct wholly-owned subsidiary of Jiangsu Alphamab
"Articles of Association"	the fifth amended and restated articles of association of our Company adopted on June 12, 2023, as amended from time to time
"ASCO"	American Society of Clinical Oncology
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Company
"BC"	breast cancer
"bispecific"	in reference to antibodies, antibodies that combine two antigen-recognizing elements into a single construct, able to recognize and bind to two different antigens (or epitopes)
"Board"	the board of directors of our Company

"BsAb"	bispecific monoclonal antibody
"BVI"	the British Virgin Islands
"CDE"	the Center for Drug Evaluation (藥品審評中心)
"China" or "PRC" or "Mainland China"	the People's Republic of China, and for the purpose of this annual report only, except where the context requires otherwise, excluding Hong Kong, Macau and Taiwan
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company" or "Alphamab Oncology"	Alphamab Oncology (康寧傑瑞生物製藥), an exempted company with limited liability incorporated under the laws of the Cayman Islands on March 28, 2018
"connected person"	has the meaning ascribed thereto under the Listing Rules
"connected transaction"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Dr. Xu and/or Rubymab
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
"CRC"	colorectal cancer
"CTLA-4"	cytotoxic T-lymphocyte-associated protein 4, a protein expressed on all T-cells but which is expressed at the highest level on regulatory T-cells (Treg) and contributes to the suppressor function of Treg and acts as an off-switch to T-cell immune response to cancer cells
"DAR"	drug-to-antibody ratio

"dMMR"	deficient mismatch repair, ability of a cell in correcting mistakes made when DNA is copied in a cell mismatch repair deficient cells usually have many DNA mutations, which may lead to cancer
"Director(s)" or "our Director(s)"	the directors of our Company, including all executive, non-executive and independent non-executive directors
"docetaxel"	a medication used to treat cancer (such as breast, lung, prostate, stomach, and head/neck cancer)
"Dr. Xu"	Dr. XU Ting (徐霆), the founder, chairman, executive Director and chief executive officer of our Company
"EGFR"	epidermal growth factor receptor
"FDA"	the U.S. Food and Drug Administration, a federal agency of the U.S. Department of Health and Human Services responsible for regulating food and drugs
"FVTPL"	fair value through profit or loss
"GC"	gastric cancer
"GEJ"	gastroesophageal junction cancer
"Glenmark"	Glenmark Specialty S.A., a corporation organized and existing under the laws of Neuchâtel, Switzerland, wholly owned by Glenmark Pharmaceuticals Ltd.
"Global Offering"	the offer for subscription of an aggregate of 206,313,000 Shares (including Shares issued and allotted pursuant to the over-allotment option) at offer price of HK$10.2 under the Hong Kong public offering and the international offering
"GMP"	good manufacturing practice

"Group" or "our Group" or "we"	our Company and all of our subsidiaries or, where the context so requires, any companies that became our subsidiaries as part of the Reorganization and the oncology businesses operated by such subsidiaries or their predecessors, Suzhou Alphamab (as the case may be)
"HER2"	human epidermal growth factor receptor 2
"HER2+"	HER2-positive
"HER3"	human epidermal growth factor receptor 3
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$" or "Hong Kong Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HR"	hazard ratio
"IFRSs"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"immune checkpoint inhibitor(s)"	molecules that release the natural brakes of immune response
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China and clinical trial notification in Australia
"Independent Third Party(ies)"	party or parties that is or are not a connected party within the meaning of the Listing Rules
InvetisBio	InventisBio Co., Ltd. (Shanghai Stock Exchange stock code: 688382)
"IO"	immunotherapy
"Jiangsu Alphamab"	Jiangsu Alphamab Biopharmaceuticals Co., Ltd. (also known as Jiangsu Alphamab Pharmaceuticals Co., Ltd.) (江蘇康寧傑瑞生物製藥有限公司), a limited liability company established in the PRC on July 14, 2015 and our wholly owned subsidiary

"Jilin Alphamab"	Alphamab (Jilin) Co., Ltd. (康寧傑瑞(吉林)生物科技有限公司) a limited liability company established in the PRC on June 25, 2009 and our connected person as of the Latest Practicable Date
"JMT-Bio"	Shanghai JMT-Bio Technology Co., Ltd. (上海津曼特生物科技有限公司), a wholly-owned subsidiary of CSPC Pharmaceutical Group Limited, the shares of which are listed on the Stock Exchange (stock code: 1093)
"KN035" or "KN035 (Envafolimab Injectable)"	an anti-PD-L1 recombinant humanized sdAb invented by our Group
"LBA"	Late-Breaking Abstract
"Latest Practicable Date"	April 27, 2026, being the latest practicable date prior to the printing of this purpose of ascertaining the information contained herein
"lenvatinib"	a kinase inhibitor used to treat certain types of cancer
"Listing Date"	December 12, 2019, the date on which dealings in our Shares first commence on the Main Board of the Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM
"metastatic"	in reference to any disease, including cancer, disease producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
"MMAE"	Monomethyl auristatin E

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"Ms. Liu"	Ms. LIU Yang (劉陽), the executive Director of our Company
"MSCI"	Morgan Stanley Capital International
"MSI-H"	microsatellite instability-high, a feature of cancer's genetic coding with a high amount of instability in a tumor
"nab-paclitaxel"	an albumin-bound, solvent-free, formulation of paclitaxel that does not require steroid premedication
"New Xu's Family Trust"	a discretionary trust established by Ms. Liu on April 10, 2023 with South Dakota Trust acting as the trustee, Ms. Liu acting as the settlor and protector, and Dr. Xu acting as the investment advisor for the benefit of Ms. Liu's family members, including among others, Dr. Xu
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"Nomination Committee"	the nomination committee of our Company
"Non-competition Undertaking"	the non-competition undertaking dated November 24, 2019 and entered into by the Controlling Shareholders in favor of our Company
"NSCLC"	non-small cell lung cancer
"OC"	ovarian cancer
"ODD"	Orphan Drug Designation
"OS"	overall survival

"PAG Growth"	PAG Growth I (BVI) Limited, a business company incorporated under the laws of the BVI
"PD"	pharmacodynamics, the study of how a drug affects an organism, which, together with pharmacokinetics, influences dosing, benefit, and adverse effects of the drug
"PD-1"	programmed cell death protein 1, an immune checkpoint receptor expressed on some T-cells, B-cells and macrophages that turns off the T-cell mediated immune response as part of the process that discourages a healthy immune system from attacking other cells in the body
"PD-L1"	programmed death ligand 1, a protein on the surface of a normal cell or a cancer cell that can attach to PD-1 on the surface of the T-cell that causes the T-cell to turn off its ability to kill the cancer cell
"Pearlmed"	Pearlmed Ltd., a company incorporated in the BVI on March 22, 2018 and wholly owned by Mr. XUE Chuanxiao as of the Latest Practicable Date
"PFS"	progression-free survival
"Post-IPO Restricted Share Award Scheme"	the post-IPO restricted share award scheme adopted by our Company on March 23, 2021, amended on June 12, 2024 and as amended from time to time, the principal terms of which are set out in "Directors' Report – Post-IPO Restricted Share Award Scheme"
"Post-IPO Share Option Scheme"	the post-IPO share option scheme adopted by our Company in accordance with the scheme rules adopted by the Board on April 10, 2020 and approved by Shareholders' meeting on May 25, 2020, amended on June 12, 2024 as amended from time to time, the principal terms of which are set out in "Directors' Report – Post-IPO Share Option Plan" to this annual report
"Pre-IPO Share Option Plans"	the pre-IPO share option plan I adopted by our Company on October 16, 2018, which was further amended on March 29, 2019 and the pre-IPO share option plan II adopted by our Company on March 29, 2019, as amended from time to time, the principal terms of which are set out in "Directors' Report – Pre-IPO Share Option Plans" to this annual report

"PROC"	collectively refer to platinum-resistant epithelial ovarian cancer, primary peritoneal, or fallopian tube cancers
"Prospectus"	the prospectus of our Company dated December 2, 2019
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of our Company
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Reporting Period"	the year ended December 31, 2025
"Rubymab"	Rubymab Ltd., a company incorporated in the BVI on March 22, 2018 and wholly owned by New Xu's Family Trust as of the Latest Practicable Date
"sdAb"	single domain antibody
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	common stock of our Company, par value US$0.000002 per share
"Shareholder(s)"	holder(s) of our Share(s)
"Simcere"	Simcere Pharmaceutical Group Limited, a company engaged in the R&D, production and commercialization of pharmaceuticals with the national key laboratory of translational medicine and innovative pharmaceuticals, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2096)
"Sky Diamond"	Sky Diamond Co., Ltd., a company incorporated in the BVI on June 1, 2018 and wholly owned by Mr. ZHANG Xitian (張喜田)
"South Dakota Trust"	South Dakota Trust Company LLC, the trustee of New Xu's Family Trust

"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Strategy Committee"	the strategy committee of our Company
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Suzhou Alphamab"	Suzhou Alphamab Co., Ltd. (蘇州康寧傑瑞生物科技有限公司), a limited liability company established in the PRC on November 6, 2008 and our connected person as of the Latest Practicable Date
"Suzhou Dingfu"	Suzhou Dingfu Target Biotechnology Co., Ltd. (蘇州丁孚靶點生物技術有限公司), a limited liability company established in the PRC on December 2, 2011
"Treasury Shares"	has the meaning ascribed thereto under the Listing Rules
"Top-up Placing"	the placing of 25,000,000 Shares at a price of HK$15.22 per placing Share pursuant to the placing and subscription agreement dated February 3, 2023 by and among our Company, Rubymab and Jefferies Hong Kong Limited
"TOPO1"	topoisomerase 1
"TROP2"	trophoblast cell surface antigen 2
"Trastuzumab"	a monoclonal antibody used to treat breast cancer and stomach cancer
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollar(s)" or "US$"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax; all amounts are exclusive of VAT in this annual report except where indicated otherwise
"VEGFR2"	vascular endothelial growth factor receptor 2

"we", "us" or "our"	our Company or our Group, as the context requires
"%"	per cent
"3D Medicines"	3D Medicines (Beijing) Co., Ltd. (思路迪(北京)醫藥科技有限公司), a company incorporated under the laws of the PRC on December 22, 2014, an Independent Third Party collaborating with us in the development of KN035 (Envafolimab)
"3D Medicines (Sichuan)"	3D Medicines (Sichuan) Co., Ltd. (四川思路康瑞藥業有限公司), a company incorporated under the laws of the PRC on March 16, 2016 and owned by 3D Medicines and Jiangsu Alphamab of 51% and 49%, respectively

Financial Highlights

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**566,235**	640,083	218,774	166,845	146,021
Cost of Sales	**(63,546)**	(60,316)	(55,237)	(44,207)	(3,028)
Gross profit	**502,689**	579,767	163,537	122,638	142,993
Other income	**52,815**	62,023	91,817	57,782	46,954
Other gains and losses	**(6,014)**	13,235	33,094	63,073	(30,570)
R&D expenses	**(572,161)**	(404,152)	(407,524)	(468,238)	(481,361)
Administrative expenses	**(83,819)**	(74,607)	(79,338)	(86,771)	(77,251)
Finance costs	**(7,449)**	(9,924)	(12,179)	(14,206)	(13,182)
(Loss) Profit before taxation	**(113,939)**	166,342	(210,593)	(325,722)	(412,417)
Income tax expense	**–**	–	–	–	–
(Loss) Profit for the year	**(113,939)**	166,342	(210,593)	(325,722)	(412,417)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	**503,284**	530,406	578,583	623,001	588,542
Current assets	**1,593,783**	1,711,349	1,558,530	1,494,530	2,116,549
Non-current liabilities	**105,324**	155,827	198,163	174,947	197,542
Current liabilities	**280,845**	254,044	266,838	384,912	637,260
Net assets	**1,710,898**	1,831,884	1,672,112	1,557,672	1,870,289

EVENTS DURING THE REPORTING PERIOD

During the Reporting Period, we have been making significant progress with respect to our drug pipeline and business operations, including the following milestones and achievements:

- In January 2025, the results for the phase II clinical study of KN026 combined with docetaxel as first-line treatment for HER2+ recurrent or metastatic BC were published in full in *Cancer Communications*.

- In January 2025, the first patient was successfully dosed in the phase I/II clinical trial of JSKN033 conducted in the PRC for the treatment of advanced metastatic malignant tumors. This trial is part of the pilot program to optimize the regulatory review and approval process for clinical trials of innovative drugs.

- In February 2025, we received approval from the CDE of the NMPA to initiate the phase III clinical trial of JSKN003 in patients with HER2+ BC. It aims to evaluate the efficacy and safety of JSKN003 compared with Trastuzumab emtansine (T-DM1) in patients with HER2+ BC and the first patient was successfully dosed in the same month.

- In February 2025, the first patient was successfully dosed in a phase III clinical trial of JSKN003 for the treatment of PROC.

- In February 2025, the results for the phase II clinical study of KN046 combined with lenvatinib for the treatment of advanced unresectable or metastatic hepatocellular carcinoma were published in full in *Nature Communications*.

- In March 2025, JSKN003 was granted breakthrough therapy designation by the CDE for the treatment of PROC, not restricted by HER2 expression.

- In March 2025, the IND application for JSKN016 combined with chemotherapy/IO/tyrosine kinase inhibitors (TKIs) for first-line and late-line treatment of multiple cohorts of NSCLC was approved by the CDE. In addition, a phase II clinical trial evaluating the efficacy, safety, and dose optimization of JSKN016 monotherapy in multiple NSCLC cohorts is currently undergoing, and patient enrollment has been completed for the EGFR-mutated NSCLC cohorts in second-line and third-line treatment.

- In March 2025, the IND application for JSKN016 combined with chemotherapy/IO for first-line and late-line treatment of HER2-negative BC was approved by the CDE.

- In March 2025, the results for the phase II clinical trial of KN026 combined with KN046 for the treatment of HER2+ solid tumors other than BC were published in full in *Signal Transduction and Targeted Therapy*.

- In April 2025, the research updates on preclinical activities of JSKN021 and JSKN022 were presented at the 2025 annual meeting of the American Association for Cancer Research.

- In April 2025, the phase II/III clinical trial of KN026 in combination with chemotherapy as second-line and above treatment of HER2+ GC (including GEJ), completed the first PFS interim analysis and the results showed that the pre-specified primary endpoint of PFS was met with both statistical significance and clinical relevance, and showed a trend toward OS benefit.

- In April 2025, patient enrollment was completed for the phase III clinical trial of KN026 in combination with nab-docetaxel as first-line treatment for HER2+ recurrent or metastatic BC. Additionally, patient enrollment has been completed for the phase III clinical trial of KN026 combined with nab-docetaxel as neoadjuvant therapy for HER2+ early or locally advanced BC.

- In May 2025, MSCI, the leading global index provider, announced its latest quarterly review results, with the Company being included in the MSCI Global Small Cap Index.

- In June 2025, the results for the phase II clinical trial of KN026 combined with KN046 for the treatment of HER2+ BC were published in full in *Clinical Cancer Research*.

- In June 2025, three phase II clinical research results of KN035 (Envafolimab), either as monotherapy or in combination regimens, were presented in the form of posters at the 2025 ASCO annual meeting. Furthermore, an additional eight clinical research results were published online.

- In June 2025, the pooled analysis of the efficacy and safety of JSKN003 for the treatment of PROC, heavily pretreated HER2+ BC and advanced HER2-overexpressing (IHC3+) gastrointestinal tumors was presented at the 2025 ASCO annual meeting.

- In June 2025, the results of a preclinical study of JSKN003 were published in full in *RSC Chemical Biology*.

- In July 2025, the IND application for the phase II/III clinical trial of KN026 as first-line treatment for HER2+ locally advanced or metastatic GC/GEJ was accepted by the CDE.

- In July 2025, JSKN003 has been granted ODD by the U.S. FDA for the treatment of GC/GEJ. Additionally, a phase II clinical trial of JSKN003 combined with KN026, IO and chemotherapy as first-line and perioperative treatment for HER2+ GC/GEJ has been initiated in China and is currently progressing smoothly.

- In July 2025, JSKN003 has received approval from the U.S. FDA to initiate a phase II clinical study in the U.S. for treatment of PROC not restricted by HER2 expression (study number: JSKN003-202).

- In August 2025, the IND application for the phase I clinical trial of JSKN022 for the treatment of advanced solid tumors has been accepted by the CDE.

- In September 2025, the NDA of KN026 in combination with chemotherapy as the second-line and above treatment for GC/GEJ was accepted by the NMPA, and it successfully passed the drug registration verification (pharmacy) and GMP compliance inspection in December 2025.

- In September 2025, at the 2025 China Healthcare Decision-makers Conference (2025 CHDC) and the China Innovative Drug Decade Achievement Tour organized by *Pharmcube (醫藥魔方)*, the Company was listed on the "China Innovative Drug Decade Glory" honor roll and awarded the "Industry-leading Biotech Company".

- In October 2025, the first interim analysis results of a phase III clinical trial of KN026 in combination with chemotherapy as second-line and above treatment of HER2+ GC (including GEJ) (KN026-001, also known as KC-WISE), have been presented at the 2025 ESMO Congress LBA Oral Presentation Session. The results showed that the median PFS for the KN026 group was 7.1 months (HR=0.25), and the median OS was 19.6 months (not mature; HR=0.29). The interim analysis demonstrated that KN026 in combination with chemotherapy achieved clinical meaningful and statistically significant PFS and OS benefits compared with chemotherapy plus placebo, with a favorable and manageable safety profile.

- In October 2025, JSKN003 has been granted breakthrough therapy designation by the CDE for the treatment of HER2+ advanced CRC in patients who have failed prior treatments with oxaliplatin, fluorouracil and irinotecan.

- In October 2025, two latest clinical data on JSKN003 for the treatment of primary platinum-refractory OC and HER2+ metastatic CRC, along with the clinical study design of the phase III study of JSKN003 versus physician's choice of chemotherapy in PROC were presented during a poster session at the 2025 ESMO Congress.

- In October 2025, data from six Phase II clinical trials of KN035 (Envafolimab) in combination therapy were presented during a poster session at the 2025 ESMO Congress.

- In October 2025, the first patient was successfully dosed in the Phase I clinical trial of JSKN022 for the treatment of advanced malignant solid tumors. JSKN022 is the Company's fourth ADC candidate entering clinical trials, as well as the world's first PD-L1/integrin αvβ6 bispecific ADC to advance into clinical trials.

- In October 2025, JSKN003 has received approval from the CDE to initiate a Phase III clinical study for the treatment of HER2+ advanced CRC. This marks the fourth Phase III clinical study initiated for JSKN003, following the trials in HER2 low-expressing BC, PROC and HER2+ BC.

- In October 2025, JSKN003 was granted Fast Track Designation by the U.S. FDA for the treatment of PROC, not restricted by HER2 expression.

- In November 2025, the Company was granted with "2025 Top 100 Chinese Pharmaceutical Innovative Enterprises (2025 中國醫藥創新企業 100 強)" by *Healthcare Executive (E 藥經理人)*, a specialized magazine focusing on the pharmaceutical industry.

- In November 2025, the results of the Phase II clinical study of KN026 in HER2+ GC/GEJ were published in full in *Cancer Communications*.

- In December 2025, the IND application for the phase I clinical study of JSKN027 for the treatment of advanced malignant solid tumors was formally accepted by the CDE.

- In December 2025, JSKN003 was granted breakthrough therapy designation by the U.S. FDA for the treatment of adult patients with advanced or metastatic PROC expressing HER2 (IHC1+, 2+ and 3+) who have received prior treatment with bevacizumab.

- In December 2025, the clinical trial application for JSKN016 in combination with oral selective estrogen receptor degrader D-0502 provided from InventisBio for the treatment of locally advanced or metastatic hormone receptor positive, HER2-negative (HR+/HER2-) BC was approved by the CDE.

- In December 2025, KN035 (Envafolimab) was granted ODD by the U.S. FDA for the treatment of GC/GEJ. This marked the third ODD awarded to Envafolimab, following previous designations for advanced biliary tract cancer and soft tissue sarcoma.

- In December 2025, the IND application for a Phase II clinical study of JSKN033 in combination with platinum-based chemotherapy with or without bevacizumab as first-line treatment of advanced cervical cancer, has been officially accepted by the CDE. Moreover, a phase II clinical trial evaluating JSKN033 for the treatment of HER2 mutant/expressing NSCLC has been initiated and is currently progressing smoothly.

- In December 2025, the Company was granted with the "Annual Innovation Award" at the Annual Excellence Company Selection organized by Gelonghui (格隆匯).

EVENTS AFTER THE REPORTING PERIOD

After the end of the Reporting Period and up to the Latest Practicable Date, we have continued to make significant progress with respect to our drug pipeline and business operations, including the following milestones and achievements:

- In January 2026, the NDA for KN035 (Envafolimab) in combination with the Gemcitabine and Oxaliplatin regimen for the first-line treatment of unresectable or metastatic biliary tract cancer has been formally accepted by the NMPA.

- In January 2026, the results of the phase III clinical study of KN026 in combination with chemotherapy as second-line and above treatment of HER2+ GC/GEJ, were published in full in *Annals of Oncology*.

- In February 2026, the first patient was successfully dosed in a Phase III clinical trial of JSKN003 for the treatment of HER2+ advanced CRC.

- In February 2026, the first patient was successfully dosed in a Phase II clinical trial of JSKN016 in combination with InventisBio's oral selective estrogen receptor degrader D-0502 for the treatment of HR+/HER2- BC.

- In March 2026, the IND application for the phase I clinical study of JSKN021 for the treatment of advanced malignant solid tumors was formally accepted by the CDE.

- In March 2026, the first patient was successfully dosed in the Phase I clinical trial of JSKN027 for the treatment of advanced malignant solid tumors. JSKN027 is the Company's fifth ADC candidate entering clinical trials, as well as the world's first PD-L1/VEGFR2 bispecific ADC to advance into clinical trials.

- In March 2026, the first patient was successfully dosed in a Phase III clinical trial of JSKN016 for the treatment of triple-negative BC.

- In March 2026, the high-concentration subcutaneous formulation of JSKN016 received approval from the Bellberry Clinical Research Ethics Committee in Australia to conduct a Phase I clinical trial.

- In March 2026, the first patient was successfully dosed in a Phase III clinical trial of KN026 in combination with docetaxel (albumin-bound) (HB1801) and chemotherapy as adjunctive therapy for HER2+ BC.

- In March 2026, the phase III clinical study of KN026 in combination with docetaxel (albumin-bound) (HB1801) as neoadjuvant treatment for HER2+ BC, has met the pre-specified primary endpoint of total pathological complete response and the results are highly statistically and clinically significant.

- In April 2026, the significant results of the phase III clinical study of KN026 in combination with docetaxel (albumin-bound) (HB1801) as neoadjuvant treatment for HER2+ BC were selected for presentation at the LBA Oral Presentation Session of the 2026 ASCO Annual Meeting.

For details of any foregoing, please refer to the rest of this annual report, where applicable, our Company's prior announcements published on the websites of the Stock Exchange and our Company and prior press releases published on our Company's website.

Overview

We are a leading biopharmaceutical company in China with a fully integrated proprietary technology platform in ADCs, bispecific antibodies and multifunctional protein engineering. We deliver world-class innovative therapeutic biologics to treat patients globally by applying our unique drug discovery and development capabilities. We believe these capabilities are demonstrated by our strong R&D track record and supported by our proprietary technologies, platforms and expertise.

Product Pipeline

Our highly differentiated in-house pipeline consists of ADCs, monoclonal antibodies and bispecific antibodies in staggered development status in oncology, including, among others, one product approved for marketing by the NMPA and multiple products in phase III or pivotal clinical trial stages. The following chart summarizes our main product pipeline as of the latest practicable date:

Products	Indications	Combination Therapies	IND	Phase I	Phase II	Pivotal (Phase II/ Phase III)	NDA
KN035 (subcutaneous PD-L1)	≥2L MSI-H/dMMR advanced solid tumors	monotherapy					
	1L BTC	+ chemotherapy					
KN026 (HER2 bispecific antibody)	≥ 2L HER2+ GC/GEJ	+ chemotherapy					
	1L HER2+ BC	+ nab-docetaxel					
	HER2+ Neoadjuvant BC	+ nab-docetaxel					
	HER2+ adjuvant BC	+ nab-docetaxel					
	1L HER2+ GC/GEJ	+chemotherapy ± PD-1 monoclonal antibody					
JSKN003 (HER2 bispecific ADC)	≥2L HER2+ BC	monotherapy					
	≥2L HER2-low expressing BC	monotherapy					
	PROC	monotherapy					
	HER2+ CRC	monotherapy					
	1L HER2+ GC/GEJ or perioperative treatment	+chemotherapy ±PD-1±KN026					
JSKN016 (HER3/TROP2 bispecific ADC)	later-line TNBC	monotherapy					
	later-line HR+ BC	monotherapy					
	CDK4/6-pretreated HR+ BC	+chemotherapy or a SERD inhibitor					
	1L & 2L EGFRm NSCLC	+furmonertinib					
	1L NSCLC	+ivonescimab monotherapy and carboplatin					
	Advanced solid tumor[1]	subcutaneous formulation monotherapy					
JSKN033 (subcutaneous co-formulation of JSKN003 and KN035)	≥2L CC	monotherapy					
	1L CC	+platinum-based chemotherapy ± bevacizumab					
	≥2L EC	monotherapy					
	1L HER2-mutated /expressing NSCLC	monotherapy					
JSKN022 (PD-L1/ α v β 6 bispecific ADC)	Advanced solid tumor	monotherapy					
JSKN027 (PD-L1/VEGFR2 bispecific ADC)	Advanced solid tumor	monotherapy					
JSKN021 (EGFR/HER3 dual payload bispecific ADC)	Advanced solid tumor	monotherapy					
KN046[2] (PD-L1/CTLA-4 bispecific antibody)	1L sq-NSCLC	+ chemotherapy					

Notes:
1. This trial is undergoing in Australia.
2. The Company will determine the subsequent development plan for KN046 based on actual situation.
3. It is estimated that KN026 will realize commercialization in 2026.

The depth and breadth of our in-house R&D and manufacturing capabilities are demonstrated by the following:(i) structure-guided protein engineering capability to develop protein building blocks in various formats, including sdAb and engineered proteins; (ii) our in-house developed proprietary platforms including sdAb, CRIB (charge repulsion improved bispecific antibody) platform, glycan-specific conjugation platform, linker-payload platform, subcutaneous high concentration formulation platform and glycan-specific conjugated dual-payload platform; and (iii) state-of-the-art manufacturing capability, to be further strengthened by new facilities with an expected capacity of over 40,000L, designed and built to meet the current good manufacturing practice standards of the NMPA, the European Medicines Agency and the U.S. FDA. Meanwhile, a new production plant for drug substances and preparations of ADCs based on existing production capacity has commenced operations.

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: We cannot guarantee that we will be able to develop and/or ultimately market our core products successfully. Shareholders and potential investors of our Company are advised to exercise caution when dealing in the Shares.

Future Development

We will continue to strive for delivering world-class innovative therapeutic biologics to treat patients globally by applying our unique drug discovery and development capabilities. Leveraging our strong in-house R&D capabilities and technology platforms, we will discover, validate and select lead candidates to enrich our early-stage pipeline with a focus on ADCs. We will also continue to optimize our manufacturing process and technologies to enhance product quality and reduce the costs. To maximize the commercial value of our assets with global rights, we will also continue to actively seek for more strategic collaboration opportunities, such as co-development, collaboration in combination development, and out-licensing.

FINANCIAL REVIEW

Overview

We recorded total revenue of RMB566.2 million for the year ended December 31, 2025, as compared with RMB640.1 million for the year ended December 31, 2024, and recorded total cost of sales of RMB63.5 million for the year ended December 31, 2025, as compared with RMB60.3 million for the year ended December 31, 2024. For the year ended December 31, 2025, our Group recorded other income of RMB52.8 million, as compared with RMB62.0 million for the year ended December 31, 2024. We recorded other losses of RMB6.0 million for the year ended December 31, 2025, as compared to other gains of RMB13.2 million for the year ended December 31, 2024. Our total comprehensive expense amounted to RMB113.9 million for the year ended December 31, 2025, as compared with the total comprehensive income of RMB166.3 million for the year ended December 31, 2024. The R&D expenses of our Group amounted to RMB572.2 million for the year ended December 31, 2025, as compared with RMB404.2 million for the year ended December 31, 2024. The administrative expenses amounted to RMB83.8 million for the year ended December 31, 2025, as compared with RMB74.6 million for the year ended December 31, 2024. The finance costs amounted to RMB7.4 million for the year ended December 31, 2025, as compared with RMB9.9 million for the year ended December 31, 2024.

Revenue

We recorded total revenue of RMB566.2 million for the year ended December 31, 2025, as compared with RMB640.1 million for the year ended December 31, 2024. Our Group mainly generated revenue from (i) sales of pharmaceutical products and royalty income; (ii) license fee income; (iii) provision of goods and consumables for R&D projects; and (iv) service income. The following table sets forth the components of the revenue from contracts with customers for the years presented:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Time of revenue recognition		
A point in time		
Sales of pharmaceutical products and royalty income	**130,126**	159,457
License fee income	**412,483**	464,240
Provision of goods and consumables for R&D projects	**20,691**	10,302
Service income	**1,664**	4,208
	564,964	638,207
Overtime		
License fee income	**1,271**	1,876
	566,235	640,083

We recorded sales of pharmaceutical products and royalty income from 3D Medicines (Sichuan), which amounted to RMB130.1 million for the year ended December 31, 2025, as compared with RMB159.5 million for the year ended December 31, 2024. Our Group and 3D Medicines entered into a licensing agreement in February 2016 for the joint development and commercialization of KN035. For the year ended December 31, 2025, revenue from the sales of KN035 product to 3D Medicines (Sichuan) amounted to RMB102.7 million, as compared with RMB122.5 million for the year ended December 31, 2024. Such revenue is recognized by our Group when the goods are delivered and the control of the goods has been transferred. For the year ended December 31, 2025, our Group also recognized revenue of RMB27.4 million (2024: RMB37.0 million) for sales-based royalty fees generated from licensing KN035 intellectual property under a supplementary agreement entered into between our Group, 3D Medicines and 3D Medicines (Sichuan) in December 2021.

Our Group's license fee income (recognized at a point in time) primarily consists of income derived from collaboration and licensing agreements entered into with our business partners. For the year ended December 31, 2025, our license fee income amounted to RMB412.5 million, primarily attributable to milestone payments received during the year. In comparison, our license fee income for the year ended December 31, 2024 amounted to RMB464.2 million, primarily driven by an upfront payment received pursuant to a collaboration and licensing agreement entered into in 2024.

For the year ended December 31, 2025, our Group recognized license fee income (recognized overtime) of RMB1.3 million on co-development and commercialization of KN035 (2024: RMB1.9 million), primarily representing the recognition of revenue amortization from a nonrefundable upfront payment under our collaboration with 3D Medicines upon the commencement of commercialization of KN035 in November 2021.

For the year ended December 31, 2025, our Group recognized service income of RMB1.6 million (2024: RMB4.2 million), primarily representing the recognition of service delivered to the customers by our Group.

In addition, we continue to provide goods and consumables for customers to conduct clinical trials as well. Such revenue is recognized when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. For the year ended December 31, 2025, we recorded revenue of RMB20.7 million (2024: RMB10.3 million) for the provision of goods and consumables for R&D projects.

Cost of Sales

Our Group's cost of sales primarily consisted of cost of direct labor, manufacturing cost and raw materials and manufacturing overhead related to the production of the product sold. For the year ended December 31, 2025, our Group recorded cost of sales of RMB63.5 million (2024: RMB60.3 million) primarily attributable to cost of sales of pharmaceutical products of RMB53.3 million (2024: RMB56.0 million), and cost of provision of goods and consumables for R&D projects of RMB10.2 million (2024: RMB4.3 million). The increase in our Group's costs of sales for the year ended December 31, 2025 was primarily attributable to the increased cost of goods and consumables for R&D projects under certain collaboration and licensing arrangements with our business partners.

Other Income

Our Group's other income primarily consisted of interest income and government grants income.

For the year ended December 31, 2025, our Group's other income decreased by RMB9.2 million to RMB52.8 million, as compared to RMB62.0 million for the year ended December 31, 2024. Our interest income decreased from RMB49.3 million for the year ended December 31, 2024 to RMB35.3 million for the year ended December 31, 2025, primarily because the decrease in U.S. dollar and RMB deposits and lower interest rates. Our government grants income increased from RMB12.8 million for the year ended December 31, 2024 to RMB17.5 million for the year ended December 31, 2025, primarily due to application of new projects with government grants.

Other Gains and Losses

For the year ended December 31, 2025, we recorded RMB6.0 million of other losses, as compared to RMB13.2 million of other gains for the year ended December 31, 2024. The change was primarily attributable to a unrealized foreign exchange gains or losses as a result of fluctuation in exchange rate of U.S. dollar.

R&D Expenses

Our Group's R&D expenses primarily comprised of (i) third-party contracting costs related to services provided by contract research organizations, contract manufacturing organizations, clinical trial sites, consultants and other service providers during the R&D of our pipeline products; (ii) staff costs for our R&D staff, including salary, bonus and equity incentives; (iii) raw materials costs in relation to the R&D of our drug candidates; (iv) office rental costs, utilities and depreciation and amortization; and (v) other miscellaneous expenses, which primarily include expenses for patent application registration services and logistics expenses of drug samples for clinical trials.

Our R&D expenses increased from RMB404.2 million for the year ended December 31, 2024 to RMB572.2 million for the year ended December 31, 2025, primarily due to (i) the increase in the number of ongoing clinical trials; (ii) the expansion of the scale of our clinical studies; and (iii) the advancement of clinical trials of our drug candidates. The following table sets forth the breakdown of our R&D expenses by nature for the years indicated.

	For the year ended December 31,			
	2025		2024	
	(RMB in thousands, except percentages)			
Outsourcing service fees	**190,188**	**33.2%**	109,051	27.0%
Staff costs	**157,837**	**27.6%**	132,510	32.8%
Raw material costs	**130,924**	**22.9%**	73,273	18.1%
Office rental costs, utilities, and depreciation and amortisation	**69,602**	**12.2%**	70,612	17.5%
Others	**23,610**	**4.1%**	18,706	4.6%
Total	**572,161**	**100.0%**	404,152	100.0%

Administrative Expenses

Our Group's administrative expenses primarily comprised of relative office expenses and staff costs for our administrative staff, including salary, bonus and equity incentives.

Our administrative expenses increased from RMB74.6 million for the year ended December 31, 2024 to RMB83.8 million for the year ended December 31, 2025. The increase was primary attributable to increase in equity incentives for employees.

Finance Costs

Our Group's finance costs primarily comprised of interest expenses on (i) bank borrowings, (ii) contract liabilities and (iii) lease liabilities related to our leases of office premises, R&D facilities and manufacturing facilities.

Our finance costs decreased to RMB7.4 million for the year ended December 31, 2025, as compared to RMB9.9 million for the year ended December 31, 2024, primarily due to (i) the change in the amount of working capital borrowings, and (ii) the decrease in the interest rate of borrowings.

Income Tax Expenses

We had unused tax losses of RMB4,037.6 million available for set off against future profits as of December 31, 2025, as compared to RMB3,489.1 million for the year ended December 31, 2024. No deferred tax asset has been recognized in respect of the unused tax losses due to the unpredictability of future profit streams.

For the years ended December 31, 2024 and 2025, we did not incur any income tax expenses.

(Loss) Profit for the Year

As a result of the above factors, our Company recorded a loss of RMB113.9 million for the year ended December 31, 2025, as compared to a profit of RMB166.3 million for the year ended December 31, 2024.

Property, Plant and Equipment

Property, plant and equipment primarily consisted of our manufacturing facilities, R&D center and office premises.

Our property, plant and equipment decreased by RMB27.8 million to RMB472.2 million as of December 31, 2025, as compared to RMB500.0 million as of December 31, 2024, primarily because of normal depreciation of property, plant and equipment.

Right-of-use Assets

Under IFRS 16, we recognize right-of-use assets with respect to our property leases. Our right-of-use assets are depreciated over the lease term or the useful life of the underlying asset, whichever is shorter.

Our right-of-use assets remained relatively stable at RMB24. 1 million as of December 31, 2025, as compared to RMB24.0 million as of December 31, 2024.

Inventories

Our Group's inventories consisted of raw materials and other consumables used in the R&D of our drug, work in progress and finished goods.

Our inventories increased to RMB107.9 million as of December 31, 2025, as compared to RMB81.8 million as of December 31, 2024, primarily due to increase in inventories of relative materials for the products to be commercialized.

Trade Receivables

Our Group's trade receivables primarily consisted of our trade receivables with contracts with customers.

Our trade receivables as of December 31, 2025 amounted to RMB66.5 million, as compared to RMB16.5 million as of December 31, 2024, primarily due to the increase in the license fee income eligible for settlement during the Reporting Period.

Amount Due from Related Parties

As of December 31, 2025, our amount due from related parties, was RMB0.3 million (2024: RMB3.8 million), representing receivables arising from raw materials sold to Suzhou Alphamab and Jilin Alphamab.

Other Receivables, Deposits and Prepayments

Our Group's other receivables, deposits and prepayments primarily consisted of (i) other receivables, deposits and prepayments mainly related to prepayments made in connection with our purchase of raw materials and payments to contract research organizations and other third parties for services relating to our clinical trials; (ii) deposits and interest receivables mainly related to our time deposits; and (iii) VAT recoverable in connection with the procurement of raw materials, third-party services for our R&D activities, machinery and equipment for our new manufacturing facilities, which can offset the VAT to be incurred upon commercialization.

Our other receivables, deposits and prepayments increased by RMB35.7 million to RMB75.3 million as of December 31, 2025, as compared to RMB39.6 million as of December 31, 2024, primarily due to the prepayments for services relating to clinical trials and increase in credit refund in relative VAT.

Cash and Cash Equivalents and Time Deposits with Original Maturity Over Three Months

Our cash and cash equivalents mainly consisted of (i) cash at banks and on hand and (ii) time deposits with original maturity less than three months.

Our cash and cash equivalents decreased from RMB1,112.1 million as of December 31, 2024 to RMB258.8 million as of December 31, 2025, and our time deposits with original maturity over three months increased from RMB459.3 million as of December 31, 2024 to RMB1,091.5 million as of December 31, 2025.

Trade and Other Payables

Our Group's trade and other payables primarily consisted of accrued R&D expenses and staff costs, which largely relate to our clinical studies. Our trade and other payables also consisted of payables for the construction of new facilities and the procurement of equipment and machinery for these new facilities.

Our trade and other payables increased to RMB235.5 million as of December 31, 2025, as compared to RMB180.8 million as of December 31, 2024, primarily due to increase in raw materials and R&D service purchased.

Amount Due to a Related Party

Our amount due to Suzhou Alphamab decreased significantly from RMB3.1 million as of December 31, 2024 to RMB19,000 as of December 31, 2025, primarily due to our payment for the process development service fees to Suzhou Alphamab.

Lease Liabilities

Our Group's lease liabilities are in relation to the properties we leased for our R&D activities and our office premises. We recognize lease liabilities with respect to all lease agreements in which we are the lessee, except for short term leases and leases of low value assets. For these leases, we generally recognize the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at present value that are not paid at the commencement date of the lease and subsequently adjusted by interest accretion and lease payments.

Our lease liabilities increased from RMB3.7 million as of December 31, 2024 to RMB4.3 million as of December 31, 2025, primarily due to renewal of relative lease contract.

Contract Liabilities

We recorded contract liabilities of RMB40.1 million and RMB26.4 million as of December 31, 2024 and December 31, 2025, respectively. Our contract liabilities primarily represent amounts received in advance for the provision of goods and consumables related to R&D, development, co-development, and the commercialization of drug candidates. Such amounts are subject to adjustment for the effects of the time value of money at a discount rate of 2.67% to 4.35% (2024: 2.67% to 4.35%) per annum, taking into consideration of the credit characteristics of our Group.

Liquidity and Source of Funding

Our primary uses of cash were to fund our clinical trials, manufacturing, purchase of equipment and raw materials and other expenses. During the year ended December 31, 2025, we primarily funded our working capital requirements through proceeds from the Top-up Placing, sales of our commercialized product, pre-IPO financing, license fee income and bank borrowings at reasonable market rates. Currently, our Group follows a set of funding and treasury policies to manage our capital resources and prevent risks involved. In order to better control and minimize the cost of funds, our Group's treasury activities are centralized, and all cash transactions are dealt through reputable commercial banks. We closely monitor the uses of cash and cash balances and strive to maintain a healthy liquidity for our operations.

Our Company believes that it has sufficient funds to satisfy our working capital and capital expenditure requirements for 2026.

Bank Borrowings

As of December 31, 2025, our bank borrowings of RMB118.7 million (as of December 31, 2024: RMB182.2 million) had effective interest rates of 2.32% to 2.54%. As of December 31, 2025, our secured bank borrowings were secured by property and plant of RMB220.8 million and land use rights in our right-of-use assets of RMB19.7 million.

Key Financial Ratios

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

	As of December 31,	
	2025	2024
Current ratio[(1)]	**5.67**	6.74
Quick ratio[(2)]	**5.29**	6.41
Gearing ratio[(3)]	**(0.08)**	(0.51)

Notes:

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories and divided by current liabilities as of the same date.

(3) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by total equity and multiplied by 100%. For the avoidance of doubt, ratio in brackets represents negative number.

Material Investments

Our Group did not make any material investments during the year ended December 31, 2025. In addition, there is no current plan of our Group for material investments or additions of material capital assets as of the date of this annual report.

Material Acquisitions and Disposals

Our Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures for the year ended December 31, 2025.

Pledge of Assets

As of December 31, 2025, our Group had a total of RMB220.8 million of property and plant and RMB19.7 million of land use rights pledged to secure its loans and banking facilities.

Contingent Liabilities

As of December 31, 2025, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that is likely to have a material and adverse effect on our business, financial condition or results of operations.

Foreign Exchange Exposure

During the year ended December 31, 2025, we mainly operated in China and a majority of our transactions were settled in RMB, the functional currency of our Company's primary subsidiaries. As of December 31, 2025, a small amount of our Group's bank balances and cash was denominated in U.S. dollars. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. Except for certain bank balances and cash, other receivables, trade and other payables, and other financial liabilities denominated in foreign currencies, our Group did not have significant foreign currency exposure from its operations as of December 31, 2025.

Employees and Remuneration

As of December 31, 2025, our Group had 498 employees (2024: 420 employees). The total remuneration cost incurred by our Group for the year ended December 31, 2025 was RMB214.6 million, as compared to RMB175.9 million for the year ended December 31, 2024.

The remuneration package of our employees includes salary, bonus and equity incentives, which are generally determined by their qualifications, industry experience, position and performance. We make contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

Our Company has also adopted Pre-IPO Share Option Plans, Post-IPO Share Option Scheme and Post-IPO Restricted Share Award Scheme to provide incentives for our employees. Please refer to the section headed "Statutory and General Information – D. Pre-IPO Share Option Plans" in Appendix V to the Prospectus and our Company's circulars dated April 22, 2020 and May 21, 2024 for further details.

EXECUTIVE DIRECTORS

Dr. XU Ting (徐霆), aged 53, is the founder, the chairman of our Board, an executive Director and the chief executive officer of our Company. Dr. Xu was appointed as a Director and the chairman of the Board on March 28, 2018 and October 31, 2018, respectively. Dr. Xu was re-designated as an executive Director on July 3, 2019. Dr. Xu has been serving as the chief executive officer of our Company since October 1, 2018. Dr. Xu is primarily responsible for overall management of the business strategy, corporate development and R&D of our Group and oversight of the commercial suitability and sustainability of our Group. Dr. Xu is also a director and the general manager of Jiangsu Alphamab.

Dr. Xu has approximately 24 years of experience in pharmaceutical R&D. Prior to founding the Group, from November 2003 to June 2007, Dr. Xu worked at EMD Serono Research Institute Inc. (now part of Merck KGaA). From June 2007 to 2010, Dr. Xu served as senior scientist of Biogen IDEC Inc., a global biotechnology company, the shares of which are listed on NASDAQ (ticker symbol: BIIB). In November 2008, Dr. Xu founded Suzhou Alphamab, the predecessor and a connected person of our Company, and has been serving as a director of Suzhou Alphamab since its incorporation. Dr. Xu currently holds certain positions in our connected persons including a chairman of Suzhou Alphamab, a director of Suzhou Smart Nuclide Biopharmaceutical Co., Ltd. (蘇州智核生物醫藥科技有限公司) and a chairman of Suzhou BioNovoGene Biotech Co., Ltd. (蘇州帕諾米克生物醫藥科技有限公司). In addition, Dr. Xu also currently serves as a director of Shanghai Kangjing Bioscience Co., Ltd. (上海康景生物醫藥科技有限公司) and a director of Guangzhou AcroImmune Biotechnology Co., Ltd. (廣州昂科免疫生物技術有限公司). He also held several positions in Suzhou Dingfu, including the chairman and general manager from November 2011 to July 2018 and the legal representative from November 2011 to September 2018.

Dr. Xu obtained his bachelor's degree in biochemistry from Nanjing University (南京大學) in the PRC in July 1993 and his master's and doctoral degree in molecular biology and Biochemistry from Chinese Academy of Science (中國科學院) in the PRC in December 1997. Dr. Xu was a post-doctoral fellow of Tufts University in the U.S. from January 1998 to October 2000 and a post-doctoral fellow of Harvard University in the U.S. from November 2000 to March 2002. Dr. Xu was awarded the Science and Technology Leading Talent (科技領軍人才) by Suzhou Industry Park Administration Committee (蘇州工業園區管理委員會) in 2009, and was granted the Mayor Award (市長獎) by Suzhou Municipal People's Government (蘇州市人民政府) in 2017. Dr. Xu won the sixth "Suzhou Outstanding Talent Award" awarded by the Suzhou Municipal Government in July 2020. Dr. Xu is the spouse of Ms. Liu.

Ms. LIU Yang (劉陽), aged 54, was appointed as our Director on October 31, 2018 and re-designated as our executive Director on July 3, 2019. She was also appointed as the vice president, corporate operations of our Company on October 1, 2018 and the chief operating officer of our Company on May 15, 2025. Since joining our Group, Ms. Liu has participated in the daily operations of our Group and is primarily responsible for corporate operations and management, including human resources, supply chain, finance, internal control and audit, clinical operations, public relationship, administration and legal affairs of the Group. Ms. Liu also holds several positions with other members of our Group including a chief operating officer of Jiangsu Alphamab and a director of Alphamab Australia.

Ms. Liu has extensive experience in the biotechnology industry and worked as a physician for four years. Prior to joining our Group, Ms. Liu served as an attending physician in internal medicine at the First People's Hospital of Lianyungang City (連雲港第一人民醫院) from July 1994 to July 1997. From March 1999 to May 2001, she worked at Ironwood Pharmaceuticals, Inc. (formerly known as Microbia, Inc.). Ms. Liu also worked at ImmunoGen. Inc. from 2003 to 2010. She also served as a vice president of Suzhou Dingfu. Ms. Liu was awarded as one of 2020 China Top 50 Women in Technology by Forbes China in July 2020.

Ms. Liu obtained her bachelor's degree in medicine from Xuzhou Medical University (徐州醫科大學) in the PRC in July 1994. Ms. Liu is the spouse of Dr. Xu.

NON-EXECUTIVE DIRECTOR

Mr. CHO Man (左敏), aged 64, was appointed as a non-executive Director on October 22, 2024. Mr. Cho is a senior economist.

Mr. Cho has been an independent non-executive director, the chairman of remuneration and assessment committee and member of nomination committee of CanSino Biologics Inc. (康希諾生物股份公司), a company listed on Stock Exchange (stock code: 6185) and Shanghai Stock Exchange (stock code: 688185) since November 27, 2025. He has also been an independent director of Luoxin Pharmaceutical Group Stock Co., Ltd. (羅欣藥業集團股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002793) since July 2025 and the chairman of Chengdu Haifeng Biotechnology Co., Ltd.(成都海楓生物科技有限公司) since July 2025.

From June 2013 to June 2023, Mr. Cho served as an executive director and the president of Shanghai Pharmaceuticals Holding Co., Ltd. (上海醫藥集團股份有限公司), a company listed on Stock Exchange (stock code: 2607) and Shanghai Stock Exchange (stock code: 601607), and held directorships in certain of its subsidiaries, including a director of Shanghai Pharmaceuticals (HK) Investment Limited from August 2017 to August 2023, the chairman of Shanghai SPH Ruier Drugs Co., Ltd. (上海上藥睿爾藥品有限公司) from August 2020 to August 2023 and the chairman and president of Shanghai Biomedical Frontier Industry Innovation Center Co., Ltd. (上海生物醫藥前沿產業創新中心有限公司) from September 2021 to August 2024. From September 2020 to September 2024, he served as the chairman of Shanghai Biomedical Industrial Equity Investment Fund Partnership (Limited Partnership) (上海生物醫藥產業股權投資基金合夥企業(有限合夥)).

In his early career, Mr. Cho served as vice chairman and chief executive officer of the Wing Fat Printing Co., Ltd., vice president of China Resources Pharmaceutical Group Limited, deputy general manager of Sanjiu Enterprise Group, chairman and general manager of Sanjiu Economic Trading Co., Ltd. and Nine Stars Printing and Packaging Co., Ltd., vice director and head of sales department of Shenzhen South Pharmaceutical Factory, and head of transfusion medicine department, head of the drug injection department and pharmacist of Nanfang Hospital, First Military Medical University, Guangzhou, etc.

Mr. Cho obtained a bachelor's degree in pharmacy from Sichuan University (former West China University of Medical Science) and a master's degree in management from the School of Management of Fudan University.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WU Dong (吳冬), aged 56, was appointed as an independent non-executive Director on November 24, 2019. Mr. Wu is primarily responsible for supervising and providing independent judgement to our Board.

Mr. Wu is currently serving as a venture partner at 6 Dimensions Capital (蘇州通和毓承投資合夥企業(有限合夥)), a leading venture capital firm specializing in the healthcare industry to invest in companies in their early stages of formation or progress for development. He is also the founder and an executive director of Shanghai Jiuben Technology Co., Ltd. (上海究本科技有限公司). Prior to joining 6 Dimensions Capital, Mr. Wu had worked for Johnson & Johnson (a company listed on the NYSE, stock code: JNJ) for over 10 years from August 2007 to March 2018 and served different positions including the head of Asia Pacific Innovation Center, a vice president of global engineering and emerging market R&D, the Emerging Market Innovation Centre Leader, a vice president of Research Development & Engineering, Asia Pacific and a senior director of emerging market R&D.

Mr. Wu received his bachelor's degree in applied chemistry from Fudan University (復旦大學) in the PRC in July 1992 and an executive master of business administration from China-Europe International Business School (中歐國際商學院) in the PRC in September 2005.

Ms. WONG Yan Ki Angel (黃欣琪), aged 54, was appointed as an independent non-executive Director on June 30, 2025. Ms. Wong is primarily responsible for supervising and providing independent judgement to our Board.

Ms. Wong has 30 years of experience in accounting, auditing, corporate finance and capital market. Ms. Wong joined Kwan Wong Tan & Fong in October 1995, which later merged with Deloitte Touche Tohmatsu in August 1997, and resigned from Deloitte Touche Tohmatsu in November 1999. She later served a number of roles at Great East Packaging Holdings Limited (偉東包裝製品集團有限公司) from October 1999 to March 2003, including group financial controller and assistant finance manager. Between April 2003 and December 2007, she held various positions at Benefit Capital Limited (百富達融資有限公司) including vice president and executive director. From April 2005 to November 2005, she also acted as chief financial officer of Shengda (Group) Holdings Ltd (勝達國際控股有限公司). Since November 2007, Ms. Wong has been an executive director of Advanced Capital Limited (匯財資本有限公司), where she is responsible for operation management and major decisions.

Currently, Ms. Wong is an independent non-executive director in (i) Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300558), since January 2021; (ii) Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (國鴻氫能科技(嘉興)股份有限公司), a company listed on the Stock Exchange (stock code: 9663), since October 2022; and (iii) Henan Jinyuan Hydrogenated Chemicals Co., Ltd. (河南金源氫化化工股份有限公司), a company listed on the Stock Exchange (stock code: 2502), since October 2023, respectively.

Previously, Ms. Wong also held directorships in various public companies listed in different regions. From August 2009 to January 2011, she served as a non-executive director of Esmart Holdings Limited (currently known as Duty Free International Limited), a company listed on The Stock Exchange of Singapore Dealing and Automated Quotation System (stock code: DutyFree), during which she acted as the chairlady of the board from February 2010 to January 2011. Ms. Wong served as an independent non-executive director of the below companies:

(i) China Best Group Holding Limited (國華集團控股有限公司) (currently known as Hong Kong Robotics Group Holding Limited (港仔機器人集團控股有限公司), a company listed on the Stock Exchange (stock code: 0370), from June 2011 to September 2014;

(ii) Oriental Unicorn Agricultural Group Limited (東麟農業集團有限公司) (currently known as China Demeter Financial Investments Limited (國農金融投資有限公司)), a company listed on the GEM of the Stock Exchange (stock code: 8120), from October 2011 to May 2013;

(iii) Hengxing Gold Holding Company Limited (恆興黃金控股有限公司), a company listed on the Stock Exchange (stock code: 2303, which was privatized and delisted in February 2021), from March 2013 to February 2021;

(iv) China Shengda Packaging Group Inc. (中國勝達包裝集團有限公司), a company listed on the Nasdaq Stock Exchange (stock code: CPGI, which was privatized and delisted in September 2015), from August 2014 to September 2015;

(v) BIT Mining Limited (formerly known as 500.com Limited), a company listed on the New York Stock Exchange (stock code: BTCM), from November 2015 to April 2023;

(vi) China Public Procurement Limited (中國公共採購有限公司) (currently known as Cherish Sunshine International Limited (承輝國際有限公司)), a company listed on the Stock Exchange (stock code: 1094), from December 2015 to July 2018;

(vii) Yuhua Energy Holdings Limited (裕華能源控股有限公司) (currently known as Jintai Energy Holdings Limited (金泰能源控股有限公司)), a company listed on the Stock Exchange (stock code: 2728), from November 2016 to December 2018;

(viii) Miko International Holdings Limited (米格國際控股有限公司), a company listed on the Stock Exchange (stock code: 1247), from July 2017 to July 2018; and

(ix) Many Idea Cloud Holdings Limited (多想雲控股有限公司), a company listed on the Stock Exchange (stock code: 6696), from October 2022 to June 2025, respectively.

Ms. Wong obtained a bachelor of economics in international accounting, from Xiamen University (廈門大學) in July 1994, a post-graduate certificate in professional accounting from the City University of Hong Kong in November 2000 and an executive master degree of business administration from Cheung Kong Graduate School of Business (長江商學院) in October 2009. Ms. Wong obtained the certificates of follow-up training courses for independent directors of listed companies from the Shenzhen Stock Exchange in May 2022 and August 2024, and also obtained the pre-appointment training certificate for STAR Market independent directors from the Shanghai Stock Exchange in April 2023. Ms. Wong has been admitted as a member or fellow member of several associations. Ms. Wong has been successively admitted as fellow member of the Institute of Financial Accountants in the United Kingdom since October 2003, fellow member of the Society of Registered Financial Planners in Hong Kong since November 2003, member of the Hong Kong Institute of Directors since November 2014, fellow member of the Institute of Public Accountants (FIPA) (澳洲公共會計師協會資深會員) since April 2015, founding member of the Hong Kong Independent Non-executive Director Association (香港獨立非執行董事協會) since January 2016, fellow member of CPA Australia (澳洲會計師公會) since May 2017, member of the Guangdong Association of Management Accountants since December 2017, member of the Association of Chinese Internal Auditors in Hong Kong (香港華人內部審計師公會) since April 2022, and fellow member of the Institute of Certified Management Accountant (CMA) (澳大利亞註冊管理會計師協會) since June 2024, respectively.

Dr. GAO Xiang (高翔), aged 62, was appointed as an independent non-executive Director on June 30, 2025. Dr. Gao is primarily responsible for supervising and providing independent judgement to our Board.

Dr. Gao is a veteran in China's biotech industry, with decades of experience bridging the realms of biotech entrepreneurship and corporate governance. Dr. Gao founded GemPharmatech Co., Ltd. (江蘇集萃藥康生物技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688046), in December 2017 and has been serving as its chairman since then.

Dr. Gao's early career was marked by his dedication to academic and laboratory research. From 1997 to 2000, he served as a research associate at the neuroscience center of University of North Carolina. Dr. Gao has been a professor at Nanjing University (南京大學) since March 2000, and was recognized a Yangtze River Scholar Distinguished Professor (長江學者獎勵計劃特聘教授) at the model animal research center in 2001, where he served as director from 2002 to 2012. Dr. Gao also served as the dean of the Nanjing Biomedical Research Institute of Nanjing University from 2009 to 2018, concurrently holding the position of director of the state key laboratory of pharmaceutical biotechnology. Beyond those roles, Dr. Gao was a director of the key laboratory of Model Animal and Disease Research (模式動物與疾病研究) of the Ministry of Education (MOE) from 2010 to 2015, and has been the director of the National Resource Center for Mutant Mice (國家遺傳工程小鼠資源庫) since 2002. Dr. Gao also holds multiple roles in academic societies, including, among others, member of the National Laboratory Animal Professional Committee (國家實驗動物專家委員會), and member of the steering committee of the International Mouse Phenotyping Consortium (國際小鼠表型分析聯盟). Dr. Gao has led numerous national research projects under, among others, the National 973 Program, 863 Program and Science and Technology Support Program. His outstanding contributions to scientific research have been recognized with prestigious awards, such as the National Science Fund for Distinguished Young Scholars (國家傑出青年科學基金), the Special Prize of the MOE Award for Scientific and Technological Progress (教育部科技進步特等獎) and the Second Prize of the State Scientific and Technological Progress Award (國家科技進步二等獎).

Dr. Gao obtained a bachelor's degree in zoology and a master's degree in biochemistry from Nanjing University in 1985 and 1988, respectively. He further obtained a Ph.D. in developmental biology and anatomy from Thomas Jefferson University in the United States in 1994. From 1994 to 1997, Dr. Gao successively conducted his postdoctoral research in Roche Institute of Molecular Biology and The Jackson Laboratory, both in the United States.

SENIOR MANAGEMENT

Dr. XU Ting (徐霆) is the chairman of the Board, Chief Executive Officer and an executive Director. Please see "Executive Directors" section on page 41 for details of his biography.

Ms. LIU Yang (劉陽) is an executive Director and the vice president, corporate operations of our Company. Please see "Executive Directors" section on pages 41 to 42 for details of her biography.

Mr. CHENG Jiancheng (程建成), aged 40, has served as the vice president of biostatistics since January 2024. Mr. Cheng is primarily responsible for overseeing the operations of the biostatistics, statistical programming, data management, and clinical pharmacology departments.

Mr. Cheng brings over 17 years of experience in clinical trial design and statistical analysis. He has contributed to the design and analysis of over 100 clinical trials, including approximately 50 phase III registration trials, and has extensive experience interacting with regulatory authorities (such as the FDA, EMA, and CDE), with over 80 engagements. From July 2008 to September 2016, Mr. Cheng served successively as statistical programmer, biostatistician, and manager of Statistic Analysis Department at Shanghai EPS Pharmaceutical Development Co., Ltd. (上海日新醫藥發展有限公司), a subsidiary of EPS Creative Health Technology Group Limited (EPS 創健科技集團有限公司), a company listed on the Stock Exchange (stock code: 3860). From October 2016 to December 2023, he progressively advanced from manager of biostatistics to senior manager, associate director, director, senior director, and executive director at Shanghai Henlius Biotech, Inc. (上海復宏漢霖生物技術股份有限公司), a company listed on the Stock Exchange (stock code: 2696).

Mr. Cheng obtained his bachelor's degree in preventive medicine (biostatistics) and master's degree in biostatistics from Nanjing Medical University (南京醫科大學) in June 2008 and in June 2018, respectively. Mr. Cheng is currently pursuing a part-time Ph. D. in Medical Research Methodology at Nanjing Medical University.

Save as disclosed above, none of our Directors and senior management held any directorship in any public companies the shares of which are listed in the Stock Exchange or overseas stock markets in the last three years prior to the Latest Practicable Date.

To the best of the Board's knowledge, information and belief, save as disclosed in the annual report, our Directors and senior management do not have any relationship amongst them.

JOINT COMPANY SECRETARIES

Ms. CHENG Qiulan (程湫溼) was appointed as a joint company secretary and authorized representative of the Company during the period from October 22, 2024 to April 8, 2026.

She has been focusing on life science and biotechnology sector for about eleven years, with a demonstrated track record of market researching and investor relationship management. Ms. Cheng has been serving as the investor relations manager of the Company since July 2021. Prior to joining the Company, Ms. Cheng had many years of experience as a research analyst, and held positions at multiple listed companies, including senior supervisor of investor relationship and board secretarial department and senior market information specialist. Ms. Cheng received her bachelor's degree in pharmaceutical engineering from Chongqing University of Posts and Telecommunications.

Ms. JIANG Rui (蔣銳) was appointed as a joint company secretary and the authorized representative of the Company with effect from April 8, 2026.

Ms. Jiang has 20 years of professional experience in internal control and audit, financial management, and listed company compliance management, with nearly ten years dedicated to the biopharmaceutical industry. Ms. Jiang joined the Group in May 2021 and currently serves as the senior director of internal control and audit, with additional oversight of the public relations function. Prior to joining the Group, Ms. Jiang served as a senior finance manager at Innovent Biologics (Suzhou) Co., Ltd. (信達生物製藥(蘇州)有限公司) (a subsidiary of Innovent Biologics, Inc., a company listed on the Stock Exchange (stock code: 1801)), and previously held positions including audit manager and senior internal audit manager at renowned institutions and enterprises such as PricewaterhouseCoopers and Canadian Solar Inc. (a company listed on the NASDAQ (ticker symbol: CSIQ)). Ms. Jiang obtained a bachelor's degree in economics and a master's degree in national economics both from Nanjing University (南京大學) in the PRC. She holds professional qualifications including Chinese Certified Public Accountant (CICPA), Certified Tax Agent (CTA), and Certified Internal Auditor (CIA).

Ms. CHAN Lok Yee (陳樂而) was appointed as one of our joint company secretaries on July 20, 2020. Ms. Chan is currently a senior manager of Corporate Services of Vistra Corporate Services (HK) Limited. She has over ten years of experience in providing a full range of company secretarial and compliance services to private and listed companies. Ms. Chan obtained a bachelor's degree in arts from The Hong Kong Polytechnic University and a master's degree of science in professional accounting and corporate governance from The City University of Hong Kong. She has been an associate member of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute) and an associate member of The Institute of Chartered Secretaries and Administrators (now known as The Chartered Governance Institute) in the United Kingdom since 2015.

CHANGES TO DIRECTORS' INFORMATION

On May 15, 2025, Ms. Liu was appointed as the chief operating officer of our Group.

On June 30, 2025, each of Dr. GUO Zijian and Mr. WEI Kevin Cheng resigned from the position as an independent non-executive Director and certain positions in our Board committees. Ms. WONG Yan Ki Angel has been appointed as an independent non-executive Director, the chairwomen of the Audit Committee and a member of the Nomination Committee. Dr. GAO Xiang has been appointed as an independent non-executive Director, a member of each of the Audit Committee, the Remuneration Committee and the Strategy Committee with effect from the same day, respectively.

In July 2025, Mr. CHO Man was appointed as an independent director of Luoxin Pharmaceutical Group Stock Co., Ltd. (羅欣藥業集團股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002793).

On November 27, 2025, Mr. CHO Man was appointed as an independent non-executive director, the chairman of remuneration and assessment committee and member of nomination committee of CanSino Biologics Inc. (康希諾生物股份公司), a company listed on Stock Exchange (stock code: 6185) and Shanghai Stock Exchange (stock code: 688185).

Save as disclosed above, as of the Latest Practicable Date, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance Report

The Board presents this corporate governance report in the Group's annual report for the year ended December 31, 2025.

COMPANY'S CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. The Company's mission is to make cancer manageable and curable.

In addition, the Company puts the employee first, focuses on continuous innovation, aims at achieving global competitiveness, and takes it as its own duty to treat patients with cancer, and strives to be vigorous, conscientious, and able to be of real value to society.

During the year ended December 31, 2025, the Company continues to strengthen its cultural framework and the Board sets and promotes corporate culture and expects and requires all employees to reinforce. All of our new employees are required to attend orientation and training programs so that they may better understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their cooperative and innovative awareness. In addition, from time to time, the Company will invite external experts to provide training to our management personnel to improve their relevant knowledge and management skills. Board oversight of culture encompasses a range of measures and tools over time, including workforce engagement, employee retention and training, robust financial reporting, effective and accessible whistleblowing framework, legal and regulatory compliance (including compliance with the employee's code of conduct and corporate governance policies of the Group), as well as staff safety, well-being and support.

Taking into account the corporate culture in a range of contexts, the Board considers that the corporate culture, mission, value and strategy of the Group are aligned.

CORPORATE GOVERNANCE PRACTICES

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

The Company has applied and adopted the principles of the Corporate Governance Code of Appendix C1* of the Listing Rules and the code provisions set out in part 2 of the Corporate Governance Code as the basis of the Company's corporate governance practices.

* *The amendments to the Corporate Governance Code effective on July 1, 2025 will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after July 1, 2025.*

For the year ended December 31, 2025, the Company has complied with all applicable code provisions set out in the Corporate Governance Code except for the deviations from code provision C.2.1 of the Corporate Governance Code. Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Dr. Xu currently serves as the chairman of the Board and the chief executive officer of the Company. He is the founder of the Group and has been operating and managing the Group since its establishment. The Directors believe that it is beneficial to the business operations and management of the Group that Dr. Xu continues to serve as both the chairman of the Board and the chief executive officer of the Company.

The Company regularly reviews its compliance with corporate governance codes and the Board believes that save as disclosed above, the Company was in compliance with the applicable code provisions of the Corporate Governance Code for the year ended December 31, 2025.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules.

On February 27, 2025, the spouse of Mr. CHO Man ("**Mr. Cho**"), a non-executive Director, entered into an on-market transaction disposing of a total of 10,000 Shares at a consideration of HK$6.15 per Share (the "**Transfer**") without first having notified the Company prior to the Transfer in accordance with the requirements stated in the paragraph B.8 of Appendix C3 to the Listing Rules. The Transfer fell within 60 days immediately preceding the publication date of the annual results of the Company for the year ended December 31, 2024 and constituted a dealing of Shares by Mr. Cho and a non-compliance incident of paragraphs A.3 and B.8 of Appendix C3 to the Listing Rules (the "**Non-compliance Incident**"). Mr. Cho reported the Non-compliance Incident to the Company and confirmed that the non-compliance was an inadvertent oversight and he did not intend to commit such breach. Mr. Cho further confirmed that he does not possess any inside information of the Company when the Transfer took place. For further details, please refer to the announcement of the Company dated September 19, 2025.

Save as disclosed above, specific enquiries have been made to all Directors and the rest of the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

The Company's relevant employees, who are likely to be in possession of unpublished price-sensitive information ("**Inside Information**") of the Company, have also been subject to the Model Code. Save as disclosed above, no incident of non-compliance of the Model Code by the relevant employees was noted by the Company during the Reporting Period.

The Company also refers to its announcement dated September 19, 2025, where it was made aware of breaches of paragraphs A.3 and B.8 of the Model Code in relation to the Transfer. As disclosed in the announcement, upon becoming aware of the incident, the Company has immediately reminded the Directors and senior management again of the requirements of the Model Code and the importance of compliance with such provision and provide remedies in order to ensure compliance with the Appendix C3 to the Listing Rules and prevent similar incidents in the future.

Our Company has also established a policy on Inside Information to comply with its obligations under the SFO and the Listing Rules. In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify Directors and relevant employees in advance.

BOARD OF DIRECTORS

The Board currently comprises two executive Directors, one non-executive Director and three independent non-executive Directors.

The composition of the Board during the year ended December 31, 2025 is as follows:

Executive Directors:
Dr. XU Ting (徐霆) *(Chairman of the Board and Chief Executive Officer)*
Ms. LIU Yang (劉陽)

Non-executive Director:
Mr. CHO Man (左敏)

Independent Non-executive Directors:
Mr. WU Dong (吳冬)
Dr. GUO Zijian (郭子建) *(resigned on June 30, 2025)*
Mr. WEI Kevin Cheng (蔚成) *(resigned on June 30, 2025)*
Ms. WONG Yan Ki Angel (黃欣琪) *(appointed on June 30, 2025)*
Dr. GAO Xiang (高翔) *(appointed on June 30, 2025)*

The biographical details of the Directors are set out in the section headed "Profiles of Directors and Senior Management" on pages 41 to 47 of this annual report.

Save that Dr. Xu and Ms. Liu are spouses, none of the members of the Board is related (including financial, business, family or other material/relevant relations) to one another.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company does not have separate chairman of the Board and chief executive officer, and Dr. Xu, the executive Director currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board 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 the circumstances of the Group as a whole.

BOARD MEETINGS

Code provision C.5.1 of the Corporate Governance Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication.

Attendance record of Directors

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

	Number of meeting(s) attended/number of meeting(s) held for the year ended December 31, 2025					
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Strategy Committee**	**Annual General Meeting**
Executive Directors:						
Dr. XU Ting	4/5	N/A	N/A	2/2	1/1	1/1
Ms. LIU Yang	4/5	N/A	2/3	N/A	1/1	1/1
Non-executive Director:						
Mr. CHO Man	4/5	N/A	N/A	N/A	1/1	1/1
Independent Non-executive Directors:						
Mr. WU Dong	5/5	3/3	3/3	2/2	N/A	1/1
Dr. GUO Zijian(Note)	1/2	1/3	N/A	2/2	N/A	1/1
Mr. WEI Kevin Cheng(Note)	2/2	1/3	1/3	N/A	N/A	1/1
Ms. WONG Yan Ki Angel(Note)	3/3	2/3	N/A	N/A	N/A	N/A
Dr. GAO Xiang(Note)	3/3	2/3	1/3	N/A	N/A	N/A

Note:

The Director's attendance refers to the number of meetings held during his/her tenure. Dr. GUO Zijian and Mr. WEI Kevin Cheng resigned as independent non-executive Directors with effect from June 30, 2025. Ms. WONG Yan Ki Angel was appointed as an independent non-executive Director, the chairwoman of the Audit Committee and a member of the Nomination Committee with effect from June 30, 2025. Dr. Gao Xiang was appointed as an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Strategy Committee respectively with effect from June 30, 2025. Please refer to the Company's announcement dated June 30, 2025 for details.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

For the year ended December 31, 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing more than one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Board has received from each of the independent non-executive Directors a written annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers each of them to be independent.

Mr. WU Dong signed a letter of appointment with the Company for a term of three years with effect from November 24, 2022 and continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. Save for Mr. WU Dong, each of the independent non-executive Directors signed a letter of appointment with the Company for a term of three years with effect from June 30, 2025 and continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. Independent non-executive Directors are required to inform the Company if there is any change that may affect his/her independence.

APPOINTMENT AND RE-ELECTION 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, identifying and recommending individuals suitably qualified to become Board members, 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.

Code Provision B.2 of the Corporate Governance Code stipulates that all directors should be subject to re-election at regular intervals. Code Provision B.2.2 of the Corporate Governance Code further states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each of the Directors, is appointed for a term of three years and is subject to retirement by rotation once every three years.

Pursuant to Article 84(1) of the Articles of Association, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office and be eligible for re-election at each annual general meeting, provided that every Director is subject to retirement by rotation at least once every three years. In addition, according to Article 83(3) of the Articles of Association, any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting and be subject to re-election.

Accordingly, Ms. WONG Yan Ki Angel, Dr. GAO Xiang, Ms LIU Yang and Mr. WU Dong shall retire at the AGM and, being eligible, will offer themselves for re-election pursuant to Article 83(3) and Article 84(1) of the Articles of Association.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for making all major decisions of the Company including the approval and monitoring of all major policies of the Group and overall strategies, internal control and risk management systems, notifiable and connected transactions, nomination of the Directors and joint company secretaries, and other significant financial and operational matters.

All of the Directors have full and timely access to all relevant information as well as the advice and services of the joint company secretaries, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions are periodically reviewed. Approval must be obtained from the Board before any significant transaction is entered into.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy Committee for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available for viewing on the websites of the Company and the Stock Exchange.

Audit Committee

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company has established the Audit Committee and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the Corporate Governance Code.

The Audit Committee comprises three independent non-executive Directors, namely Ms. WONG Yan Ki Angel, Mr. WU Dong and Dr. GAO Xiang. Ms. WONG Yan Ki Angel, being the chairwoman of the committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The principal duties of the Audit Committee include, among others, the review and supervision of the Group's financial information; review of the Group's financial information; review of the relationship with the external auditor of the Company; and performance of the corporate governance functions delegated by the Board.

During the Reporting Period, the Group's annual results and annual report for the year ended December 31, 2024 and interim results and interim report for the six months ended June 30, 2025 have been reviewed by the Audit Committee and the annual results have also been audited by the independent auditor of the Company, Messrs. Deloitte Touche Tohmatsu. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company during the Reporting Period.

The Audit Committee held three meetings during the Reporting Period.

Remuneration Committee

We have established a remuneration committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. 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 our Directors and senior management, to engage in assessing performance of executive directors, to review and approve the compensation payable to executive directors and senior management in accordance with service contracts, and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The Remuneration Committee comprises one executive Director and two independent non-executive Directors, namely Mr. WU Dong, Ms. Liu and Dr. GAO Xiang. Mr. WU Dong is the chairman of the committee.

The Remuneration Committee has reviewed policy and structure for the remuneration of the Directors and senior management of the Company and remuneration proposal of the Directors and senior management of the Company during the Reporting Period.

The Remuneration Committee held three meetings during the Reporting Period.

No material matters relating to share schemes were reviewed and/or approved by the Remuneration Committee during the year ended December 31, 2025.

Nomination Committee

We have established a nomination committee in compliance with the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Dr. Xu, Mr. WU Dong and Ms. WONG Yan Ki Angel. Dr. Xu is the chairman of the committee.

The Nomination Committee has reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors, recommended the re-appointment of the Directors standing for re-election at the annual general meeting of the Company, assisted the board in maintaining a board skills matrix, supported the Company's regular evaluation of the Board's performance, assessed each director's time commitment and contribution to the Board and reviewed the board diversity policy and nomination policy of the Company during the Reporting Period.

The Nomination Committee held two meetings during the Reporting Period.

The nomination policy was approved and adopted by the Board on November 24, 2019 for evaluating and selecting any candidate for directorship. The Nomination Committee would consider the following criteria, including, among other things, character and integrity, qualifications (cultural and educational background, professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy (as defined below)), any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity, and willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s).

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship with a ranking of the candidates (if applicable) by order of preference based on the needs of the Company and reference check of each candidate.

Strategy Committee

We have established a Strategy Committee. The primary duties of the Strategy Committee are to review and advise on our mid to long term strategic positioning and development plans and to monitor the implementations of our development plans. The Strategy Committee comprises two executive Directors, one non-executive Director and one independent non-executive Director, namely Ms. Liu, Dr. Xu, Mr. CHO Man and Dr. GAO Xiang. Ms. Liu is the chairwoman of the committee.

The Strategy Committee has reviewed the Company's medium-term and long-term strategic goals and development plans of the business goal of the Company during the Reporting Period.

The Strategy Committee held one meeting during the Reporting Period.

DIVERSITY POLICY

Board Diversity

The composition and diversity of the Board were considered by adopting the Company's board diversity policy (the "**Board Diversity Policy**") including the necessary balance of skills and experience appropriate for the requirements of the business development of the Company and for effective leadership. The Board Diversity Policy has been reviewed by the Board on an annual basis. All the executive and non-executive Directors possess extensive and diversified experience in management and broad industrial experience. The three independent non-executive Directors possess professional knowledge and broad and extensive experience in finance, accountancy, business advisory and management, respectively. A summary of the Board Diversity Policy is set out below:

1. *Purpose*

   The Board Diversity Policy aims to set out the approach to achieve diversity of the Board and enable the Board to comply with the Corporate Governance Code.

2. *Board Diversity Policy Statement*

   The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from several aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

3. *Measurable Objectives*

   In reviewing the structure, size, composition and diversity of the Board, the Nomination Committee has considered the measurable objectives as set out in the Board Diversity Policy. Our Board has a balanced mix of knowledge and skills, including knowledge and experience in the areas of biotechnology and business management. They obtained degrees in various majors including biochemistry, medicine, management, engineering, finance, accounting and business administration. Furthermore, our Board has a wide range of age, ranging from 53 years old to 64 years old. Currently, the Board has two female Directors, Ms. Liu, as our executive Director and Ms. Wong Yan Ki Angel, as our independent non-executive Director. The Nomination Committee is of the view that the diversity level of the Board is appropriate in terms of knowledge, experience and skills of the Directors. The Nomination Committee will continue to observe the Board Diversity Policy and consider potential candidates against the objective criteria set out in the Board Diversity Policy in order to achieve increasing diversity at the Board level. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board will review the Board Diversity Policy on a regular basis to ensure its continued effectiveness. The Company has also taken and will continue to take steps to promote gender diversity at all levels of the Company, including but not limited to the Board and senior management levels. While we recognize that gender diversity at the Board level can be further improved, the Company will keep an eye on female candidates who have extensive work experience in the biotechnology industry, especially candidates who are familiar with commercialization and general business operations of public companies, to be the potential successor to the Board. The Company targets to maintain at least the current level of female representation on the Board with the ultimate goal of approaching gender parity. The Company will (i) make appointments based on merits with reference to Board diversity as a whole; (ii) consider the possibility of nominating female management staff who has the necessary skills and experience to our Board; (iii) provide career development opportunities and more resources in training female staff with the aim of promoting them to the senior management or our Board; and (iv) endeavor to ensure there is gender diversity when recruiting staff at a mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in the next few years. The Board believes that such merit-based appointments will best enable the Company to serve its Shareholders and other stakeholders going forward. The Board will give adequate consideration to the Board Diversity Policy when it identifies suitably qualified candidates to become members of the Board.

Diversity at Workforce

We strive to provide a platform with equal opportunities for all our employees as we value the experience and knowledge of our senior staff as well as the passion and adaptability of the younger staff. To build a healthy talent pipeline in preparing for the Group's continuous business expansion, we emphasize the importance for our new hires to be selected through robust, fair and transparent recruitment process, based on their merits and their potential. We also believe that unreasonable dismissal under any circumstances is unacceptable and is prohibited at the Group. The causes of dismissal are included but not limiting to, in our employee handbook which stipulated detail list of major offences which we regard as legitimate reason for dismissal.

Our employment (including senior management) profile as at December 31, 2025 is as follows:

Workforce as at December 31, 2025	No. of Headcount	Percentage of Total Headcount
By Gender		
Male	230	46%
Female	268	54%
By Age Group		
18 – 30 years old	114	23%
31 – 50 years old	375	75%
over 50 years old	9	2%

Our Company is committed to providing all the job applicants and staff with equal opportunities for employment, without tolerance of any discrimination over gender, age, ethnicity, nationality and disability. The Group recruits workforce in strict compliance with local laws and regulations. Moreover, we emphasize the protection of females' rights and interests as part of our management principle and also provide more comfortable and flexible employment arrangements and holiday benefits for our female staff. We expect that the diversity at workforce will reach a more balanced level in 2026.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for determining corporate governance policy of the Company performing the functions set out in code provisions A.2.1 of the Corporate Governance Code. Such duties have been delegated to the Audit Committee.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the Corporate Governance Code, the Company's code of conduct applicable to its employees and Directors, and disclosure in its Corporate Governance Report during the Reporting Period.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company may from time to time and as the circumstances required, provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

BOARD INDEPENDENCE

The Board established mechanisms to ensure independent views and input are available to the Board, including, among others, (i) independent non-executive Directors are encouraged to actively participate in the Board meetings; (ii) the number of independent non-executive Directors must comply with the requirement under the Listing Rules; (iii) sufficient resources shall be provided to the Board if it thinks necessary to seek independent professional advice from Independent Third Parties; and (iv) the independent non-executive Directors shall devote sufficient time to discharge their duties as a Director.

The Board will review the implementation and effectiveness of such mechanisms on an annual basis, which have been reviewed and considered effective by the Board for the year ended December 31, 2025.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") in accordance with the Corporate Governance Code. The Company does not have any pre-determined dividend payout ratio and intends to retain most, if not all, of available funds and any future earnings to operate and expand the business of the Company. Dividends may only be declared and paid out of the profits of the Company, realized or unrealized, or from any reserve set aside from profits which the Directors determine is no longer needed. All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six years from the date of declaration shall be forfeited and shall revert to the Company.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

The Directors keep abreast of the responsibilities as a director of the Company and of the conduct, business activities and development of the Company.

The Directors are continually provided with information relating to the developments in the legal and regulatory regime and the business and market environments to facilitate the execution of their responsibilities. Continuing briefings and professional development for the Directors were arranged by the Company and its professional advisors.

For the year ended December 31, 2025, Dr. Xu, Ms. Liu, Mr. CHO Man and Mr. WU Dong, participated in a training session conducted by our legal advisor as to Hong Kong law, on connected transactions, corporate governance, continuing obligations of listed companies and its directors and updated rules and regulations of the Stock Exchange, including the amendments to Chapter 17 of the Listing Rules.

Ms. WONG Yan Ki Angel and Dr. GAO Xiang, who were appointed as independent non-executive Directors on June 30, 2025, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on the same day and Ms. WONG Yan Ki Angel and Dr. GAO Xiang have confirmed their understanding of their obligations as a Director.

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed Messrs. Deloitte Touche Tohmatsu as the external auditor for the year ended December 31, 2025. A statement by Messrs. Deloitte Touche Tohmatsu about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 104 to 108.

Details of the fees paid/payable in respect of the audit and non-audit services provided by Messrs. Deloitte Touche Tohmatsu for the year ended December 31, 2025 are set out in the table below:

Services rendered for the Company	Fees paid and payable (RMB'000)
Audit service	
Annual audit services	1,622
Sub-total	1,622
Non-audit service	
Tax advising services	39
Environmental, social and governance advisory services	187
Sub-total	226
Total	1,848

RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and establishing and maintaining appropriate and effective risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Board has delegated the Audit Committee with the responsibility to oversee the risk management and internal control systems of the Group on an on-going basis and to review the effectiveness of the systems annually. The review covers all material controls, including financial, operational and compliance controls.

The Group has also established a set of internal control procedures and system and adopted corporate governance practices to facilitate the effectiveness operation of our business. The Group has adopted an information disclosure policy which sets out comprehensive guidelines in respect of handling and dissemination of inside information.

The Company is committed to excellence and continual improvement and will continue to encourage innovation while maintaining a low-risk profile. Employees are encouraged to adopt a positive approach to risk management, which further strengthens the risk-aware culture (as opposed to risk-adverse culture) of the Group. Our employee handbook which is accessible to all employees covers policies and procedures related to compensation and dismissal, recruitment and promotion, working hours, rest periods, diversity, antidiscrimination, whistleblowing, benefits and welfare, training and development, anti-corruption and code of conduct. The Company has established (i) in confidence and anonymity, a whistleblowing policy and system for employees and our business partners to address their concerns, which will be reviewed on a regular basis, and suspected cases (if any) will be reported to the Audit Committee and (ii) policies and systems that promote and support anti-corruption laws and regulations that assist the employees in recognizing circumstances which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance if necessary. Risk management is incorporated into the strategic and operational processes at all levels within the Group in order to minimize the impact of risk. Opportunities and risks are identified and are proactively assessed and monitored by employees on an on-going basis.

The Group has established an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems. Relevant personnel have been designated to be responsible for identifying and monitoring the Group's risks and internal control issues and reports directly to the Board of any findings and follow-up actions. Each member of the Group is required to adhere strictly to the Group's internal control procedures and report to the internal audit team of any risks or internal control measures.

The risk management and internal control systems as well as the effectiveness of the internal audit function for the Group was reviewed by the internal consultant of the Company prior to the Company's listing on the Main Board of the Stock Exchange and has been reviewed by the Audit Committee and the internal auditor for the Reporting Period. No significant deficiency was located and no material issue was noted or discussed, which required management's attention. The Board is of the view that the risk management and internal control systems for the Reporting Period are effective and adequate.

Whistleblowing Policy

The Board has adopted a whistleblowing policy (the "**Whistleblowing Policy**"). The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behavior and better corporate governance across the Group; and (ii) promote the importance of ethical behavior and encourages the reporting of misconduct, unlawful and unethical behavior.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the Audit Committee. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations during the Reporting Period has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board has adopted an anti-corruption policy (the "**Anti-corruption Policy**"). The Group is committed to achieve the highest standards of integrity and ethical behavior in conducting business. The Anti-corruption Policy forms an integral part of the Group's corporate governance framework. The Anti-corruption Policy sets out the specific behavioral guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the Anti-corruption Policy has been prepared as a guide to all employees of the Group and third parties dealing with the Group.

The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the best practice.

JOINT COMPANY SECRETARIES

Ms. CHENG Qiulan, the joint company secretary of the Company during the period from October 22, 2024 to April 8, 2026, is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has also engaged Ms. CHAN Lok Yee, a senior manager of the company secretarial services department of Vistra Corporate Services (HK) Limited, as the joint company secretary to assist Ms. CHENG Qiulan in discharging the duties of a company secretary of the Company for an initial period of three years from October 22, 2024 with waiver (the "**Initial Waiver**") granted by the Stock Exchange to the Company from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules regarding Ms. CHENG Qiulan's appointment as a joint company secretary of the Company. Her primary contact person at the Company is Ms. CHENG Qiulan, the joint company secretary of the Company.

For the year ended December 31, 2025, Ms. CHENG Qiulan and Ms. CHAN Lok Yee complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during the Reporting Period.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings by Shareholders

Pursuant to Article 58 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company for the transaction of any business specified in such requisition.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves may convene the general meeting 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 them 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 Cayman Islands Companies Law (as 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.

As regards the procedures for Shareholders to propose a person for election as a Director, they are available on the Company's website at **http://www.alphamabonc.com/**.

Putting Forward Enquiries to the Board and Contact Details

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

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong by post with attention to Ms. CHAN Lok Yee/Ms. JIANG Rui, the Joint Company Secretaries or email to ir@alphamabonc.com, for the attention of the Joint Company Secretaries.

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 endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

The Company adopted the shareholders communication policy, which set out the framework the Company has put in place to promote effective communication with Shareholders so as to enable them to engage actively with the Company and exercised their rights as Shareholders in an informed manner.

To promote effective communication, the Company maintains a website at **http://www.alphamabonc.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.

Having considered the multiple channels of communication and participation, including but not limited to presenting the annual and interim results through online and face-to-face meetings (as the case may be) to communicate with Shareholders, investors and analysts, and providing contact information on the Company's website for effective communication between Shareholders and the Company, the Board is satisfied that the shareholders communication policy provided effective channels by which Shareholders can communicate and raise concern with the Company and is effective.

CHANGES IN CONSTITUTIONAL DOCUMENTS

There is no other change in constitutional documents of the Company for the year ended December 31, 2025 and up to the date of this annual report.

BOARD PERFORMANCE REVIEW

The Company plans to conduct board performance review in 2026 and the review results will be disclosed in the 2026 annual report of the Company in accordance with Corporate Governance Code effective on July 1, 2025.

GOING CONCERN

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to the Shareholders through the optimization of the debt and equity balance.

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's liability to continue as a going concern.

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

BOARD OF DIRECTORS

The Board currently comprises two executive Directors, one non-executive Director and three independent non-executive Directors.

The Directors during the year ended December 31, 2025 and up to the date of this annual report were:

Executive Directors:
Dr. XU Ting (徐霆) *(Chairman of the Board and Chief Executive Officer)*
Ms. LIU Yang (劉陽)

Non-executive Director:
Mr. CHO Man (左敏)

Independent Non-executive Directors:
Mr. WU Dong (吳冬)
Dr. GUO Zijian (郭子建) *(resigned on June 30, 2025)*
Mr. WEI Kevin Cheng (蔚成) *(resigned on June 30, 2025)*
Ms. WONG Yan Ki Angel (黃欣琪) *(appointed on June 30, 2025)*
Dr. GAO Xiang (高翔) *(appointed on June 30, 2025)*

GENERAL INFORMATION

Our Company was incorporated in the Cayman Islands on March 28, 2018 as an exempted limited liability company under the laws of the Cayman Islands. Our Company's Shares were listed on the Main Board of the Stock Exchange on December 12, 2019.

PRINCIPAL ACTIVITIES

We are a leading biopharmaceutical company in China with a fully integrated proprietary technology platform in ADCs, bispecific antibodies and multifunctional protein engineering. We deliver world-class innovative therapeutic biologics to treat patients globally by applying our unique drug discovery and development capabilities. We believe these capabilities are demonstrated by our strong R&D track record and supported by our proprietary technologies, platforms and expertise.

RESULTS

The results of our Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 109 of this annual report.

BUSINESS REVIEW

A fair review of the business of our Group as required by Schedule 5 to the Companies Ordinance, including an analysis of our Group's financial performance and an indication of likely future developments in our Group's business is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. These discussions form part of this Directors' report. Events affecting our Company that have occurred since the end of the financial year is set out in the section headed "Important Events After the Reporting Period" in this annual report. The discussion of our Company's key relationships with its employees, suppliers and others that have a significant impact on our Company is set out in the section headed "Key Relationships with Stakeholders" in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- we may be unable to obtain regulatory approval for our drug candidates;
- clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may be unable to commercialize our drug candidates on a timely basis;
- if our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates;
- we may not be able to identify, discover or develop new drug candidates;
- we have incurred significant net losses since inception and expect to continue to incur losses, and may never achieve or maintain profitability;
- we may need to obtain substantial additional financing to fund our operations;
- we may not be successful in developing, enhancing or adapting to new technologies and methodologies;

- we have very limited experience in commercializing drug candidates;
- we may not be able to obtain sufficient patent protection for our drug candidates; and
- we have collaborated with third parties in the development of drug candidates and combination therapies and may seek collaboration opportunities and strategic alliances in the future.

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.

ENVIRONMENTAL POLICIES AND PERFORMANCE

It is our corporate and social responsibility in promoting a sustainable and environmental-friendly environment. We strive to minimize our environmental impact and to build our corporation in a sustainable way.

We are subject to environmental protection and occupational health and safety laws and regulations in China. In 2025, we complied with the relevant environmental and occupational health and safety laws and regulations in China and we did not have any incidents or complaints, which had a material and adverse effect on our business, financial condition or results of operations. The 2025 Environmental, Social and Governance Report of our Company is published on the websites of the Stock Exchange and our Company at the same date as the publication of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

EMPLOYEE AND REMUNERATION POLICIES

As of December 31, 2025, we had 498 employees (2024: 420 employees).

The number of employees employed by our Group varies from time to time depending on need. The remuneration package of our employees includes salary and bonus, which are generally determined by their qualifications, industry experience, position and performance. Our Company makes contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

Our Company also has adopted the Pre-IPO Share Option Plans, the Post-IPO Share Option Scheme and Post-IPO Restricted Share Award Scheme to provide incentives for certain employees. Please refer to the sections headed "Pre-IPO Share Option Plans", "Post-IPO Share Option Scheme" and "Post-IPO Restricted Share Award Scheme" in this annual report for further details.

The total remuneration cost incurred by our Group for the year ended December 31, 2025 was RMB214.6 million, as compared to RMB175.9 million for the year ended December 31, 2024.

For the year ended December 31, 2025, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

MAJOR SUPPLIERS

For the year ended December 31, 2025, our major suppliers primarily consisted of raw materials suppliers, third-party service providers for our clinical trials and pre-clinical studies, machinery and equipment suppliers, as well as construction service providers for our new facilities. We have maintained stable business relationships with our major suppliers for approximately seven years. For the procurement of machinery and equipment and construction services related to our new facilities, we generally settle payments pursuant to a payment schedule. For raw material procurement, our Company purchased directly from raw material suppliers on a demand-based basis through long-term contracts during the Reporting Period. In addition, in line with industry practice, we also engaged Independent Third Party contract research organizations to provide certain services in our pre-clinical studies and clinical trials during the Reporting Period. These services primarily include performing laboratory tests and statistical analyses, conducting data collection and subject monitoring in our clinical trials, and carrying out certain studies based on our study design, which are time and labor intensive.

For the year ended December 31, 2025, purchases from our Group's five largest suppliers amounted to RMB116.7 million (2024: RMB78.3 million), accounting for approximately 24.0% (2024: 25.9%) of the Group's total purchase amount in the same year.

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

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

MAJOR CUSTOMERS

For the year ended December 31, 2025, we mainly generated revenue from (i) sales of pharmaceutical products and royalty income; (ii) license fee income; (iii) provision of goods and consumables for R&D projects and (iv) service income. We have maintained stable business relationships with our major customers.

For the year ended December 31, 2025, sales to our Group's five largest customers amounted to RMB562.4 million (2024: RMB633.1 million), accounting for approximately 99.3% (2024: 98.9%) of our Group's total revenue in the same year. Our Group's largest customer for the year ended December 31, 2025 amounted to RMB384.7 million (2024: RMB389.6 million), accounting for approximately 67.9% (2024: 60.9%) of our Group's total revenue for the same year.

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

For the year ended December 31, 2025, our Group did not experience any significant disputes with our customers.

KEY RELATIONSHIP WITH STAKEHOLDERS

We recognize that various stakeholders including suppliers, employees, Shareholders and other business associates are key to our Group's success. Our Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

Relationship with Our Employees

We endeavor to cultivate talented and loyal employees by treating our employees with dignity, respect and fairness. We conduct new employee training, as well as professional and compliance training programs for employees. We enter into employment contracts with our employees to cover matters such as wages, benefits and grounds for termination. The remuneration package of our employees usually includes salary, bonus and share option incentives, which are generally determined by their qualifications, industry experience, position and performance. We make contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

Relationship with Shareholders

We recognize the importance of protecting the interests of the Shareholders and of having effective communication with them. We believe communication with the Shareholders is a two-way process and have thrived to ensure the quality and effectiveness of information disclosure, maintain regular dialogue with the Shareholders and listen carefully to the views and feedback from the Shareholders. This has been done through general meetings, corporate communications, annual reports and results announcements.

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of our Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 204 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 our 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 our Company's securities.

SUBSIDIARIES

Particulars of our Company's subsidiaries are set out in Note 40 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of our Company for the year ended December 31, 2025 and details of the Shares issued for the year ended December 31, 2025 are set out in Note 27 to the consolidated financial statements.

DONATION

For the year ended December 31, 2025, we did not make any charitable donations (2024: nil).

DEBENTURE ISSUED

We did not issue any debenture for the year ended December 31, 2025.

EQUITY-LINKED AGREEMENTS

Save for the Pre-IPO Share Option Plan, the Post-IPO Share Option Scheme and the Post-IPO Restricted Share Award Scheme as set out in this annual report, no equity-linked agreements were entered into by our Group, or existed for the year ended December 31, 2025.

DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025. (2024: nil)

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 our 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 year ended December 31, 2025. Our Company has taken out liability insurance to provide appropriate coverage for the Directors.

DISTRIBUTABLE RESERVES

Our Company may pay dividends out of the share premium account, retained earnings and any other reserves provided that immediately following the payment of such dividends, our Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

As of December 31, 2025, our Company did not retain any profits under IFRSs as reserves available for distribution to our equity Shareholders.

Details of movements in the reserves of our Group and our Company during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on pages 112 to 113 and in Note 39 to the consolidated financial statements, respectively.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of our Group as at December 31, 2025 are set out in the section headed "Management Discussion and Analysis" in this annual report and Note 26 to the consolidated financial statements.

CONVERTIBLE BONDS

As of the Latest Practicable Date, our Company has not issued any convertible bonds.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company has not entered into any loan agreement which contains covenants requiring specific performance of the Controlling Shareholders.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with our Company, pursuant to which each of them agrees to act as an executive Director, subject to the provisions of retirement and rotation of directors under the Articles of Association, until terminated in accordance with the terms and conditions of the service contract or the letter of appointment or by either party giving to the other not less than three months' prior notice in writing.

The non-executive Director and independent non-executive Directors have each signed a letter of appointment with our Company and have been appointed for a term of three years, subject to the provisions of retirement and rotation of directors under the Articles of Association. The appointment may be terminated by either party giving to the other not less than three months' prior notice in writing.

None of the Directors has an unexpired service contract which is not determinable by our Company or any of its subsidiaries 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 12 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 our 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

Each of our Controlling Shareholders has undertaken to us in the Non-Competition Undertaking that, during the period of the Non-competition Undertaking, it/he shall not, and shall procure its/his close associates (other than members of our Group) not to directly or indirectly be involved in or undertake any business (other than our business) that directly or indirectly competes, or may compete, with any business engaged by any member of our Group, or hold interest in any companies or business that compete directly or indirectly with the business currently or from time to time engaged in by our Group. For further details, please refer to the section headed "Relationship with Controlling Shareholders – Non-competition Undertaking" of the Prospectus.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in the Prospectus and save for their respective interests in our Group, none of the Directors and the Controlling Shareholders was interested in any business which competes or is likely to compete with the businesses of our Group for the year ended December 31, 2025.

We have received annual written confirmations from the Controlling Shareholders, consisting of Dr. Xu and Rubymab, of the compliance with the provisions of the Non-competition Undertaking by such Controlling Shareholders and their close associates.

The independent non-executive Directors have reviewed the compliance with the Non-competition Undertaking during the year ended December 31, 2025 based on the information and confirmation provided by or obtained from the Controlling Shareholders, and were satisfied that our Controlling Shareholders have duly complied with the Non-competition Undertaking.

MANAGEMENT CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF OUR COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of December 31, 2025, the interests and short positions of the Directors or chief executives of our Company and their associates in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code were as follows:

Long Positions in the Shares of our Company

Name of Directors/ Chief Executive	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding interest[3]
Dr. Xu	Beneficiary of a trust	299,400,000[1] (L)	30.73%
(Executive Director and Chief Executive Officer)	Beneficial owner	14,334,840 (L)	1.47%
Ms. Liu	Founder of a discretionary trust Interest in a controlled corporation	299,400,000[1] (L)	30.73%
(Executive Director)	Interest of spouse	14,334,840[2] (L)	1.47%
Mr. WU Dong	Beneficial owner	30,000	0.00%
(Independent non-executive Director)			

Notes:

(1) These Shares are directly held by Rubymab, which is wholly owned by South Dakota Trust as the trustee of New Xu's Family Trust, of which Ms. Liu acts as the settlor and protector, and Dr. Xu acts as the investment advisor for the benefit of Ms. Liu's family members, including among others, Dr. Xu.

(2) Ms. Liu is the spouse of Dr. Xu, and therefore is deemed to be interested in the Shares held by Dr. Xu under the SFO.

(3) The calculation is based on the total number of 974,293,697 Shares in issue (including Treasury Shares) as of December 31, 2025.

(L) – Long position.

Long Positions in the Underlying Shares of our Company

Name of Directors/ Chief Executive	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding interest[2]
Dr. Xu *(Executive Director and Chief Executive Officer)*	Beneficial owner	8,707,698 (L)	0.89%
	Interest of spouse	3,210,088[1] (L)	0.33%
Ms. Liu *(Executive Director)*	Beneficial owner	3,210,088 (L)	0.33%
	Interest of spouse	8,707,698[1] (L)	0.89%
Mr. CHO Man *(Non-executive Director)*	Interest of spouse	200,000 (L)	0.02%
	Beneficial owner	30,000 (L)	0.00%
Mr. WU Dong *(Independent non-executive Director)*	Beneficial owner	90,000 (L)	0.01%

Notes:

(1) Dr. Xu and Ms. Liu are spouses, and therefore are deemed to be interested in the underlying Shares in respect of the share options granted under the Pre-IPO Share Option Plans and the award shares granted under the Post-IPO Restricted Share Award Scheme held by each other under the SFO.

(2) The calculation is based on the total number of 974,293,697 Shares in issue (including Treasury Shares) as of December 31, 2025.

(L) – Long position.

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

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

As of December 31, 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executives of our Company or their associates) had interests or short positions in the Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholders	Nature of interest	Number of Shares	Approximate percentage of shareholding interest[4]
Rubymab	Beneficial owner	299,400,000[1] (L)	30.73%
South Dakota Trust	Trustee	299,400,000[1] (L)	30.73%
Mr. ZHANG Xitian	Interest in a controlled corporation	85,750,000[2] (L)	8.80%
Sky Diamond	Beneficial owner	85,750,000[2] (L)	8.80%
Mr. XUE Chuanxiao	Interest in a controlled corporation	85,750,000[3] (L)	8.80%
Pearlmed	Beneficial owner	85,750,000[3] (L)	8.80%

Notes:

(1) The entire share capital of Rubymab is wholly owned by South Dakota Trust as the trustee of New Xu's Family Trust, of which Ms. Liu acts as the settlor and protector, and Dr. Xu acts as the investment advisor for the benefit of Ms. Liu's family members, including among others, Dr. Xu.

(2) Sky Diamond is wholly owned by Mr. ZHANG Xitian. Therefore, Mr. ZHANG is deemed to be interested in the Shares in which Sky Diamond is interested under the SFO.

(3) Pearlmed is a company incorporated in the British Virgin Islands on March 22, 2018 and wholly owned by Mr. XUE Chuanxiao as of the Latest Practicable Date. Therefore, Mr. XUE is deemed to be interested in the Shares in which Pearlmed interested under the SFO.

(4) The calculation is based on the total number of 974,293,697 Shares in issue (including Treasury Shares) as of December 31, 2025.

(L) – Long position.

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

PRE-IPO SHARE OPTION PLANS

Our Company has adopted two pre-IPO share options plans, namely the Pre-IPO Share Option Plan I and the Pre-IPO Share Option Plan II. The terms of both plans are not subject to the provisions of Chapter 17 of the Listing Rules.

Further details of the Pre-IPO Share Option Plans are set out in the Prospectus and Note 30 to the consolidated financial statements.

A summary of the principal terms of the Pre-IPO Share Option Plans is set out below:

1. Pre-IPO Share Option Plan I (the "**Plan I**")

   (a) Purpose

   The plan has been established to advance the interests of our Company by providing for the grant to the participants (the "**Plan I Participants**") of the options (the "**Plan I Options**").

   (b) Administration

   The Administrator of the Plan I (the "**Plan I Administrator**") shall be the Board, except that the Board may delegate its authority under the Plan I to a committee of the Board (or one or more members of the Board), in which case references herein to the Board will refer to such committee (or members of the Board).

   (c) Eligible Participant

   The Plan I Administrator of the Plan I will select Plan I Participants from among employees and directors of, and consultants and advisors to, our Company and any corporation or other entity that stands in relationship to our Company that would result in our Company consolidating the financial results of such corporation or other entity under the accounting standards and policies adopted by our Company (the "**Affiliates**") to participate in the Plan I.

(d) Maximum Number of Shares Available for Issue under the Plan I

A maximum of 44,837,690 Shares of our Company with par value of US$0.000002 each may be delivered in satisfaction of the Plan I Options under the Plan I. Shares delivered under the Plan I will be fully paid upon exercise of the Plan I Option. No fractional Shares will be delivered under the Plan I.

As at December 31, 2025, the aggregate number of underlying Shares pursuant to the outstanding options granted under the Pre-IPO Share Option Plan I is 9,214,765 Shares, representing approximately 0.95% of the total issued Shares (excluding Treasury Shares) as at December 31, 2025 and approximately 0.95% of the total issued Shares (excluding Treasury Shares) as of the Latest Practicable Date. Details of the Pre-IPO Share Option Plan I are set out in Note 30 to the consolidated financial statements.

(e) Period within Which the Option may be Exercised under the Plan I

The Plan I Administrator will determine the terms of the grant of all Plan I Options, subject to the limitations provided herein. By accepting (or, under such rules as the Plan I Administrator may prescribe, being deemed to have accepted) the grant of a Plan I Option, the Plan I Participant shall be deemed to have agreed to the terms of the written agreement entered into by our Company and the Plan I Participant in respect of the grant of a Plan I Option under the Plan I (the "**Plan I Grant Agreement**") with respect to the Plan I Option and the Plan I. In order to assure the viability of Plan I Options granted to the Plan I Participants employed in various jurisdictions, the Plan I Administrator may provide for such special terms as it may consider necessary or appropriate to accommodate differences in the Plan I applicable laws, tax policy, or custom applicable in the jurisdiction in which each of the Plan I Participants resides or is employed.

Unless the Plan I Administrator expressly provides otherwise, no Plan I Option will be deemed to have been exercised until the Plan I Administrator approves such exercise and receives a notice of exercise (in form acceptable to the Plan I Administrator), which may be an electronic notice, signed (including electronic signature in form acceptable to the Plan I Administrator) by the appropriate person and accompanied by any payment required under the Plan I Option. A Plan I Option exercised by any person other than the Plan I Participant will not be deemed to have been exercised until the Plan I Administrator approves such exercise and has received such evidence as it may require that the person exercising the Plan I Option has the right to do so. The vested Plan I Options may be exercised by the Plan I Participant, taking into account the stipulations laid down in his or her individual Plan I Grant Agreement.

(f) Vesting Period of Options Granted under the Plan I

The Plan I Administrator may determine the time or times at which a Plan I Option will vest or become exercisable and the terms on which a Plan I Option will remain exercisable.

(g) Acceptance of the Option

If a participant intends to accept the grant of Plan I Options under the Plan I, he/she is required to sign the Plan I Grant Agreement, which set outs the amount payable, if any, on acceptance of the Plan I Options.

(h) Basis of Determining of the Exercise Price

The exercise price of each Plan I Option will be solely determined by the Plan I Administrator provided that the exercise price shall not be lower than the par value of the Shares underlying such Plan I Option. Plan I Options, once granted, may be repriced only in accordance with the applicable requirements of the Plan I.

(i) Life of the Plan I

The Plan I is terminated on the Listing Date and therefore it has no remaining life. No Plan I Options may be granted after the termination of the Plan I but each Plan I Option outstanding as at such termination shall continue to be administered in accordance with the Plan I and the relevant Plan I Grant Agreement.

2. Pre-IPO Share Option Plan II (the "**Plan II**")

(a) Purpose

The plan has been established to advance the interests of our Company by providing for the grant to the participants (the "**Plan II Participants**") of the options (the "**Plan II Options**").

(b) Administration

The Administrator of the Plan II (the "**Plan II Administrator**") shall be the Board, except that the Board may delegate its authority under the Plan II to a committee of the Board (or one or more members of the Board), in which case references herein to the Board will refer to such committee (or members of the Board).

(c) Eligible Participants

The Plan II Administrator of the Plan II will select Plan II Participants from among employees and directors of, and consultants and advisors to, our Company and its Affiliates to participate in the Plan II.

(d) Maximum Number of Shares Available for Issue under the Plan II

A maximum of 28,148,110 ordinary shares of our Company with par value of US$0.000002 each may be delivered in satisfaction of the Plan II Options under the Plan II. Shares delivered under the Plan II will be fully paid upon exercise of the Plan II Option. No fractional Shares will be delivered under the Plan II.

As at December 31, 2025, the aggregate number of underlying Shares pursuant to the outstanding options granted under the Pre-IPO Share Option Plan II is 4,835,335 Shares, representing approximately 0.50% of the total issued Shares (excluding Treasury Shares) as at December 31, 2025 and approximately 0.50% of the total issued Shares (excluding Treasury Shares) as of the Latest Practicable Date. Details of the Pre-IPO Share Option Plan II are set out in Note 30 to the consolidated financial statements.

(e) Period within Which the Option may be Exercised under the Plan II

The Plan II Administrator will determine the terms of the grant of all Plan II Options, subject to the limitations provided herein. By accepting (or, under such rules as the Plan II Administrator may prescribe, being deemed to have accepted) the grant of a Plan II Option, the Plan II Participant shall be deemed to have agreed to the terms of the written agreement entered into by our Company and the Plan II Participant in respect of the grant of a Plan II Option under the Plan II (the "**Plan II Grant Agreement**") with respect to the Plan II Option and the Plan II. In order to assure the viability of Plan II Options granted to the Plan II Participants employed in various jurisdictions, the Plan II Administrator may provide for such special terms as it may consider necessary or appropriate to accommodate differences in the Plan II applicable laws, tax policy, or custom applicable in the jurisdiction in which each of the Plan II Participants resides or is employed.

Unless the Plan II Administrator expressly provides otherwise, no Plan II Option will be deemed to have been exercised until the Plan II Administrator approves such exercise and receives a notice of exercise (in form acceptable to the Plan II Administrator), which may be an electronic notice, signed (including electronic signature in form acceptable to the Plan II Administrator) by the appropriate person and accompanied by any payment required under the Plan II Option. A Plan II Option exercised by any person other than the Plan II Participant will not be deemed to have been exercised until the Plan II Administrator approves such exercise and has received such evidence as it may require that the person exercising the Plan II Option has the right to do so. The vested Plan II Options may be exercised by the Plan II Participant, taking into account the stipulations laid down in his or her individual Plan II Grant Agreement.

(f) Vesting Period of Options Granted under the Plan II

The Plan II Administrator may determine the time or times at which a Plan II Option will vest or become exercisable and the terms on which a Plan II Option will remain exercisable.

(g) Acceptance of the Option

If a participant intends to accept the grant of Plan II Options under the Plan II, he/she is required to sign the Plan II Grant Agreement, which set outs the amount payable, if any, on acceptance of the Plan II Options.

(h) Basis of Determining of the Exercise Price

The exercise price of each Plan II Option will be determined by the Plan II Administrator except that in the certain circumstances, approval from both Directors appointed by PAG Growth, or Advantech II and Advantech I (the "**Series A Directors**") by their affirmative vote at a meeting of the Board or by separate written consent signed by each Series A Director must be obtained. The exercise price of Plan II Options granted under Plan II shall not be lower than the par value of the Shares underlying such Plan II Option. Plan II Options, once granted, may be repriced only in accordance with the applicable requirements of the Plan II.

(i) Life of the Pre-IPO Share Option Plan II

The Plan II is terminated on the Listing Date and therefore it has no remaining life. No Plan II Options may be granted after the termination of the Plan II but, each Plan II Option outstanding as at such termination shall continue to be administered in accordance with the Plan II and the relevant Plan II Grant Agreement.

3. Outstanding Share Options

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Option Plans as of December 31, 2025. For further details on the movement of the options during the Reporting Period, please see Note 30 to the consolidated financial statements.

Details of the movements of the options granted under the Pre-IPO Share Option Plans during the Reporting Period are as follows:

Name of category of grantee	Date of grant	Option period[1]	Exercise price (US$)	Number of Shares underlying options outstanding as of January 1, 2025	Number of options exercised during the Reporting Period	Number of options cancelled during the Reporting Period	Number of options lapsed during the Reporting Period	Number of Shares underlying options outstanding as of December 31, 2025
Directors								
Dr. Xu	Between June 30, 2019 to November 8, 2019	10 years from the date of grant	Between 0.0142 to 0.4898	Plan I: 12,508,830 Plan II: 4,234,670	Plan I: 9,005,890[2] Plan II: –	Plan I: – Plan II: –	Plan I: – Plan II: –	Plan I: 3,502,940 Plan II: 4,234,670
Ms. Liu	October 10, 2018	10 years from the date of grant	0.0142	Plan I: 2,240,000	Plan I: –	Plan I: –	Plan I: –	Plan I: 2,240,000
Other Grantees in Aggregate								
	Between October 10, 2018 to November 13, 2019	10 years from the date of grant	Between 0.0142 to 0.4898	Plan I: 6,656,825 Plan II: 721,915	Plan I: – Plan II: 110,000 [3]	Plan I: 3,185,000 Plan II: 11,250	Plan I: – Plan II: –	Plan I: 3,471,825 Plan II: 600,665
Total				26,362,240	9,115,890	3,196,250	–	14,050,100

Notes:

(1) The vesting period of options granted under the Pre-IPO Share Option Plans are time-based and milestone-based, which may be determined by the Plan I Administrator or the Plan II Administrator (as the case may be).

(2) The weighted average closing price per Share immediately before the date on which the options were exercised during the Reporting Period was approximately HK$7.49.

(3) The weighted average closing price per Share immediately before the date on which the options were exercised during the Reporting Period was approximately HK$9.94.

POST-IPO SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was adopted by our Company on May 25, 2020 and amended on June 12, 2025. A summary of the principal terms of the Post-IPO Share Option Scheme is set out below:

(a) Purpose

The purpose of the Post-IPO Share Option Scheme is to provide incentive or reward to eligible persons ("**Post-IPO Option Scheme Participants**") for their contribution to, and continuing efforts to promote the interests of, our Group, and to incentivize them to remain with our Group, as well as for such other purposes as the Board may approve from time to time.

(b) Eligible Participants

The Post-IPO Option Scheme Participants include: (a) any employee (whether full-time or part-time) of our Company or any of its subsidiaries; (b) any director (including executive, non-executive and independent non-executive directors) of our Group; and (c) any member of the scientific advisory board of our Company. The basis of eligibility of any of the above classes of Post-IPO Option Scheme Participants to the grant of any options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of our Group.

(c) Maximum Number of Shares Available for Issue under the Post-IPO Share Option Scheme

The Shares which may be issued in respect of all options and awards to be granted under the Post-IPO Share Option Scheme and other share schemes of our Company (including options or awards have been cancelled but excluding those lapsed in accordance with the terms of the respective share schemes) shall not exceed 10% of the number of Shares in issue (excluding Treasury Shares) on the date on which amendment to the Post-IPO Share Option Scheme is duly approved and adopted by the Shareholders of our Company, namely 96,492,380 Shares comprising 95,433,772 Shares to be issued and 1,058,608 Shares issued and granted but lapsed under the original Post-IPO Restricted Share Award Scheme which are held by the trust without specific grantee

As of the Latest Practicable Date, 94,366,279 Shares are available for issue under the Post-IPO Share Option Scheme, representing 9.74% of the issued Shares (excluding Treasury Shares) of our Company as at December 31, 2025 and approximately 9.74% of the issued Shares (excluding Treasury Shares) of our Company as of the Latest Practicable Date.

(d) Maximum Entitlement of Each Eligible Person

The aggregate number of Shares issued and to be issued in respect of all options and awards granted to a Post-IPO Option Scheme Participant (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) shall not exceed 1% of the total number of the issued Shares (excluding Treasury Shares) for any 12-month period, unless (a) a grant to that effect has been separately approved by the Shareholders in general meeting, with such Post-IPO Option Scheme Participant and his/her close associates (or associates if the Post-IPO Option Scheme Participant is a connected person) abstaining from voting; (b) our Company must send a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Post-IPO Option Scheme Participant; and (c) the terms of the options and the number of options to be granted to such Post-IPO Option Scheme Participant must be fixed before the Shareholders' approval.

(e) Period within Which the Option may be Exercised under the Post-IPO Share Option Scheme

Each offer of an option (the "**Offer**") shall be in writing made to a Post-IPO Option Scheme Participant by letter in such form as the Board may from time to time determine at its discretion (the "**Offer Letter**"). The Offer Letter shall state, among others, the period during which the option may be exercised (the "**Option Period**"), which period is to be determined and notified by the Board but shall expire in any event not later than the last day of the 10-year period after the date of grant of the option.

(f) Vesting Period of Options Granted under the Post-IPO Share Option Scheme

The Board may in respect of each option and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of options in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the Offer Letter. For the avoidance of doubt, an option shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Offer Letter. No general requirements for any performance target has to be achieved before the vesting of the options unless under specific circumstances as otherwise determined by the Board.

The Board has the sole discretion to determine the vesting schedule and vesting conditions for any options to any grantee, which may also be adjusted and re-determined by the Board from time to time provided that the vesting period for the options shall not be less than 12 months unless under specific circumstances as otherwise determined by the Board, including but not limited to such specific circumstances as permitted under applicable guidance and the Listing Rules.

(g) Acceptance of the Option

The Board shall specify in the Offer Letter a date by which the grantee must accept the Offer or be deemed to have declined it, being a date no later than 14 days after (i) the date on which the Option is offered, or (ii) the date on which the conditions for the Offer are satisfied, if any, whichever is earlier.

(h) Basis of Determining the Subscription Price

The price at which each Share subject to an option may be subscribed for on the exercise of that option shall be a price solely determined by the Board and notified to a Post-IPO Option Scheme Participant and shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (b) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and (c) the nominal value of the Shares.

(i) Life of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme shall be valid and effective for a period of 10 years commencing on May 25, 2020, being the date on which it is adopted by ordinary resolution of the Shareholders in general meeting, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect. The remaining life the Post-IPO Share Option Scheme, as of the date of this annual report, is approximately four years and one month.

Further details of the Post-IPO Share Option Scheme are set out in the circulars of our Company dated April 22, 2020 and May 21, 2025.

During the Reporting Period, 50,000 options were granted, 254,000 share options have been exercised, no share options have been cancelled and 1,160,000 share options have lapsed under the post-IPO share option scheme.

Details of the movements of the options granted under the Post-IPO Share Option Scheme during the Reporting Period are as follows:

Name of category of grantee	Date of grant	Option period*	Exercise price (HK$)	Number of Shares underlying options outstanding as of January 1, 2025	Number of options granted during the Reporting Period	Number of options exercised during the Reporting Period	Number of options cancelled during the Reporting Period	Number of options lapsed during the Reporting Period	Number of Shares underlying options outstanding as of December 31, 2025
Directors									
Mr. WU Dong	April 23, 2021[2]	10 years from the date of grant	13.00	60,000	–	–	–	–	60,000
Mr. WEI Kevin Cheng *(resigned on June 30, 2025)*	April 23, 2021[2]	10 years from the date of grant	13.00	60,000	–	–	–	60,000	–
Other Grantees in Aggregate									
Employees of the Company and its subsidiaries[1]	April 23, 2021[2]	10 years from the date of grant	13.00	30,000	–	–	–	–	30,000
	October 25, 2021[3]	10 years from the date of grant	18.06	420,000	–	–	–	120,000	300,000
	April 25, 2022[4]	10 years from the date of grant	6.94	500,000	–	–	–	100,000	400,000
	October 24, 2022[5]	10 years from the date of grant	6.214	174,000	–	40,000	–	–	134,000
	October 24, 2023[6]	10 years from the date of grant	10.48	100,000	–	40,000	–	–	60,000
	April 23, 2024[7]	10 years from the date of grant	4.35	1,180,000	–	160,000	–	480,000	540,000
	October 23, 2024[8]	10 years from the date of grant	3.86	470,000	–	14,000	–	400,000	56,000
	April 23, 2025[9]	10 years from the date of grant	7.32	–	50,000	–	–	–	50,000
Total				**2,994,000**	**50,000**	**254,000[10]**	**–**	**1,160,000**	**1,630,000**

Notes:

(1) None of them is a Director, chief executive or Substantial Shareholder of our Company, nor a connected person or an associate (as defined under the Rule 14A.06 of the Listing Rules) of any of them, nor a service provider of our Company.

(2) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 1,451,000 options on April 23, 2022; (b) 1,451,000 options on April 23, 2023; (c) 1,451,000 options on April 23, 2024; (d) 1,852,000 options on April 23, 2025; (e) 1,400,000 options on April 23, 2026; and (f) 1,400,000 options on April 23, 2027.

(3) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 120,000 options on October 25, 2022; (b) 120,000 options on October 25, 2023; (c) 120,000 options on October 25, 2024; and (d) 240,000 options on October 25, 2025.

(4) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 400,000 options on April 25, 2023; (b) 400,000 options on April 25, 2024; (c) 400,000 options on April 25, 2025; and (d) 800,000 options on April 25, 2026.

(5) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 44,000 options on October 24, 2023; (b) 44,000 options on October 24, 2024; (c) 44,000 options on October 24, 2025; and (d) 88,000 options on October 24, 2026.

(6) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 100,000 options on October 24, 2024; (b) 100,000 options on October 24, 2025; (c) 100,000 options on October 24, 2026; and (d) 200,000 options on October 24, 2027.

(7) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 236,000 Options on April 23, 2025; (b) 236,000 Options on April 23, 2026; (c) 236,000 Options on April 23, 2027; and (d) 472,000 Options on April 23, 2028.

(8) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 94,000 Options on October 23, 2025; (b) 94,000 Options on October 23, 2026; (c) 94,000 Options on October 23, 2027; and (d) 188,000 Options on October 23, 2028.

(9) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Share Option Scheme, the options shall vest in the following manner: (a) 10,000 options on April 23, 2026; (b) 10,000 options on April 23, 2027; (c) 10,000 options on April 23, 2028; and (d) 20,000 options on April 23, 2029.

Our Group has in place a performance review mechanism for its employees to comprehensively evaluate their performance and contribution to our Group; and if the grantee fails to achieve the performance target(s) as stipulated in the offer letter in the performance review immediately prior to a vesting date as listed above, the options corresponding to such vesting date shall be automatically lapsed.

The closing price of the Shares immediately before the date on which the options were granted was HK$6.96.

(10) The weighted average closing price of the Shares immediately before the date on which the options under the Post-IPO Share Option Scheme were exercised during the Reporting Period was HK$9.34.

The total number of options available for grant under the Post-IPO Share Option Scheme at the beginning and the end of the Reporting Period was 96,108,455 and 94,366,279, respectively.

The details of fair value of options granted under the Post-IPO Share Option Scheme at the date of grant and the accounting standard and policy adopted are set out in Note 30 to the condensed consolidated financial statements.

The number of Shares that may be issued in respect of options granted under the Post-IPO Share Option Scheme during the Reporting Period divided by the weighted average number of the issued Shares (excluding Treasury Shares) for the Reporting Period was approximately 0.01%.

POST-IPO RESTRICTED SHARE AWARD SCHEME

The Post-IPO Restricted Share Award Scheme was adopted by our Company on March 23, 2021 and amended on June 12, 2025. A summary of the principal terms of the Post-IPO Restricted Share Award Scheme is set out below:

(a) Purpose

The purpose of the Post-IPO Restricted Share Award Scheme is to provide selected participants ("**Post-IPO RSA Participants**") with an opportunity to acquire a proprietary interest in our Company, to encourage and retain such individuals to work with our Group, to provide them with additional incentives to achieve performance goals, to attract suitable personnel for further development of our Group, and to motivate the Post-IPO RSA Participants to maximize the value of our Company for the benefits of the Post-IPO RSA Participants and our Company.

(b) Administration

The Post-IPO Restricted Share Award Scheme shall be subject to the administration of the Board, a sub-committee of the Board (the "**Administration Committee**") and a trustee appointed by our Company (the "**Trustee**") for administration of the Post-IPO Restricted Share Award Scheme. The Trustee shall hold the trust fund in accordance with the Post-IPO Restricted Share Award Scheme and the terms of the trust deed. The Board may delegate the authority to administer the Post-IPO Restricted Share Award Scheme to the Administration Committee or appoint one or more persons, entities or contractors (including without limitation the Trustee) to assist in the administration of the Post-IPO Restricted Share Award Scheme and delegate such powers and/or functions relating to the administration of the Post-IPO Restricted Share Award Scheme as the Board thinks fit. The Board may also, in its absolute discretion, appoint any Trustee to assist with the administration and vesting of the Award Shares (as defined as below) granted pursuant to the Post-IPO Restricted Share Award Scheme.

Subject to complying with the Listing Rules, the Administration Committee may, in its sole and absolute discretion, at any time instruct the Trustee to make purchases on the Stock Exchange. Once purchased, the Trustee shall hold the Shares so purchased in accordance with the Post-IPO Restricted Share Award Scheme and the provisions of the trust deed and, as instructed by the Administration Committee, transfer the relevant vested Award Shares to the nominee account or pay to the Post-IPO RSA Participant in cash the amount of equivalent value of such Award Shares after deducting certain fees and expenses in accordance with Post-IPO Restricted Share Award Scheme.

(c) Eligible Participants

The Post-IPO RSA Participants include any individual being a chief executive, a director (including executive and non-executive director), employee, officer, agent or consultant of our Company or any of our subsidiaries.

(d) Maximum Number of Shares to be Awarded under the Post-IPO Restricted Share Award Scheme ("Award Shares")

The Shares which may be issued in respect of all options and awards to be granted under the Post-IPO Restricted Share Award Scheme and other share schemes of our Company (including options or awards have been cancelled but excluding those lapsed in accordance with the terms of the respective share schemes) shall not exceed 10% of the number of Shares in issue (excluding Treasury Shares) on the date on which amendment to the Post-IPO Restricted Share Award Scheme is duly approved and adopted by the Shareholders of our Company, namely 96,492,380 Shares comprising 95,433,772 Shares to be issued and 1,058,608 Shares issued and granted but lapsed under the original Post-IPO Restricted Share Award Scheme which are held by the trust without specific grantee.

As of the Latest Practicable Date, 94,366,279 Shares are available for issue under the Post-IPO Restricted Share Award Scheme, representing 9.74% of the issued Shares (excluding Treasury Shares) of our Company as at December 31, 2025 and approximately 9.74% of the issued Shares (excluding Treasury Shares) of our Company as of the Latest Practicable Date.

(e) Maximum Entitlement of Each Post-IPO RSA Participant

The aggregate number of Shares issued and to be issued in respect of all options and awards granted to a Post-IPO RSA Participant (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) shall not exceed 1% of the total number of the issued Shares (excluding Treasury Shares) for any 12-month period, unless (a) a grant to that effect has been separately approved by the Shareholders in general meeting, with such Post-IPO RSA Participant and his/her close associates (or associates if the Post-IPO RSA Participant is a connected person) abstaining from voting; (b) our Company must send a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Post-IPO RSA Participant; and (c) the terms of the Award and the number of Award Shares to be granted to such Post-IPO RSA Participant must be fixed before the Shareholders' approval.

(f) Vesting Period of Award Shares Granted under the Post-IPO Restricted Share Award Scheme

Any Award Share granted to a Post-IPO RSA Participant shall vest in accordance with the vesting conditions as set out in the Grant Letter (as defined below). The Administration Committee shall have the sole and absolute discretion in determining whether the Award Shares shall be satisfied by Shares or cash of the equivalent value of such Award Shares at the vesting date. Upon receipt of the vesting notice, the Post-IPO RSA Participant is required to return to our Company a reply slip at least five business days before the vesting date. If the Administration Committee specifies in the vesting notice that actual Award Shares will be transferred to the nominee account upon vesting, the Post-IPO RSA Participant shall complete the payment of the purchase price (if any) within the specified period set out in the vesting notice. If the Post-IPO RSA Participant fails to (i) return the reply slip at the stipulated time above to our Company, or (ii) complete the payment of the purchase price in accordance with the requirements set out in the vesting notice, unless otherwise determined by the Administration Committee, the grant of the Award Shares shall automatically lapse.

Except other circumstances as specified by the Board in its sole and absolute discretion, the Award Shares shall not vest in the event of any failure of Post-IPO RSA Participants to pass the specified performance review or any failure of Post-IPO RSA Participants to remain as eligible participants (other than by reason of death or retirement) prior to the vesting date.

(g) Acceptance of the Award

After the Administration Committee has determined a selected participant, the number of the Award Shares to be granted, the purchase price (if any) and other terms and conditions of the Grant, it shall notify the Trustee and the selected participant on the grant date in writing (which may also be made through the designated online portal facilities) (the "**Grant Letter**"). Upon receipt of the Grant Letter, the selected participant is required to confirm his/her acceptance of the Grant within 5 business days after the grant date.

(h) Basis of Determining the Purchase Price

In determining the purchase price (if any) to be paid by the selected participants for each Award Share, the Administration Committee shall take into consideration any matter which the Administration Committee considers relevant.

(i) Life of the Post-IPO Restricted Share Award Scheme

The Post-IPO Restricted Share Award Scheme shall be valid and effective for a period of 10 years commencing on March 23, 2021, being the date on which it is adopted by the Board, and can be terminated or extended by a resolution of the Board.

The remaining life the Post-IPO Restricted Share Award Scheme, as of the date of this annual report, is approximately four years and eleven months.

During the Reporting Period, 2,600,176 award shares ("**Award Shares**") were granted pursuant to the Post-IPO Restricted Share Award Scheme, which were made out of the Shares managed by the Trustee as part of the trust fund pursuant to the Post-IPO Restricted Share Award Scheme. No new Shares will be issued by our Company to satisfy the above grant of Award Shares. As the 2,600,176 Award Shares granted during the Reporting Period were made out of the Shares managed by the Trustee as part of the trust fund pursuant to the Post-IPO Restricted Share Award Scheme and no Shares will be issued in respect of such Award Shares, the Company is not required for the disclosure under Rule 17.03(3) of the Listing Rules.

Details of Award Shares granted to all grantees under the Post-IPO Restricted Share Award Scheme, during the Reporting Period are as follows:

			Number of Shares underlying the Post-IPO Restricted Share Award Scheme during the Reporting Period				
Grantee	**Grant Date**	**Outstanding as of January 1, 2025**	**Granted**	**Vested**	**Cancelled**	**Lapsed**	**Outstanding as of December 31, 2025**
Directors							
Dr. Xu	October 24, 2025[2]	–	970,088	–	–	–	970,088
Ms. Liu	October 24, 2025[2]	–	970,088	–	–	–	970,088
Mr. CHO Man	May 29, 2025[3]	–	30,000	–	–	–	30,000
Mr. WU Dong	May 29, 2025[3]	–	60,000	30,000	–	–	30,000
Mr. WEI Kevin Cheng *(resigned on June 30, 2025)*	May 29, 2025[3]	–	30,000	30,000	–	–	–
Other Grantees in Aggregate							
Employees of the Company[1]	January 27, 2022[4]	288,000	–	288,000	–	–	–
	May 20, 2022[5]	228,000	–	28,000	–	48,000	152,000
	October 24, 2022[6]	32,967	–	10,989	–	–	21,978
	April 23, 2024[7]	130,000	–	26,000	–	–	104,000
	October 23, 2024[8]	380,000	–	40,000	–	180,000	160,000
	April 23, 2025[9]	–	490,000	–	–	–	490,000
	October 24, 2025[10]	–	50,000	–	–	–	50,000
Total		**1,058,967**	**2,600,176**	**452,989[11]**	**–**	**228,000**	**2,978,154**

Notes:

(1) None of them is a Director, chief executive or Substantial Shareholder of our Company, nor a connected person or an associate (as defined under the Rule 14A.06 of the Listing Rules) of any of them. Such grants of Award Shares were made before the amendments to the Listing Rules as to share scheme taking effect on January 1, 2023. As such, the requirements in relation to the service provider sublimit under Rule 17.02(2) of the Listing Rules are not applicable.

(2) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in batches in 24 months. As permitted under the Post-IPO Restricted Share Award Scheme, the Award Shares granted to Dr. Xu and Ms. Liu will be vested by batches with the first batch to vest within 12 months of the grant date and the total vesting period of more than 12 months.

The Group has in place a performance review mechanism for its employees to comprehensively evaluate their performance and contribution to the Group. If the Award Directors and Award Employee fails to achieve the performance target(s) as stipulated in the offer letters in the performance review immediately prior to a vesting date as stipulated therein, the Award Shares corresponding to such vesting date shall be automatically lapsed. Part of the Award Shares granted on October 24, 2025 do not have performance targets. For details about the Remuneration Committee's view, please refer to the Company's announcement dated October 24, 2025.

The closing price of the Shares immediately before the date on which the Award Shares were granted was HK$11.84.

(3) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in batches in 24 months. As permitted under the Post-IPO Restricted Share Award Scheme, the vesting period of the part of the Award Shares is less than 12 months. The Award Shares granted on May 29, 2025 do not have performance targets. For details about the Remuneration Committee's view, please refer to the Company's announcement dated May 29, 2025.

The closing price of the Shares immediately before the date on which the Award Shares were granted was HK$8.52.

(4) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) as to 20% of the Award Shares on October 23, 2022; (b) as to 20% of the Award Shares on October 23, 2023; (c) as to 20% of the Award Shares on October 23, 2024; and (d) as to 40% of the Award Shares on October 23, 2025.

(5) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) as to 20% of the Award Shares on April 25, 2023; (b) as to 20% of the Award Shares on April 25, 2024; (c) as to 20% of the Award Shares on April 25, 2025; and (d) as to 40% of the Award Shares on April 25, 2026.

(6) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) as to 20% of the Award Shares on October 24, 2023; (b) as to 20% of the Award Shares on October 24, 2024; (c) as to 20% of the Award Shares on October 24, 2025; and (d) as to 40% of the Award Shares on October 24, 2026.

(7) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) 26,000 Award Shares on April 23, 2025; (b) 26,000 Award Shares on April 23, 2026; (c) 26,000 Award Shares on April 23, 2027; and (d) 52,000 Award Shares on April 23, 2028.

(8) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) 76,000 Award Shares on October 23, 2025; (b) 76,000 Award Shares on October 23, 2026; (c) 76,000 Award Shares on October 23, 2027; and (d) 152,000 Award Shares on October 23, 2028.

(9) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in the following manner: (a) 98,000 Award Shares shall be vested on April 23, 2026; (b) 98,000 Award Shares shall be vested on April 23, 2027; (c) 98,000 Award Shares shall be vested on April 23, 2028; and (d) 196,000 Award Share shall be vested on April 23, 2029.

Our Group has in place a performance review mechanism for its employees to comprehensively evaluate their performance and contribution to our Group; and if the grantee fails to achieve the performance target(s) as stipulated in the offer letter in the performance review immediately prior to a vesting date as listed above, the Award Shares corresponding to such vesting date shall be automatically lapsed.

The closing price of the Shares immediately before the date on which the Award Shares were granted was HK$6.96.

(10) Subject to all vesting conditions having been satisfied in accordance with the rules governing the Post-IPO Restricted Share Award Scheme, the Award Shares shall vest in batches in 48 months, with 10,000 Award Shares shall be vested on October 24, 2026, October 24, 2027 and October 24, 2028 each respectively, and remaining 20,000 Award Shares shall be vested on October 24, 2029.

Our Group has in place a performance review mechanism for its employees to comprehensively evaluate their performance and contribution to our Group; and if the grantee fails to achieve the performance target(s) as stipulated in the offer letter in the performance review immediately prior to a vesting date as listed above, the Award Shares corresponding to such vesting date shall be automatically lapsed.

The closing price of the Shares immediately before the date on which the Award Shares were granted was HK$12.08.

(11) The weighted average closing market price per Share immediately before the date on which the Award Shares were vested was HK$11.70.

The total number of Award Shares available for grant under the Post-IPO Restricted Share Award Scheme at the beginning and the end of the Reporting Period was 96,108,455 and 94,366,279, respectively.

The details of fair value of award shares granted under the Post-IPO Restricted Share Award Scheme at the date of grant and the accounting standard and policy adopted are set out in Note 30 to the condensed consolidated financial statements.

The number of Shares that may be issued in respect of options and awards granted under all schemes of our Company during the Reporting Period (i.e. 2,600,176 Shares) divided by the weighted average number of the issued Shares (excluding Treasury Shares) for the same period was approximately 0.07%.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time for the year ended December 31, 2025 was our 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, our 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 our 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 Corporate Governance Code, our 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 Share Option Plans, Post-IPO Share Option Scheme and Post-IPO Restricted Share Award Scheme.

Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Note 12 and Note 13, respectively to the consolidated financial statements.

The remuneration of the members of senior management by band for the year ended December 31, 2025 is set out below:

	No. of person
Remuneration bands (RMB)	
3,000,001-7,000,000	2
2,500,000-3,000,000	1
Total	3

In addition to emoluments shown above, the members of senior management were granted share options in respect of their service to our Group. As the members of senior management are our executive Directors, further details of their remuneration are set out in Note 12 to the consolidated financial statements.

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

For the year ended December 31, 2025, our Directors were granted discretionary bonuses of a total sum of RMB0.6 million excluding the special bonus set out in Note 12 to the consolidated financial statements. Save as disclosed above, none of the Directors were paid discretionary bonuses for the year ended December 31, 2025.

CONNECTED TRANSACTIONS

Among the related party transactions disclosed in Note 37 to the consolidated financial statements, the following transactions constitute connected transactions for our Company under Rule 14A.23 of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules. Please see below the information required to be disclosed in compliance with Chapter 14A of the Listing Rules.

We have entered into certain connected transactions with Suzhou Alphamab. As of the Latest Practicable Date, Dr. Xu, the chairman, executive director, chief executive officer and a Controlling Shareholder of our Company, is interested in, directly and indirectly, an aggregate of 46.57% of the equity interests in Suzhou Alphamab. Pursuant to Chapter 14A of the Listing Rules, Suzhou Alphamab is an associate of Dr. Xu and therefore a connected person of our Company.

Master Technical Service Agreement

Our Group entered into a master technical service agreement (the "**Master Technical Service Agreement**") with Suzhou Alphamab with effect from June 6, 2019, pursuant to which, we will provide biologics manufacturing services to Suzhou Alphamab upon request during the term of the agreement (the "**Manufacturing Services**"). The Manufacturing Services include (i) manufacturing of biological drug substances in compliance with GMP and (ii) packaging of sterile drug products. The Master Technical Service Agreement has an initial term commencing from the date of the Master Technical Service Agreement till December 31, 2021 and may be renewed as the parties may mutually agree, subject to the compliance with the requirements under Chapter 14A of the Listing Rules and other applicable laws and regulations. The Master Technical Service Agreement was renewed by the same parties on January 14, 2022 and on April 2, 2024, respectively, pursuant to which Jiangsu Alphamab agreed to provide the Manufacturing Services to Suzhou Alphamab.

Our principal operating subsidiary Jiangsu Alphamab had been a subsidiary of Suzhou Alphamab prior to the Reorganization and therefore we are very familiar with its needs and requirements. It is complementary and beneficial for both of Suzhou Alphamab and us to enter into the Master Technical Service Agreement to allow the flexibility for us to provide the Manufacturing Services to Suzhou Alphamab when needed for Suzhou Alphamab's manufacturing operations. Under the Master Technical Service Agreement, we are entitled to refuse to provide or delay the provision of the Manufacturing Services to Suzhou Alphamab if we consider that we do not have adequate manufacturing capacity to perform the requested services. Such arrangement enables us to fully utilize our production capacity as well as generate income for our Group. Our Directors are of the view that providing Manufacturing Services to Suzhou Alphamab as contemplated under the Master Technical Services Agreement will be beneficial to our Group. Please refer to our Company's announcements dated January 14, 2022 and April 2, 2024 for details.

The annual caps for the transactions under the Master Technical Service Agreement for the year ending December 31, 2025 is RMB10,000,000. The aggregate transaction amount incurred in accordance with the Master Technical Service Agreement for the year ended December 31, 2025 was nil.

Technology Development Agreement

On August 8, 2025, our Group entered into a technology development agreement with Jiangsu Alphamab (the "**Technology Development Agreement**"), pursuant to which, Jiangsu Alphamab has agreed to engage Suzhou Alphamab to provide technology development services, whereby Suzhou Alphamab will, among others, develop the production processes and analytical methods for Jiangsu Alphamab's bispecific ADC candidate, prepare samples for toxicological studies and clinical samples for the IND application, perform quality and stability studies for the relevant samples, and provide support for IND regulatory filing. The Technology Development Agreement has an initial term commencing from August 8, 2025 to July 31, 2028 and may be renewal if Jiangsu Alphamab cannot deliver the technical results, including reports or application materials, that are mutually agreed upon by both parties, within the initial three years contract term.

In line with industry practice, our Company engages contract research organizations and other related service suppliers to provide certain services in our pre-clinical research and clinical trials. Jiangsu Alphamab was a subsidiary of Suzhou Alphamab prior to the reorganization as disclosed in the Prospectus. Suzhou Alphamab has extensive experience and competitive capabilities in process optimization services related to the Technology Development Agreement and has been a reliable service provider of the Company since 2018. Therefore, it is very familiar with the Company's needs and requirements. Considering the quality of relevant technology development services provided by Suzhou Alphamab, and the convenience and confidentiality of the technology transfer in the future, as well as that its quotation for the transaction is more competitive than other independent third-party suppliers, the Company believes that the Technology Development Agreement will help optimize the existing production and research process and reduce the corresponding costs, and will have a positive impact on the research and development, manufacturing and IND application of the Company's products in a foreseeable future.

The service fee for the Technology Development Agreement is RMB10,240,000 The payment shall be made in installments tied to the progress of the services, with each installment payable within 15 business days upon Jiangsu Alphamab's receipt and acceptance of the corresponding deliverables or research reports, as outlined in the Technology Development Agreement. On August 18, 2025, Jiangsu Alphamab agreed to made an upfront payment of RMB3,072,000 to Suzhou Alphamab following the execution of the agreement, initiating the project. The remaining RMB7,168,000 will be paid across four milestone payments, each tied to specific deliverables and stages of the project. The aggregated service fee incurred in accordance with the Technology Development Agreement for the year ended December 31, 2025 was nil.

Save as disclosed above, none of the other related party transactions set out in Note 37 of the consolidated financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed under Chapter 14A of the Listing Rules.

The above continuing connected transactions have followed the policies and guidelines when determining the price and terms of the transactions conducted for the year ended December 31, 2025.

The auditor of our Group has reviewed the continuing connected transactions referred to above and confirmed to the Board that the continuing connected transactions: (i) have received the approval of the Board; (ii) were in accordance with the pricing policies of our Group; (iii) were entered into in accordance with the relevant agreement governing the transactions; and (iv) have not exceeded the caps.

The independent non-executive Directors have reviewed and confirmed that the continuing connected transactions referred to above have been entered into, and will be carried out, (i) in the ordinary and usual course of business of our Group; (ii) on normal commercial terms or better to us; and (iii) are according to the agreement governing them on terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Company has designated a team of senior management from business operation, legal, risk control and finance departments and Board office to monitor the continuing connected transactions and ensure that the continuing connected transactions with the abovementioned connected persons are on arm's length basis and that the annual caps are not exceeded. Such team of senior management continuously traces and regularly monitors the progress of the continuing connected transactions and reports to management of our Company. They review the continuing connected transactions with the finance department to ensure that annual caps are not exceeded. They will also communicate with the Audit Committee, management and the Board, monthly or as needed, to report the progress of the continuing connected transactions, and request for approval of new changes of existing transaction terms. The heads of different departments of our Company will be informed on a periodic basis in relation to the terms and pricing policies of the continuing connected transactions as well. The Audit Committee has also assigned the independent internal audit team the task to ensure that our Company's internal control measures in respect of the continuing connected transactions remain effective and complete. With these measures, the independent non-executive Directors could therefore assess and give the confirmations in the preceding paragraph.

Save for disclosed above, for the year ended December 31, 2025, we have not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the Rules 14A.49 and 14A.71 of the Listing Rules.

CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" above, no contract of significance was entered into between our Company, or one of its subsidiary companies, and any of its Controlling Shareholders or subsidiaries for the year ended December 31, 2025.

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

On October 13, 2025 and November 7, 2025, the Board resolved to repurchase the Shares of our Company in the open market from time to time up to HK$20.0 million and HK$30.0 million, respectively, in value, pursuant to the general mandate (the "**Share Repurchase Mandate**") granted to the Directors, approved by the Shareholders at the annual general meeting held on June 12, 2025. Please refer to our Company's announcements dated October 13, 2025 and November 7, 2025 for further details. The Board considered that the share repurchases demonstrated our Company's confidence in our own business outlook and prospects and would, ultimately, benefit our Company and create value for our Shareholders. During the Reporting Period, our Company had repurchased 2,767,000 Shares under the Share Repurchase Mandate as Treasury Shares. As at December 31, 2025, our Company held 5,719,000 Treasury Shares. The Company has not yet determined on the intended use of the Treasury Shares and will utilize them as permitted under the Listing Rules, subject to, market conditions and its capital management needs. Further details of the repurchase are set out below:

Month	**Number of Shares repurchased**	**Highest purchase price per Share** *(HK$)*	**Lowest purchase price per Share** *(HK$)*	**Aggregate consideration paid** *(HK$)*
October 2025	1,121,000	13.83	11.53	14,704,170.00
November 2025	910,000	9.86	9.24	8,680,750.00
December 2025	736,000	10.48	9.50	7,290,780.00
Total	**2,767,000**			**30,675,700.00**

Save as disclosed above, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of Treasury Shares) of our Company during the Reporting Period. As at December 31, 2025, our Company held 5,719,000 Treasury Shares.

MATERIAL LITIGATION

Our Company was not involved in any material litigation or arbitration for the year ended December 31, 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the year ended December 31, 2025.

USE OF NET PROCEEDS FROM THE TOP-UP PLACING

In February 2023, our Company entered into a placing and subscription agreement with Rubymab, the top-up vendor, and Jefferies Hong Kong Limited, the placing agent, for the placing of 25,000,000 Shares (aggregate nominal value: US$50) at a price of HK$15.22 per placing Share (net price per placing Share: HK$15.05) to not less than six professional, institutional and/or individual investors, and upon completion of the Top-up Placing, we received total net proceeds of approximately HK$376.2 million, net of all applicable costs and expenses including commissions, professional fees and out-of-pocket expenses. The market price of the Shares of our Company on February 3, 2023 (being the date on which the terms of the issue or sale were fixed) was HK$16.14. For details, please refer to our Company's announcements dated February 3, 2023 and February 9, 2023 (the "**Placing Announcements**"). As of December 31, 2025, all of the net proceeds of the Top-up Placing had been fully utilized as follows:

	Allocation of net proceeds from the Top-up Placing in the proportion disclosed in the Placing Announcements		Amounts not yet utilized as of December 31, 2024		Proceeds from the Top-up Placing utilized as of December 31, 2025		Proceeds from the Top-up Placing utilized during the Reporting Period		Amounts not yet utilized as of December 31, 2025	
	HK$ million	*Percentage*	*HK$ million*	*Percentage*	*HK$ million*	*Percentage*	*HK$ million*	*Percentage*	*HK$ million*	*Percentage*
the R&D and commercialization										
– the launch several registered clinical trials of JSKN003	301.0	80.0%	270.6	83.2%	301.0	80.0%	270.6	83.2%	–	–
– the clinical development of JSKN016	37.6	10.0%	29.2	9.0%	37.6	10.0%	29.2	9.0%	–	–
Subtotal	***338.6***	***90.0%***	***299.8***	***92.2%***	***338.6***	***90.0%***	***299.8***	***92.2%***	**–**	**–**
Company's general corporate purposes	**37.6**	**10.0%**	**25.5**	**7.8%**	**37.6**	**10.0%**	**25.5**	**7.8%**	**–**	**–**
Total	**376.2**	**100.0%**	**325.3**	**100.0%**	**376.2**	**100.0%**	**325.3**	**100.0%**	**–**	**–**

The Directors consider that the Top-up Placing is beneficial to continuously developing our pipeline of candidate ADCs whilst broadening our shareholder base, and could also provide an opportunity to further strengthen our financial position and provide additional working capital to us.

The net proceeds of the Top-up Placing were used according to the intentions previously disclosed in the Placing Announcements and there was no change in the use of proceeds.

PUBLIC FLOAT

Based on the information that is publicly available to our Company and within the knowledge of the Directors as at the date of this annual report, our Company has maintained the prescribed minimum percentage of public float under the Listing Rules, i.e., at least 25% of the total issued Shares of the Company.

AUDITOR

The consolidated financial statements of our Group have been audited by Messrs. Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the AGM.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in the section headed "Management Discussion and Analysis – Business Review – Events after the Reporting Period" no important events affecting our Company occurred since the Reporting Period and up to the date of this annual report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Our Group did not hold any material investments during the year ended December 31, 2025. In order to meet the increasing research demands and the international operational needs, our Company is considering to construct and develop a new research and operational center in Shanghai. Currently, our Company has no concrete plan. Save as disclosed in this annual report, we do not have other plans for material investments and capital assets.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of our Company will be closed from Tuesday, June 9, 2026 to Friday, June 12, 2026, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the AGM to be held on Friday, June 12, 2026. In order to be eligible to attend and vote at the AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with our Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, June 8, 2026.

By order of the Board
Dr. XU Ting
Chairman and Chief Executive Officer

Hong Kong, March 25, 2026

Independent Auditor's Report

TO THE SHAREHOLDERS OF ALPHAMAB ONCOLOGY
康寧傑瑞生物製藥
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Alphamab Oncology (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 109 to 203, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Cut-off of outsourcing service fees

We identified the cut-off of outsourcing service fees as a key audit matter due to its significance and the estimation involved in recording the outsourcing service fees paid and payable to contract research organisations ("CROs"), contract manufacturing organisations ("CMOs"), clinical research coordinators ("CRCs") and clinical trial sites ("CTSs", mainly being hospitals) (collectively referred to as the "Outsourced Service Providers") in the appropriate financial reporting period.

During the year ended December 31, 2025, the Group incurred research and development ("R&D") expenses of approximately RMB572 million, out of which approximately RMB190 million or 33.2% were attributable to the outsourcing service fees as set out in Note 33 to the consolidated financial statements. Outsourcing service fees of approximately RMB110 million were accrued as at December 31, 2025 as set out in Note 22 to the consolidated financial statements. These Outsourced Service Providers provided supports to the Group's various R&D activities in the pharmaceutical and biotechnology industries in the form of R&D or manufacturing services. While these services are typically performed across the financial reporting periods, the recording of outsourcing service fees to the appropriate financial reporting period and the corresponding accruals as at reporting date based on the progress of the R&D projects involves estimation by the management.

How our audit addressed the key audit matter

Our procedures performed on the cut-off of outsourcing service fees included:

- Obtaining an understanding of key management controls in relation to the accrual of the outsourcing service fees;
- For the outsourcing service fees paid and payable to CTSs, testing the accrual of related cost, on a sample basis, by checking to the patient enrolment listing, the progress of outsourcing services provided by CTSs that reported by the representatives of the relevant CRCs, the costs per patient in the agreements and with reference to the completion status of the clinical trial progress;
- For the outsourcing service fees paid and payable to CROs, CMOs and CRCs, test of details, on a sample basis, have been performed by

  (1) testing the accrual of related cost, by checking their respective contract terms and/or milestones to the relevant agreements and the progress reported by the representatives of the relevant CROs, CMOs and CRCs; and

  (2) sending confirmation to confirm the progress of the outsourcing services provided, for the year ended December 31, 2025;

- Evaluating the adequacy of the outsourcing service fees accrual on selected samples by comparing the subsequent milestone billings received from the Outsourced Service Providers with the accrued outsourcing service fees at the year end.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THOSE CHARGED WITH GOVERNANCE 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 IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Ryan Ka Ming Wu.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 March, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	5	**566,235**	640,083
Cost of sales		**(63,546)**	(60,316)
Gross profit		**502,689**	579,767
Other income	6	**52,815**	62,023
Other gains and losses	7	**(6,014)**	13,235
Research and development expenses	33	**(572,161)**	(404,152)
Administrative expenses		**(83,819)**	(74,607)
Finance costs	8	**(7,449)**	(9,924)
(Loss) profit before taxation		**(113,939)**	166,342
Income tax expense	9	**–**	–
(Loss) profit for the year	10	**(113,939)**	166,342
Other comprehensive expense for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange loss arising on translation of a foreign operation		**(9)**	(48)
Total comprehensive (expense) income for the year		**(113,948)**	166,294
(Loss) earnings per share in RMB	14		
– Basic		**(0.12)**	0.17
– Diluted		**(0.12)**	0.17

Consolidated Statement of Financial Position

As at December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	15	**472,226**	499,994
Right-of-use assets	16	**24,094**	24,017
Deposits paid for acquisition of property, plant and equipment		**557**	4,574
Trade receivables	18	**4,504**	–
Other receivables, deposits and prepayments	19	**1,903**	1,821
		503,284	530,406
Current assets			
Inventories	17	**107,884**	81,809
Trade receivables	18	**61,946**	16,519
Other receivables, deposits and prepayments	19	**73,351**	37,769
Amount due from related parties	20	**283**	3,785
Time deposits with original maturity over three months	21	**1,091,500**	459,345
Cash and cash equivalents	21	**258,819**	1,112,122
		1,593,783	1,711,349
Current liabilities			
Trade and other payables	22	**235,488**	180,788
Amount due to a related party	23	**19**	3,068
Lease liabilities – current portion	24	**2,179**	2,444
Contract liabilities – current portion	25	**8,378**	15,480
Bank borrowings – current portion	26	**33,481**	52,264
Deferred income	29	**1,300**	–
		280,845	254,044
Net current assets		**1,312,938**	1,457,305
Total assets less current liabilities		**1,816,222**	1,987,711

	NOTES	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities – non-current portion	24	**2,098**	1,271
Contract liabilities – non-current portion	25	**18,006**	24,574
Bank borrowings – non-current portion	26	**85,220**	129,982
		105,324	155,827
Net assets		**1,710,898**	1,831,884
Capital and reserves			
Share capital	27	**13**	13
Treasury shares	28	**(37,117)**	(9,188)
Reserves		**1,748,002**	1,841,059
Total equity		**1,710,898**	1,831,884

The consolidated financial statements on pages 109 to 203 were approved and authorised for issue by the Board of Directors on March 25, 2026 and are signed on its behalf by:

XU TING
DIRECTOR

LIU YANG
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserve (Note) RMB'000	Translation reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2024	13	4,052,694	–	(120,708)	(746)	83,815	(2,342,956)	1,672,112
Profit for the year	–	–		–	–	–	166,342	166,342
Other comprehensive expense for the year	–	–	–	–	(48)	–	–	(48)
Total comprehensive (expense) income for the year	–	–	–	–	(48)	–	166,342	166,294
Exercise of share options	–	615	–	–	–	(476)	–	139
Vesting of restricted shares	–	1,792	–	–	–	(1,792)	–	–
Recognition of equity-settled share-based payment expenses	–	–	–	–	–	2,527	–	2,527
Repurchase of shares (Note 28)	–	–	(9,188)	–	–	–	–	(9,188)
At December 31, 2024	13	4,055,101	(9,188)	(120,708)	(794)	84,074	(2,176,614)	1,831,884

	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Other reserve (Note) RMB'000	Translation reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Loss for the year	–	–	–	–	–	–	(113,939)	(113,939)
Other comprehensive expense for the year	–	–	–	–	(9)	–	–	(9)
Total comprehensive expense for the year	–	–	–	–	(9)	–	(113,939)	(113,948)
Exercise of share options	–	41,227	–	–	–	(38,817)	–	2,410
Vesting of restricted shares	–	3,295	–	–	–	(3,295)	–	–
Recognition of equity-settled share-based payment expenses	–	–	–	–	–	18,481	–	18,481
Repurchase of shares (Note 28)	–	–	(27,929)	–	–	–	–	(27,929)
At December 31, 2025	13	4,099,623	(37,117)	(120,708)	(803)	60,443	(2,290,553)	1,710,898

Note: The other reserve comprises:

(i) the accumulated losses derived from the oncology business ("Oncology Business") of Suzhou Alphamab Co., Ltd. (蘇州康寧傑瑞生物科技有限公司) ("Suzhou Alphamab"), a company controlled by Dr. Xu Ting ("Dr. Xu") who is in turn the controlling shareholder of the Company, prior to its transfer to the Company and its subsidiaries (collectively referred to as the "Group") of Oncology Business on April 18, 2018 and during the transition period of this business transfer up to the end of May 2019, as such accumulated losses legally belong to Suzhou Alphamab which is not a member of the Group;

(ii) the net contribution for the Oncology Business by Suzhou Alphamab on the funding used in the Oncology Business, which was provided by Suzhou Alphamab prior to and during the transition period after the transfer of Oncology Business; and

(iii) the net equity impact resulting from a group reorganisation of the entities comprising the Group that was completed on September 25, 2018.

Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
(Loss) Profit before taxation	**(113,939)**	166,342
Adjustments for:		
Depreciation of right-of-use assets	**2,929**	12,682
Depreciation of property, plant and equipment	**61,754**	64,349
Exchange losses (gains), net	**4,342**	(4,612)
Finance costs	**7,449**	9,924
Interest income	**(35,296)**	(49,255)
Share-based payment expenses	**18,481**	2,527
Government grants income from deferred income	**–**	(2,984)
Loss on disposal of property, plant and equipment	**683**	245
Operating cash flows before movements in working capital	**(53,597)**	199,218
Increase in inventories	**(26,075)**	(3,062)
Increase in trade receivables	**(49,931)**	(9,388)
(Increase) decrease in other receivables, deposits and prepayments	**(34,996)**	8,241
Decrease (increase) in amount due from related parties	**3,502**	(3,785)
Increase in trade and other payables	**55,559**	8,564
Decrease in amount due to a related party	**(3,049)**	(1,311)
Increase in deferred income	**1,300**	–
(Decrease) increase in contract liabilities	**(14,602)**	13,859
NET CASH (USED IN) FROM OPERATING ACTIVITIES	**(121,889)**	212,336
INVESTING ACTIVITIES		
Placement of time deposits with original maturity over three months	**(1,311,500)**	(786,497)
Purchase of property, plant and equipment	**(31,590)**	(21,773)
Proceeds on disposal of property, plant and equipment	**364**	220
Advances to executive management	**(62,000)**	(58,100)
Repayment of the advances from executive management	**62,000**	58,100
Proceeds from redemption of time deposits with original maturity over three months	**679,269**	647,157
Interest received	**34,608**	67,965
NET CASH USED IN INVESTING ACTIVITIES	**(628,849)**	(92,928)

	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES		
New bank borrowings raised	**313,135**	127,246
Repayment of lease liabilities	**(2,444)**	(12,930)
Interest paid	**(6,801)**	(9,227)
Repayment of bank borrowings	**(376,680)**	(195,000)
Exercising of share options	**2,410**	139
Payments on repurchase of shares	**(27,929)**	(9,188)
NET CASH USED IN FINANCING ACTIVITIES	**(98,309)**	(98,960)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(849,047)**	20,448
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**1,112,122**	1,085,988
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(4,256)**	5,686
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**258,819**	1,112,122

1. GENERAL

Alphamab Oncology (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on March 28, 2018 under the Companies Law of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since December 12, 2019. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company. The Group is principally engaged in research and development ("R&D"), manufacturing and commercialisation of biologics of oncology. The principal activities of its subsidiaries are set out in Note 40.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after January 1, 2026.

3 Effective for annual periods beginning on or after January 1, 2027.

The directors of the Company anticipate that the application of all new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

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

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

The directors of the Company 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. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Notes 4, 5 and 25.

Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application of IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases (i.e. the rental of vehicles) 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 lease of low-value assets (such as small items of office furniture). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted for under IFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and

- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Government grants

Government grants are not recognised until reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Pension obligations

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff's wages as contributions to the schemes. Payments to such retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Share-based payments

Equity-settled share-based payment transactions

Shares/Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of the reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to share premium.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Shares/Share options granted to non-employees

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation

Income taxation represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit/loss differs from '(loss) profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intend by management, including costs of testing whether the related assets is functioning properly, and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment and right-of-use assets (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Research and development expenditure

Expenditure on research activities, including mainly the outsourcing service fees, research and development staff costs and raw material costs, is recognised as an expense in the period in which it is incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Research and development expenditure (Continued)

An internally generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets of the Group that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables, amount due from related parties, time deposits with original maturity over three months and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually.

For all other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(iii) Credit-impaired financial assets (Continued)

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risk of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting carrying amount, with the exception of trade and other receivables the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets measured at amortised cost that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (Note 7) as part of the foreign exchange gains, net.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amount due to a related party and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Development costs

Development costs incurred on the Group's drug candidates are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are expensed when incurred.

The directors of the Company assessed the progress of each of the R&D projects and determine whether the criteria are met for capitalisation. During the years ended December 31, 2025 and 2024, all the related development costs are expensed when incurred.

Key sources of estimation uncertainty

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

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Accrual of outsourcing service fees

The Group relies on the support provided by the contract research organisations ("CROs"), contract manufacturing organisations ("CMOs"), clinical research coordinators ("CRCs") and clinical trial sites ("CTSs", mainly being hospitals) (collectively referred to as the "Outsourced Service Providers") to conduct, supervise, and monitor the Group's ongoing clinical trials. Determining the amounts of outsourcing service fees incurred up to the end of each reporting period requires the management of the Group to estimate and measure the progress of receiving outsourcing services under the contracts with Outsourced Service Providers using inputs such as number of patient enrolments, time elapsed, milestone achieved and etc.

As at December 31, 2025, the carrying amount of the accrued outsourcing service fees amounted to RMB110,035,000(2024: RMB85,566,000) has been recognised in the consolidated statement of financial position and disclosed in Note 22.

Useful lives of property, plant and equipment

The directors of the Company determine the estimated useful lives and the depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is reference to the useful lives of property, plant and equipment of similar nature and functions in the industry. The directors of the Company will increase the depreciation charge where useful lives are expected to be shorter than expected. As at December 31, 2025, the carrying amount of property, plant and equipment was RMB472,226,000 (2024: RMB499,994,000) as disclosed in Note 15.

Recognition of revenue arising from collaboration agreements

The Group entered into collaboration agreements under which the Group entitles an exclusive right to manufacture and supply product to customer for their further commercialisation to ultimate customers (detailed in Note 5 (ii)). Non-refundable upfront license fee payment is recorded under contract liabilities and recognised as revenue over time upon the customer receives and consumes the benefits during the commercialisation stage. During the year ended 31 December 2025, license fee income of RMB1,271,000 (2024: RMB1,876,000) was recognised based on the direct measurements of the value of drug product transferred to the customer to date relative to the value of the budgeted manufacture order from the customer. Management revises its estimate on the budgeted sales from time to time based on changes in facts and circumstances.

5. REVENUE AND SEGMENT INFORMATION

Revenue

The Group derives its revenue from contracts with customers in relation to the transfer of goods and services over time and at a point in time, as follows:

	2025 RMB'000	2024 RMB'000
Time of revenue recognition		
A point in time		
Sales of pharmaceutical products and royalty income	**130,126**	159,457
License fee income	**412,483**	464,240
Provision of goods/consumables for research and development projects	**20,691**	10,302
Service income	**1,664**	4,208
	564,964	638,207
Overtime		
License fee income	**1,271**	1,876
	566,235	640,083

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results and financial position 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

Substantially all of the Group's non-current assets are substantially located in the People's Republic of China ("PRC"), substantially all of the Group's revenue from continuing operations from external customers is substantially based on the PRC, accordingly, no analysis of the operations of its external customers' geographical segment is presented.

(i) Disaggregation of revenue from contracts with customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2025	2024
	RMB'000	RMB'000
Customer A (Note i)	**130,198**	159,457
Customer B (Note ii)	**384,683**	389,552

Notes:

(i) The revenue represents sales of pharmaceutical products and royalty income amounted to RMB130,126,000(2024: RMB159,457,000) and service income amounted to RMB72,000 (2024: Nil) for the year ended December 31, 2025.

(ii) The revenue represents license fee income amounted to RMB371,751,000(2024: RMB383,965,000) and provision of goods/consumables for R&D projects amounted to RMB12,932,000(2024: RMB5,587,000) for the year ended December 31, 2025.

5. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies

(a) License fee income:

A point in time

The Group provides licence of its patented intellectual property ("IP") to customers. Licence fee income is recognised at a point in time when the Group has transferred the license to the customers and the customers have the practical ability to use the license.

Over time

The Group entered into collaboration agreements under which the Group was entitled an exclusive right to manufacture and supply product to customer for their further commercialisation to ultimate customers. Upfront fee received are recorded under contract liabilities. The Group transfers the contract liabilities to license fee income over time on a systematic basis that is consistent with the customer receives and consumes the benefits.

For contracts that contain variable consideration in relation to milestone payment and sales-based royalty from license agreement, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a licence of IP only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

5. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies (Continued)

(b) Sales of pharmaceutical products and Royalty income:

For the sale of pharmaceutical products, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following the delivery, the customer bears the risks of obsolescence and loss in relation to the goods. Under the Group's standard contract terms, the customer can request return or refund of the goods only if the goods delivered do not meet required quality standards. Full prepayments are normally required before any goods delivery.

For sales-based royalty promised in exchange of license of IP, the fees are agreed in the contract based on a specified formula and invoiced on quarterly basis with a normal credit term of 30 days.

(c) Provision of goods/consumables for R&D projects:

For the provision of goods/consumables for *R&D* project, revenue is recognised when control of the goods has transferred, being when the goods have been delivered and acknowledged by the customer.

(d) Service income:

The Group provides R&D services and other services ("Services"), revenue is recognised at a point in time for the Services delivered to the customers by the Group, since the terms of the relevant sales contracts do not create an enforceable right to payment for the Group. The normal credit term is 45-60 days (2024: 45-60 days) upon issuance of invoices.

6. OTHER INCOME

	2025	2024
	RMB'000	RMB'000
Interest income	**35,296**	49,255
Government grants income (Note)	**17,519**	12,768
	52,815	62,023

Note: Government grants income mainly includes subsidies from the PRC local government in support of oncology drug development. Out of which Nil (2024: RMB2,984,000) is released from deferred income upon compliance with the attached conditions and RMB17,519,000 (2024: RMB9,784,000) is received unconditionally from the government.

7. OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Exchange (losses) gains, net	**(5,331)**	13,446
Others	**(683)**	(211)
	(6,014)	13,235

8. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expenses on:		
Bank borrowings	**6,644**	8,310
Contract liabilities	**933**	736
Lease liabilities	**94**	878
	7,671	9,924
Less: Interest capitalised in construction in progress ("CIP")	**(222)**	–
	7,449	9,924

9. INCOME TAX EXPENSE

The Company is exempted from taxation under the laws of the Cayman Islands.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC entities is 25% (2024: 25%). In addition, Jiangsu Alphamab has been accredited as a "High and New Technology Enterprise"("HNTE") by the Science and Technology Bureau of Jiangsu Province and relevant authorities on December 19, 2025 for a term of three years from 2025 to 2027, and has been registered with the local tax authorities for enjoying the reduced 15% EIT rate. The qualification as a High and New Technology Enterprise will be subject to review by the relevant tax authorities in the PRC for every three years. In addition, pursuant to Caishui 2018 circular No. 76, for entity accredited as a HNTE, the unused tax losses incurred can be carried forward for a maximum of ten years.

9. INCOME TAX EXPENSE (Continued)

Under the Treasury Law Amendment (Enterprise Tax Plan Base Rate Entities) Bill 2017 of Australia, corporate entities who qualify as a small business entity are eligible for a lower corporate tax rate at 26%. Alphamab Australia is qualified as a small business entity and is subject to a corporate tax rate of 26% (2024: 26%).

Under the two-tiered profits tax rates regime in Hong Kong, the first Hong Kong Dollars ("HK$") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the US Tax Cuts and Jobs Act, the US corporate income tax is charged at a rate of 21%.

No provision for income taxation has been made as the Company and its subsidiaries either had no assessable profit or incurred tax losses in all relevant places of operation for both years.

The income tax for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025	2024
	RMB'000	RMB'000
(Loss) profit before taxation	**(113,939)**	166,342
Tax at the PRC EIT rate of 25% (2024: 25%)	**(28,485)**	41,586
Tax effect of income not taxable for tax purpose	**(2,529)**	(12,634)
Tax effect of expenses not deductible for tax purpose	**21,610**	8,021
Tax effect of deductible temporary differences not recognised	**312**	3,855
Utilisation of deductible temporary differences previously not recognised	**(3,233)**	–
Tax effect of tax losses not recognised	**82,356**	28,823
Income tax at concessionary rate	**54,781**	16,671
Effect of super deduction for R&D expenses	**(124,812)**	(86,322)
Income tax for the year	**–**	–

9. INCOME TAX EXPENSE (Continued)

The Group had unused tax losses of RMB4,037,621,000 (2024: RMB3,489,077,000) available for offset against future profits as at December 31, 2025. Included in unused tax losses as at December 31, 2025 and 2024 is a consideration paid of RMB132,180,000 for the transfer of the Oncology Business which can be offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. As December 31, 2025 and 2024, the unrecognised tax losses will be carried forward and expire in years as follows:

	2025	2024
	RMB'000	RMB'000
2027	**4,647**	4,647
2028	**240,375**	240,375
2029	**259,446**	259,446
2030	**523,661**	523,661
2031	**786,564**	786,564
2032	**855,862**	855,862
2033	**645,011**	645,011
2034	**173,511**	173,511
2035	**548,544**	–
	4,037,621	3,489,077

10. (LOSS) PROFIT FOR THE YEAR

	2025 RMB'000	2024 RMB'000
(Loss) profit for the year has been arrived at after charging (crediting):		
Directors' remuneration (Note 12)	**27,607**	13,380
Other staff costs:		
Salaries and other allowances	**136,318**	119,788
Performance related bonus	**14,594**	13,263
Retirement benefits scheme contributions	**34,148**	29,203
Share-based payment expenses	**1,924**	233
Total staff costs	**214,591**	175,867
Capitalised in inventories	**(4,331)**	(6,977)
	210,260	168,890
Auditor's remuneration	**1,622**	1,767
Depreciation of property, plant and equipment	**61,754**	64,349
Depreciation of right-of-use assets	**2,929**	12,682
Cost of inventories recognised as an expense	**130,924**	73,273

11. DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company during the year ended December 31, 2025 (2024: Nil), nor has any dividend been proposed since the end of the reporting period.

12. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to the directors and chief executive of the Company are as follows:

(a) Executive and non-executive directors

Year ended December 31, 2025

	Directors' fees RMB'000	Salaries and other allowances RMB'000	Discretionary bonuses RMB'000	Retirement benefits scheme contributions RMB'000	Total RMB'000
Executive directors:					
Dr. Xu (note i)	–	6,627	342	16	6,985
Ms. Liu Yang	–	2,601	240	129	2,970
Non-executive director:					
Mr. CHO Man (note ii)	300	–	–	96	396

12. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The emoluments paid or payable to the directors and chief executive of the Company are as follows: (Continued)

(a) Executive and non-executive directors (Continued)

Year ended December 31, 2024

	Directors' fees RMB'000	Salaries and other allowances RMB'000	Discretionary bonuses RMB'000	Retirement benefits scheme contributions RMB'000	Total RMB'000
Executive directors:					
Dr. Xu (note i)	–	6,605	259	122	6,986
Ms. Liu Yang	–	2,588	262	122	2,972
Non-executive director:					
Mr. CHO Man (note ii)	59	–	–	–	59

In addition to the emoluments shown above, Dr. Xu and Ms. Liu Yang were granted share options in respect of their service to the Group.

During the year ended December 31, 2025, RMB16,094,000 (2024: RMB2,210,000) was recognised as share-based payment expense in the consolidated statement of profit or loss and other comprehensive income for their granted share options. Details of the share-based payment are set out in Note 30.

Notes:

(i) Dr. Xu is the chairman, chief executive and an executive director of the Company.

(ii) None of the directors nor the chief executive of the Company waived or agreed to waive any emoluments during both years.

(iii) During both years, no emoluments were paid by the Group to any of the directors nor the chief executive of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(iv) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Group. The discretionary bonuses were determined with reference to their duties, responsibilities and performance.

12. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The emoluments paid or payable to the directors and chief executive of the Company are as follows: (Continued)

(b) Independent non-executive directors

Year ended December 31, 2025

	Directors' fees RMB'000	Salaries and other allowances RMB'000	Discretionary bonuses RMB'000	Retirement benefits scheme contributions RMB'000	Share-based payment expenses RMB'000	Total RMB'000
Independent non-executive directors:						
Dr. Guo Zijian	–	–	–	–	–	–
Mr. Wei Kevin Cheng	175	–	–	–	(21)	154
Mr. Wu Dong	348	–	–	–	388	736
Ms. WONG Yan Ki Angel	136	–	–	–	–	136
Dr. Gao Xiang	136	–	–	–	–	136

Year ended December 31, 2024

	Directors' fees RMB'000	Salaries and other allowances RMB'000	Discretionary bonuses RMB'000	Retirement benefits scheme contributions RMB'000	Share-based payment expenses RMB'000	Total RMB'000
Independent non-executive directors:						
Dr. Guo Zijian	378	–	–	–	–	378
Mr. Wei Kevin Cheng	345	–	–	–	42	387
Mr. Wu Dong	346	–	–	–	42	388

13. EMPLOYEES' EMOLUMENTS

For the year ended December 31, 2025, the five highest paid individuals of the Group included two (2024: two) executive directors, and their emoluments are set out in Note 12(a) above.

Details of the emoluments of the remaining three (2024: three) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other allowances	5,340	6,695
Discretionary bonuses	1,415	1,235
Retirement benefits scheme contributions	431	392
Share-based payment expenses	958	1,314
	8,144	9,636

Their emoluments were within the following bands:

	2025 No. of employees	2024 No. of employees
HK$2,000,001 to HK$2,500,000	2	–
HK$2,500,001 to HK$3,000,000	–	2
HK$4,000,001 to HK$4,500,000	1	–
HK$5,000,001 to HK$5,500,000	–	1

No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

14. (LOSS) EARNINGS PER SHARE

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

	2025 RMB'000	2024 RMB'000
(Loss) Earnings:		
(Loss) earnings for the year attributable to owners of the Company for the purposes of calculating basic and diluted (loss) earnings per share	**(113,939)**	166,342
Number of shares ('000):		
Weighted average number of shares for the purposes of basic (loss) earnings per share	**961,405**	962,263
Effect of dilutive potential ordinary shares:		
Restricted shares under share award scheme	**–**	1,059
Equity-settled share option scheme	**–**	20,864
Weighted average number of shares for the purposes of diluted (loss) earnings per share	**961,405**	984,186

The weighted average number of shares for the year shown above has been arrived after deducting treasury shares as set out in Note 28.

The calculation of basic and diluted loss per share for the years ended December 31, 2025, has not considered, where appropriate, the share options awarded under the pre-IPO share option scheme as disclosed in Note 30(a), the share options awarded under the post-IPO share option scheme as disclosed in Note 30(b), and the restricted shares that have not yet been vested (Note 30(c)) as their inclusion would be anti-dilutive.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Leasehold improvements RMB'000	Furniture and other equipment RMB'000	Construction in progress ("CIP") RMB'000	Total RMB'000
COST						
As at January 1, 2024	303,505	296,101	6,255	88,715	894	695,470
Additions	–	–	–	101	14,655	14,756
Transfer	–	4,104	–	4,034	(8,138)	–
Disposal	–	(485)	–	(260)	–	(745)
Reclassification	(5,308)	–	–	5,308	–	–
As at December 31, 2024	298,197	299,720	6,255	97,898	7,411	709,481
Additions	–	–	–	–	35,033	35,033
Transfer	–	26,070	6,273	8,962	(41,305)	–
Disposal	–	(1,178)	–	(993)	–	(2,171)
As at December 31, 2025	298,197	324,612	12,528	105,867	1,139	742,343
DEPRECIATION						
As at January 1, 2024	48,090	50,930	2,312	44,086	–	145,418
Provided for the year	14,884	28,090	3,943	17,432	–	64,349
Disposal	–	(97)	–	(183)	–	(280)
Reclassification	(336)	–	–	336	–	–
As at December 31, 2024	62,638	78,923	6,255	61,671	–	209,487
Provided for the year	14,781	29,689	1,220	16,064	–	61,754
Disposal	–	(337)	–	(787)	–	(1,124)
As at December 31, 2025	77,419	108,275	7,475	76,948	–	270,117
CARRYING VALUES						
As at December 31, 2025	220,778	216,337	5,053	28,919	1,139	472,226
As at December 31, 2024	235,559	220,797	–	36,227	7,411	499,994

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment other than CIP are depreciated over their estimated useful lives, using straight-line method after taking into account the residual values, at the following rates per annum or over the following period:

Buildings	4.75%
Plant and machinery	9.50%
Leasehold improvements	Over the shorter of the term of the relevant lease or 20%
Furniture and other equipment	19% to 31.67%

Details of the pledged property, plant and equipment are set out in Note 36.

16. RIGHT-OF-USE ASSETS

	Land use rights RMB'000	Property, plant and equipment RMB'000	Total RMB'000
As at January 1, 2024			
Carrying amounts	20,691	6,210	26,901
As at December 31, 2024			
Carrying amounts	20,196	3,821	24,017
As at December 31, 2025			
Carrying amounts	19,701	4,393	24,094
For the year ended December 31, 2024			
Depreciation charge	495	12,187	12,682
For the year ended December 31, 2025			
Depreciation charge	495	2,434	2,929

16. RIGHT-OF-USE ASSETS (Continued)

	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	168	369
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	194	133
Total cash outflow for leases (Note)	2,900	14,310
Additions to right-of-use assets	3,006	9,798

Note: The total cash outflows for leases amounted to RMB2,900,000(2024: RMB14,310,000) (including short-term leases) for the year ended December 31, 2025, out of which Nil (2024: RMB10,906,000) was paid to Suzhou Alphamab.

The Group leased various property, plant and equipment to operate its R&D activities. The lease term is 3 years for both years. The lease agreements did not contain any contingent rent nor any extension or purchase option for the Group as a lessee. The lease agreements also do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Included in property, plant and equipment of the right-of-use assets are offices of RMB4,393,000(2024: RMB3,821,000). In addition, lease liabilities of RMB3,006,000(2024: RMB9,565,000) are recognised with related right-of-use assets of RMB3,006,000(2024: RMB9,798,000) during the year ended December 31, 2025.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately as the payments made can be allocated reliably.

As at December 31, 2024 and 2025, all right-of-use assets are located in the PRC.

Details of pledged land use rights in support of the Group's general banking facilities are set out in Note 36.

17. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials and other consumables	**88,842**	41,662
Work in progress	**14,861**	34,204
Finished goods	**4,181**	5,943
	107,884	81,809

18. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables with contracts with customers	**66,450**	16,519
Presented as non-current assets (Note)	**4,504**	–
Presented as current assets	**61,946**	16,519
	66,450	16,519

Note: The balance mainly represents a portion of trade receivables with contracts with a customer that is not expected to be recoverable within the next 12 months from the reporting date and is therefore presented as non-current assets.

As at January 1, 2023, trade receivables from contracts with customers amounted to RMB7,131,000.

The following is an ageing analysis of trade receivables, mainly representing the license fee as at December 31, 2025 (2024: royalty fee), presented based on the date when the Group obtains the unconditional rights for payment at the end of the reporting period.

	2025 RMB'000	2024 RMB'000
0 – 60 days	**66,450**	16,519

As at December 31, 2025, none of the Group's trade receivables are past due as at the reporting date.

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 RMB'000	2024 RMB'000
Deposits	880	827
Interest receivables	5,742	5,079
Prepayments	44,784	26,347
Other receivables	534	788
Value-added tax recoverable	23,314	6,549
Total	75,254	39,590
Presented as non-current assets (Note)	1,903	1,821
Presented as current assets	73,351	37,769
	75,254	39,590

Note: The balance mainly represents a portion of value-added tax recoverable that is not expected to be recoverable within the next 12 months from the reporting date and is therefore presented as non-current assets.

20. AMOUNT DUE FROM RELATED PARTIES

	2025 RMB'000	2024 RMB'000
Suzhou Alphamab	184	3,785
Jilin Alphamab	99	–
	283	3,785

The balance is unsecured and interest-free. The Group normally offers 45 days credit term for the trades with Suzhou Alphamab and Jilin Alphamab.

21. TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/ CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash at banks and on hand	**258,819**	502,122
Time deposits with original maturity less than three months (Note)	**–**	610,000
Cash and cash equivalents	**258,819**	1,112,122
Time deposits with original maturity over three months (Note)	**1,091,500**	459,345
	1,350,319	1,571,467

Note: The time deposits were placed with licensed commercial banks in the PRC. The time deposits confer the Group rights of early redemption at amortised cost before the maturity date. The time deposits carry interest at fixed rates ranging from 1.20% to 4.30% per annum as at December 31, 2025 (2024: 1.60% to 4.45% per annum) and the full amount of which will be matured within the next 12 months from the reporting date.

Bank balances carry interest at prevailing market interest rates ranging from 0.00% to 1.35% per annum as at December 31, 2025 (2024: 0.00% to 2.00% per annum).

The Group's cash and cash equivalents and time deposits with original maturity over three months that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2025 RMB'000	2024 RMB'000
United States Dollars ("US$")	**182,338**	444,589
HK$	**181**	140

22. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	**70,545**	39,222
Accrued expenses		
– Outsourcing service fees	**110,035**	85,566
– Staff costs	**27,813**	25,897
– Interest payable	**85**	148
– Others	**8,865**	7,320
	146,798	118,931
Payables for acquisition of property, plant and equipment	**10,344**	10,918
Other payables	**7,801**	11,717
Total	**235,488**	180,788

The average credit period of trade payables ranged from 30 to 60 days.

The following is an ageing analysis of trade payables presented based on the invoice dates at the end of reporting period:

	2025 RMB'000	2024 RMB'000
0 – 90 days	**70,545**	39,222

23. AMOUNT DUE TO A RELATED PARTY

The following is an aging analysis of the trade payable to Suzhou Alphamab:

	2025 RMB'000	2024 RMB'000
0 – 90 days	19	3,068

The balance is unsecured, interest-free and has no fixed repayment terms.

24. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payables		
Within one year	2,179	2,444
More than one year, but not exceeding two years	1,376	896
More than two years but not exceeding five years	722	375
	4,277	3,715
Less:		
Amounts show under current liabilities	2,179	2,444
Amounts show under non-current liabilities	2,098	1,271

The lease liabilities were measured at the present value of the lease payments that are not yet paid at a weighted average discount rate of 3.66% (2024: 3.68%) per annum.

25. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Amounts received in advance for provision of goods/consumables for research and development/co-development and commercialisation of a drug candidate	**26,384**	40,054
Analyzed for reporting purposes as:		
Current (Note ii)	**8,378**	15,480
Non-current (Note iii)	**18,006**	24,574
	26,384	40,054

Notes:

(i) As at January 1, 2024, contract liabilities amounted to RMB25,460,000.

(ii) The directors of the Company expected the performance obligation of the related contracts will be fully satisfied within twelve months from the end of the reporting period. Therefore, the amounts were classified as current liabilities.

(iii) The directors of the Company expected the performance obligation of the related contracts will not be fully satisfied within twelve months from the end of the reporting period. Therefore, the amounts were classified as non-current liabilities. The discount rates applied for the contract liabilities during the year ranged from 2.67% to 4.35% (2024: 2.67% to 4.35%).

26. BANK BORROWINGS

	2025 RMB'000	2024 RMB'000
Secured bank borrowings – variable-rate	**118,701**	182,246

Carrying amounts of bank borrowings are repayable based on repayment schedules as follows:

	2025 RMB'000	2024 RMB'000
Within one year	**33,481**	52,264
More than one year, but not exceeding two years	**58,481**	52,264
More than two years, but not exceeding five years	**26,739**	77,718
	118,701	182,246
Less:		
Amounts shown under current liabilities	**33,481**	52,264
Amounts shown under non-current liabilities	**85,220**	129,982

The effective interest rates per annum on the Group's bank borrowings are as follows:

	2025	2024
Effective interest rate:		
Variable-rate bank borrowings	**2.32-2.54%**	2.54-2.67%

Details of pledge of assets in support of the secured bank borrowings are disclosed in Note 36.

27. SHARE CAPITAL

	Notes	Number of shares	Par value per share	Amount US$'000
Authorised:				
As at January 1, 2022, December 31, 2022 and December 31, 2023		25,100,000,000	US$0.000002	50
Issued and fully paid:				
As at January 1, 2024		964,843,807	US$0.000002	2
Exercise of share options	(a)	80,000	US$0.000002	–*
Shares repurchased (Note 28)		(2,952,000)	US$0.000002	–*
As at December 31, 2024		961,971,807	US$0.000002	2
Exercise of share options	(b)	9,369,890	US$0.000002	–*
Shares repurchased (Note 28)		(2,767,000)	US$0.000002	–*
As at December 31, 2025		968,574,697	US$0.000002	2

	RMB'000
Shown in the consolidated statement of financial position:	
As at December 31, 2024	13
As at December 31, 2025	13

* less than US$1,000

Notes:

(a) During the year ended December 31, 2024, share option holders exercised their rights to subscribe for 80,000 ordinary shares in the Company at US$0.25 per share.

(b) During the year ended December 31, 2025, share option holders exercised their rights to subscribe for 9,005,890 ordinary shares, 110,000 ordinary shares, 40,000 ordinary shares, 40,000 ordinary shares, 160,000 ordinary shares and 14,000 ordinary shares in the Company at US$0.01, US$0.25, HK$6.21, HK$10.48, HK$4.35 and HK$3.86 per share, respectively.

28. TREASURY SHARES

During the year ended December 31, 2024 and 2025, the Company repurchased its own ordinary shares through The Stock Exchange of Hong Kong Limited as follows:

Month of repurchase	No. of ordinary shares	Price per share Highest HK$	Price per share Lowest HK$	Aggregate consideration paid RMB'000
August 2024	662,000	2.60	2.48	1,543
September 2024	360,000	2.55	2.48	829
October 2024	1,330,000	3.95	3.74	4,714
November 2024	600,000	3.80	3.78	2,102
October 2025	1,121,000	13.83	11.53	13,421
November 2025	910,000	9.86	9.24	7,909
December 2025	736,000	10.48	9.50	6,599
	5,719,000			37,117

29. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Income related government grants	1,300	–

Movements of government grants:

	Total RMB'000
At January 1, 2024	2,984
Amortised to profit or loss	(2,984)
At January 1, 2025	–
Government grants received	1,300
Amortised to profit or loss	–
At December 31, 2025	1,300

30. SHARE-BASED PAYMENT TRANSACTIONS

(a) Equity-settled pre-IPO share option scheme of the Company:

(i) Pursuant to a written resolution of the shareholders of the Company dated October 16, 2018, a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme I") of the Company was approved and adopted. The Pre-IPO Share Option Scheme I was established to recognise and motivate the contribution of the eligible persons and to provide incentives and help the Group in retaining its existing employees, including any full time or part time employee (including any executive and non-executive director or proposed executive director and non-executive director) of the Group (the "Employees"), and to recruit additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Group. Under the Pre-IPO Share Option Scheme I, the board of directors of the Company may grant options to the eligible persons to subscribe for shares in the Company.

The granted options under the Pre-IPO Share Option Scheme I have a contractual option term of ten years. Options granted must be taken up within 10 years from the date of grant, upon payment US$0.071 per option at the time of exercise (equivalent to HK$0.554 per option). No consideration is payable on the grant of an option. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options may not be exercised until they vest. Once vested, the vested portion of the options may be exercised in whole or in part, at any time.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(i) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme I during the years ended December 31, 2025 and 2024:

		Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share Before/after Share Subdivision (Note) US$/US$
Time-based						
Option 1	Executive director:					
	Ms. Liu Yang	10.10.2018	25%	10.10.2018 – 10.10.2019	10.10.2019 – 10.10.2028	0.071/0.0142
			25%	10.10.2018 – 10.10.2020	10.10.2020 – 10.10.2028	0.071/0.0142
			25%	10.10.2018 – 10.10.2021	10.10.2021 – 10.10.2028	0.071/0.0142
			25%	10.10.2018 – 10.10.2022	10.10.2022 – 10.10.2028	0.071/0.0142
Option 2	Executive director:					
	Dr. Xu	06.30.2019	25%	06.30.2019 – 10.10.2019	10.10.2019 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2020	10.10.2020 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2021	10.10.2021 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2022	10.10.2022 – 06.30.2029	0.071/0.0142
Option 3	Employees:					
	Management	06.30.2019	25%	06.30.2019 – 10.10.2019	10.10.2019 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2020	10.10.2020 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2021	10.10.2021 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2022	10.10.2022 – 06.30.2029	0.071/0.0142
Option 4	Employees:					
	Management	06.30.2019	25%	06.30.2019 – 10.10.2020	10.10.2020 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2021	10.10.2021 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2022	10.10.2022 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.10.2023	10.10.2023 – 06.30.2029	0.071/0.0142

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(i) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme I during the years ended December 31, 2025 and 2024: (Continued)

		Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share Before/after Share Subdivision (Note) US$/US$
Milestone-based (Note)						
Option 5	Employees:					
	Others	10.10.2018	25%	10.10.2018 – 12.12.2019	12.12.2019 – 10.10.2028	0.071/0.0142
			25%	10.10.2018 – 09.30.2021	09.30.2021 – 10.10.2028	0.071/0.0142
			25%	10.10.2018 – 12.31.2026	12.31.2026 – 10.10.2028	0.071/0.0142
			15%	10.10.2018 – 10.30.2026	10.30.2026 – 10.10.2028	0.071/0.0142
			10%	10.10.2018 – 12.31.2026	12.31.2026 – 10.10.2028	0.071/0.0142
Option 6	Executive director:					
	Ms. Liu Yang	10.10.2018	100%	10.10.2018 – 12.12.2019	12.12.2019 – 10.10.2028	0.071/0.0142
Option 7	Employees:					
	Management	10.10.2018	25%	10.10.2018 – 12.12.2019	12.12.2019 – 10.10.2028	0.071/0.0142
			25%	10.10.2018 – 09.30.2021	09.30.2021 – 10.10.2028	0.071/0.0142
			25%	10.10.2018 – 12.31.2026	12.31.2026 – 10.10.2028	0.071/0.0142
			15%	10.10.2018 – 10.30.2026	10.30.2026 – 10.10.2028	0.071/0.0142
			10%	10.10.2018 – 12.31.2026	06.30.2026 – 10.10.2028	0.071/0.0142
Option 8	Executive director:					
	Dr. Xu	06.30.2019	25%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 09.30.2021	09.30.2021 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142
			15%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	0.071/0.0142
			10%	06.30.2019 – 12.31.2026	06.30.2026 – 06.30.2029	0.071/0.0142

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(i) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme I during the years ended December 31, 2025 and 2024: (Continued)

		Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share Before/after Share Subdivision (Note) US$/US$
Option 9	Employees:					
	Management	06.30.2019	50%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	0.071/0.0142
			50%	06.30.2019 – 10.31.2021	10.31.2021 – 06.30.2029	0.071/0.0142
Option 10	Employees:					
	Management	06.30.2019	40%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	0.071/0.0142
			15%	06.30.2019 – 09.30.2021	09.30.2021 – 06.30.2029	0.071/0.0142
			15%	06.30.2019 – 12.12.2021	12.12.2021 – 06.30.2029	0.071/0.0142
			15%	06.30.2019 – 12.12.2023	12.12.2023 – 06.30.2029	0.071/0.0142
			15%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	0.071/0.0142
Option 11	Employees:					
	Management	06.30.2019	5%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	0.071/0.0142
			40%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142
			35%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	0.071/0.0142
			20%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142
Option 12	Employees:					
	Management	06.30.2019	15%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	0.071/0.0142
			15%	06.30.2019 – 09.30.2021	09.30.2021 – 06.30.2029	0.071/0.0142
			35%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	0.071/0.0142
			10%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(i) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme I during the years ended December 31, 2025 and 2024: (Continued)

		Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share Before/after Share Subdivision (Note) US$/US$
Option 13	Employees:					
	Others	06.30.2019	15%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	0.071/0.0142
			15%	06.30.2019 – 09.30.2021	09.30.2021 – 06.30.2029	0.071/0.0142
			35%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	0.071/0.0142
			10%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142
Option 14	Employees:					
	Others	06.30.2019	25%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 09.30.2021	09.30.2021 – 06.30.2029	0.071/0.0142
			25%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142
			15%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	0.071/0.0142
			10%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	0.071/0.0142
Option 15	Executive director:					
	Dr. Xu	11.08.2019	100%	11.08.2019 -12.12.2019	12.12.2019 – 11.08.2029	0.071/0.0142

Note: On November 24, 2019, pursuant to a resolution of the shareholders of the Company, it was approved that a share subdivision pursuant to which each issued and unissued share capital was split into five shares of the corresponding class with par value of US$0.000002 each (the "Share Subdivision"). This applies to Pre-IPO Share Option Scheme I & Pre-IPO Share Option Scheme II in Note 30(a).

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(i) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme I during the years ended December 31, 2025 and 2024: (Continued)

	Number of share options								
	Outstanding at 01.01.2024	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2024 and 01.01.2025	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2025
Time-based									
Option 1	1,120,000	–	–	–	1,120,000	–	–	–	1,120,000
Option 2	5,254,415	–	–	–	5,254,415	–	–	(5,254,415)	–
Option 3	2,901,180	–	–	–	2,901,180	(1,500,000)	–	–	1,401,180
Option 4	73,970	–	–	–	73,970	–	–	–	73,970
Time-based sub-total	9,349,565	–	–	–	9,349,565	(1,500,000)	–	(5,254,415)	2,595,150

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(i) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme I during the years ended December 31, 2025 and 2024: (Continued)

	Number of share options								
	Outstanding at 01.01.2024	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2024 and 01.01.2025	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2025
Milestone-based (note)									
Option 5	262,250	(14,750)	–	–	247,500	(42,500)	–	–	205,000
Option 6	1,120,000	–	–	–	1,120,000	–	–	–	1,120,000
Option 7	312,500	–	–	–	312,500	(142,500)	–	–	170,000
Option 8	5,254,415	–	–	–	5,254,415	–	–	(1,751,475)	3,502,940
Option 9	1,401,175	–	–	–	1,401,175	–	–	–	1,401,175
Option 10	1,500,000	–	–	–	1,500,000	(1,500,000)	–	–	–
Option 11	140,545	(140,545)	–	–	–	–	–	–	–
Option 12	54,960	(54,960)	–	–	–	–	–	–	–
Option 13	98,000	–	–	–	98,000	–	–	–	98,000
Option 14	127,500	(5,000)	–	–	122,500	–	–	–	122,500
Option 15	2,000,000	–	–	–	2,000,000	–	–	(2,000,000)	–
Milestone – based sub – total	12,271,345	(215,255)	–	–	12,056,090	(1,685,000)	–	(3,751,475)	6,619,615

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(i) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme I during the years ended December 31, 2025 and 2024: (Continued)

	Number of share options								
	Outstanding at 01.01.2024	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2024 and 01.01.2025	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2025
Total	21,620,910	(215,255)	–	–	21,405,655	(3,185,000)	–	(9,005,890)	9,214,765
Exercisable at the end of the year	16,447,210				16,447,210				5,116,325
Weighted average exercise price per share (US$)	0.0142	0.0142	N/A	N/A	0.0142	0.0142	N/A	0.0142	0.0142

Note: The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 3.30 years (2024: 4.45 years).

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was US$1.06, equivalent to HK$8.30 (No share options were exercised during 2024).

Milestone-based pre-IPO share options are granted conditionally upon the achievement of a specified performance target including but not limited to, completion of the Listing, marketing authorisation of various drug candidates or achievement of sales targets by a specific time and the expected vesting periods are estimated by the directors of the Company based on the most likely outcome of the performance conditions.

On March 29, 2019, the board of directors of the Company passed a resolution to change certain performance targets and the estimated dates of the most likely outcome of performance conditions in relation to certain milestone-based share options granted under the Pre-IPO Share Option Scheme I which were not beneficial to the employees. Thus, the amount to be recognised for services received from the employee continues to be measured based on the original vesting conditions.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(i) (Continued)

Fair values of the Pre-IPO Share Option Scheme I

These fair values were calculated using the binomial model. The inputs into the model were as follows:

	Date of grant		
	10.10.2018	**06.30.2019**	**11.08.2019**
Ordinary share price as at date of grant	US$2.195	US$2.437	US$5.379
Exercise price	US$0.071	US$0.071	US$0.071
Expected volatility	38.8%	32.2%	32.1%
Expected life	10 years	10 years	10 years
Risk-free rate	3.17%	2.05%	1.95%
Expected dividend yield	0%	0%	0%
Total grant date fair value	US$9,719,000	US$14,572,000	US$4,109,000

The expected volatility measured at the standard deviation was based on the historical data of the daily share price movement of comparable companies. The fair value of an option varies with different variables of certain subjective assumptions.

The Group recognised total expense of approximately RMB51,000 for the year ended December 31, 2025 (2024: RMB1,883,000) in relation to the share options granted by the Company under the Pre-IPO Share Option Scheme I.

(ii) Pursuant to a written resolution of the shareholders of the Company dated March 29, 2019, another pre-IPO share option scheme (the "Pre-IPO Share Option Scheme II") of the Company was approved and adopted on April 9, 2019. The Pre-IPO Share Option Scheme II was established to recognise and motivate the contribution of the eligible persons and to provide incentives and help the Group in retaining its Employees, and to recruit additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Group. Under the Pre-IPO Share Option Scheme II, the board of directors of the Company may grant options to the eligible persons to subscribe for shares in the Company.

The granted options had a contractual option term of ten years. Options granted must be taken up within ten years from the date of grant, upon payment of either US$1.225 or US$2.449 per option (equivalent to HK$9.555 or HK$19.102 per option). No consideration was payable on the grant of an option. The Group had no legal or constructive obligations to repurchase or settle the options in cash. The options might not be exercised until they vest. Once vested, the vested portion of the options might be exercised in whole or in part, at any time.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(ii) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme II during the year:

		Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share Before/after Share Subdivision (Note) US$/US$
Time-based						
Option 16	Executive director:					
	Dr. Xu	06.30.2019	25%	06.30.2019 – 06.30.2020	06.30.2020 – 06.30.2029	2.449/0.4898
			25%	06.30.2019 – 06.30.2021	06.30.2021 – 06.30.2029	2.449/0.4898
			25%	06.30.2019 – 06.30.2022	06.30.2022 – 06.30.2029	2.449/0.4898
			25%	06.30.2019 – 06.30.2023	06.30.2023 – 06.30.2029	2.449/0.4898
Option 17	Employees:					
	Management	06.30.2019	25%	06.30.2019 – 06.30.2020	06.30.2020 – 06.30.2029	2.449/0.4898
			25%	06.30.2019 – 06.30.2021	06.30.2021 – 06.30.2029	2.449/0.4898
			25%	06.30.2019 – 06.30.2022	06.30.2022 – 06.30.2029	2.449/0.4898
			25%	06.30.2019 – 06.30.2023	06.30.2023 – 06.30.2029	2.449/0.4898
Option 18	Employees:					
	Management	11.13.2019	25%	11.13.2019 – 11.08.2020	11.08.2020 – 11.08.2029	1.225/0.2245
			25%	11.13.2019 – 11.08.2021	11.08.2021 – 11.08.2029	1.225/0.2245
			25%	11.13.2019 – 11.08.2022	11.08.2022 – 11.08.2029	1.225/0.2245
			25%	11.13.2019 – 11.08.2023	11.08.2023 – 11.08.2029	1.225/0.2245
Option 19	Employees:					
	Others	11.08.2019	25%	11.08.2019 – 11.08.2020	11.08.2020 – 11.08.2029	2.449/0.4898
			25%	11.08.2019 – 11.08.2021	11.08.2021 – 11.08.2029	2.449/0.4898
			25%	11.08.2019 – 11.08.2022	11.08.2022 – 11.08.2029	2.449/0.4898
			25%	11.08.2019 – 11.08.2023	11.08.2023 – 11.08.2029	2.449/0.4898

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(ii) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme II during the year: (Continued)

		Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share Before/after Share Subdivision (Note) US$/US$
Milestone-based (Note)						
Option 20	Executive director					
	Dr. Xu.	06.30.2019	25%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	2.449/0.4898
			25%	06.30.2019 – 09.30.2021	09.30.2021 – 06.30.2029	2.449/0.4898
			25%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	2.449/0.4898
			15%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	2.449/0.4898
			10%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	2.449/0.4898
Option 21	Employees:					
	Management	06.30.2019	50%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	2.449/0.4898
			50%	06.30.2019 – 09.30.2021	09.30.2021 – 06.30.2029	2.449/0.4898
Option 22	Employees:					
	Management	06.30.2019	5%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	1.225/0.2450
			40%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	1.225/0.2450
			35%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	1.225/0.2450
			20%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	1.225/0.2450
Option 23	Employees:					
	Others	06.30.2019	10%	06.30.2019 – 12.12.2019	12.12.2019 – 06.30.2029	1.225/0.2450
			15%	06.30.2019 – 09.30.2021	09.30.2021 – 06.30.2029	1.225/0.2450
			35%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	1.225/0.2450
			30%	06.30.2019 – 10.30.2026	10.30.2026 – 06.30.2029	1.225/0.2450
			10%	06.30.2019 – 12.31.2026	12.31.2026 – 06.30.2029	1.225/0.2450

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(ii) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme II during the year: (Continued)

	Number of share options								
	Outstanding at 01.01.2024	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 01.01.2025	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2025
Time-based									
Option 16	2,117,335	–	–	–	2,117,335	–	–	–	2,117,335
Option 17	110,950	–	–	–	110,950	–	–	–	110,950
Option 18	190,000	–	–	(80,000)	110,000	–	–	(110,000)	–
Option 19	28,750	–	–	–	28,750	–	–	–	28,750
Time-based sub-total	2,447,035	–	–	(80,000)	2,367,035	–	–	(110,000)	2,257,035
Option 20	2,117,335	–	–	–	2,117,335	–	–	–	2,117,335
Option 21	423,465	–	–	–	423,465	–	–	–	423,465
Option 22	210,810	(210,810)	–	–	–	–	–	–	–
Option 23	48,750	–	–	–	48,750	(11,250)	–	–	37,500

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(ii) (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the Pre-IPO Share Option Scheme II during the year: (Continued)

	Number of share options								
	Outstanding at 01.01.2024	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 01.01.2025	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2025
Milestone – based sub – total	2,800,360	(210,810)	–	–	2,589,550	(11,250)	–	–	2,578,300
Total	5,247,395	(210,810)	–	(80,000)	4,956,585	(11,250)	–	(110,000)	4,835,335
Exercisable at the end of the year	3,929,170				3,859,170				3,739,170
Weighted average exercise price per share (US$)	0.4623	0.2450	N/A	0.2450	0.4751	0.2450	N/A	0.2450	0.4808

Note: The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 3.50 years (2024: 4.51 years).

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was US$1.26, equivalent to HK$9.83 (2024: US$0.61, equivalent to HK$4.76).

Milestone-based pre-IPO share options are granted conditionally upon the achievement of a specified performance target including but not limited to, completion of the Listing, marketing authorisation of various drug candidates, achievement of sales targets, or increase in the Company's market capitalisation after the Listing by a specific time and the expected vesting periods are estimated by the directors of the Company based on the most likely outcome of the performance conditions.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Equity-settled pre-IPO share option scheme of the Company: (Continued)

(ii) (Continued)

Fair value of the Pre-IPO Share Option Scheme II

These fair values were calculated using the binomial model. The inputs into the model were as follows:

	Date of grant	
	06.30.2019	11.08.2019 & 11.13.2019
Ordinary share price as at date of grant	US$2.437	US$5.379
Exercise price	US$1.225 or US$2.449	US$1.225 or US$2.449
Expected volatility	32.2%	32.1%
Expected life	10 years	10 years
Risk-free rate	2.05%	1.95%
Expected dividend yield	0%	0%
Total grant date fair value	US$2,212,000	US$1,816,000

The expected volatility measured at the standard deviation was based on the historical data of the daily share price movement of comparable companies. The fair value of an option varied with different variables of certain subjective assumptions.

The Group recognised total expense of approximately RMB29,000 for the year ended December 31, 2025 (2024: RMB3,000) in relation to the share options granted by the Company under the Pre-IPO Share Option Scheme II.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity-settled post-IPO share option scheme of the Company:

Pursuant to a shareholders' resolution of the Company dated May 25, 2020, a post-IPO share option scheme (the "Post-IPO Share Option Scheme I") of the Company was approved and adopted. The Post-IPO Share Option Scheme I was established to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Group, and to incentivise them to remain with the Group, as well as for such other purposes as the board of directors of the Company may approve from time to time. Under the Post-IPO Share Option Scheme I, the board of directors of the Company may grant options to the eligible persons to subscribe for shares in the Company.

The granted options have a contractual option term of ten years. Options granted must be taken up within ten years from the date of grant, upon payment of HK$13.00, HK$18.06, HK$6.94, HK$6.214, HK$10.48, HK$4.35, HK$3.86 and HK$7.32 per option. No consideration is payable on the grant of an option. The Group has no legal or constructive obligations to repurchase or settle the options in cash. The options may not be exercised until they vest. Once vested, the vested portion of the options may be exercised in whole or in part, at any time.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity-settled post-IPO share option scheme of the Company: (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the post-IPO Share Option Scheme I during the year:

		Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share after Share Subdivision HK$
Time-based						
Option 24	Employees:					
	Management	04.23.2021	20%	04.23.2021 – 04.23.2022	04.23.2022 – 04.23.2031	13.00
			20%	04.23.2021 – 04.23.2023	04.23.2023 – 04.23.2031	13.00
			20%	04.23.2021 – 04.23.2024	04.23.2024 – 04.23.2031	13.00
			40%	04.23.2021 – 04.23.2025	04.23.2025 – 04.23.2031	13.00
Option 25	Employees:					
	Others	10.25.2021	20%	10.25.2021 – 10.25.2022	10.25.2022 – 10.25.2031	18.06
			20%	10.25.2021 – 10.25.2023	10.25.2023 – 10.25.2031	18.06
			20%	10.25.2021 – 10.25.2024	10.25.2024 – 10.25.2031	18.06
			40%	10.25.2021 – 10.25.2025	10.25.2025 – 10.25.2031	18.06
Option 26	Employees:					
	Management	04.25.2022	20%	04.25.2022 – 04.25.2023	04.25.2023 – 04.25.2032	6.94
			20%	04.25.2022 – 04.25.2024	04.25.2024 – 04.25.2032	6.94
			20%	04.25.2022 – 04.25.2025	04.25.2025 – 04.25.2032	6.94
			40%	04.25.2022 – 04.25.2026	04.25.2026 – 04.25.2032	6.94
Option 27	Employees:					
	Others	10.24.2022	20%	10.24.2022 – 10.24.2023	10.24.2023 – 10.24.2032	6.214
			20%	10.24.2022 – 10.24.2024	10.24.2024 – 10.24.2032	6.214
			20%	10.24.2022 – 10.24.2025	10.24.2025 – 10.24.2032	6.214
			40%	10.24.2022 – 10.24.2026	10.24.2026 – 10.24.2032	6.214

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity-settled post-IPO share option scheme of the Company: (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the post-IPO Share Option Scheme I during the year: (Continued)

		Date of grant	Vesting proportion	Vesting period	Exercisable period	Exercise price per share after Share Subdivision HK$
Option 28	Employees:					
	Others	10.24.2023	20%	10.24.2023 – 10.24.2024	10.24.2024 – 10.24.2033	10.48
			20%	10.24.2023 – 10.24.2025	10.24.2025 – 10.24.2033	10.48
			20%	10.24.2023 – 10.24.2026	10.24.2026 – 10.24.2033	10.48
			40%	10.24.2023 – 10.24.2027	10.24.2027 – 10.24.2033	10.48
Option 29	Employees:					
	Management	04.23.2024	20%	04.23.2024 – 04.23.2025	04.23.2025 – 04.23.2034	4.35
			20%	04.23.2024 – 04.23.2026	04.23.2026 – 04.23.2034	4.35
			20%	04.23.2024 – 04.23.2027	04.23.2027 – 04.23.2034	4.35
			40%	04.23.2024 – 04.23.2028	04.23.2028 – 04.23.2034	4.35
Option 30	Employees:					
	Others	10.23.2024	20%	10.23.2024 – 10.23.2025	10.24.2025 – 10.24.2034	3.86
			20%	10.23.2024 – 10.23.2026	10.24.2026 – 10.24.2034	3.86
			20%	10.23.2024 – 10.23.2027	10.24.2027 – 10.24.2034	3.86
			40%	10.23.2024 – 10.23.2028	10.24.2028 – 10.24.2034	3.86
Option 31	Employees:					
	Others	04.23.2025	20%	04.23.2025 – 04.23.2026	04.23.2026 – 04.23.2035	7.32
			20%	04.23.2025 – 04.23.2027	04.23.2027 – 04.23.2035	7.32
			20%	04.23.2025 – 04.23.2028	04.23.2028 – 04.23.2035	7.32
			40%	04.23.2025 – 04.23.2029	04.23.2029 – 04.23.2035	7.32

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity-settled post-IPO share option scheme of the Company: (Continued)

The following table discloses movements of the Company's share options held by the directors and employees of the Group under the post-IPO Share Option Scheme I during the year: (Continued)

	Number of share options										
	Outstanding at 01.01.2024	Granted during the year	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2024	Granted during the year	Forfeited during the year	Cancelled during the year	Exercised during the year	Outstanding at 12.31.2025
Time-based											
Option 24	150,000	–	–	–	–	150,000	–	(60,000)	–	–	90,000
Option 25	600,000	–	(180,000)	–	–	420,000	–	(120,000)	–	–	300,000
Option 26	500,000	–	–	–	–	500,000	–	(100,000)	–	–	400,000
Option 27	174,000	–	–	–	–	174,000	–	–	–	(40,000)	134,000
Option 28	500,000	–	(400,000)	–	–	100,000	–	–	–	(40,000)	60,000
Option 29	–	1,180,000	–	–	–	1,180,000	–	(480,000)	–	(160,000)	540,000
Option 30	–	470,000	–	–	–	470,000	–	(400,000)	–	(14,000)	56,000
Option 31	–	–	–	–	–	–	50,000	–	–	–	50,000
Total	1,924,000	1,650,000	(580,000)	–	–	2,994,000	50,000	(1,160,000)	–	(254,000)	1,630,000
Exercisable at the end of the year	422,000					602,000					724,000
Weighted average exercise price per share (HK$)	11.80	4.21	12.83	N/A	N/A	7.38	7.32	6.27	N/A	5.58	8.22

Note: The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 6.90 years (2024: 8.54 years).

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was US$1.20, equivalent to HK$9.38.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity-settled post-IPO share option scheme of the Company: (Continued)

Fair value of the Post-IPO Share Option Scheme I

These fair values were calculated using the binomial model. The inputs into the model were as follows:

	Ordinary share price as at date of grant	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield	Total grant date fair value
Date of grant							
04.23.2021	HK$24.45	HK$13.00	34.00%	10 years	1.23%	0%	HK$47,609,966
10.25.2021	HK$18.06	HK$18.06	33.20%	10 years	1.50%	0%	HK$3,569,944
04.25.2022	HK$6.41	HK$6.94	32.60%	10 years	2.78%	0%	HK$4,566,124
10.24.2022	HK$5.69	HK$6.214	33.00%	10 years	4.16%	0%	HK$444,091
04.24.2023	HK$16.064	HK$16.064	32.70%	10 years	3.11%	0%	HK$5,273,033
10.24.2023	HK$10.480	HK$10.480	32.10%	10 years	4.32%	0%	HK$2,051,356
04.23.2024	HK$4.35	HK$4.35	31.50%	10 years	3.92%	0%	HK$2,048,689
10.23.2024	HK$3.80	HK$3.86	31.30%	10 years	3.20%	0%	HK$698,252
04.23.2025	HK$3.80	HK$7.32	31.20%	10 years	3.30%	0%	HK$134,395

The expected volatility measured at the standard deviation was based on the historical data of the daily share price movement of comparable companies. The fair value of an option varied with different variables of certain subjective assumptions.

The Group recognised a net reversal of share-based payment expense approximately RMB251,000 for the year ended December 31, 2025 (2024: recognised a share-based payment expense approximately RMB711,000) in relation to the share options granted by the Company under the Posts-IPO Share Option Scheme I.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(c) Restricted share award scheme of the Company:

On March 23, 2021, the board of directors approved a restricted share award scheme, with the purpose of motivating the employees to maximise the value of the Company for the benefits of both the employees and the Company, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the employees directly with the shareholders of the Company through ownership of shares.

On 25 November 2021, the Company granted a total of 1,113,400 shares at RMB1.00 consideration per each of 12 employees of the Group, On January 21, May 20 and October 24, 2022, the Company granted a total of 2,054,902 shares at RMB1.00 consideration per each of the 15 employees and 4 external scientific consultants of the Group, On April 23 and October 23, 2024 the Company granted a total of 510,000 shares at RMB1.00 consideration per each of 4 employees of the Group and On April 23, May 29 and October 24, 2025 the Company granted a total of 2,600,176 shares at RMB1.00 consideration per each of 6 employees and 5 director of the Group subject to the accomplishment of certain non-market performance conditions respectively. These restricted shares were issued and allotted to Alphamab OEH LTD, a company incorporated in the British Virgin Islands and held by the trustee, TMF Trust (HK) Limited (the "Trustee"), under the terms of the trust in relation to the restricted share award scheme and will be indirectly held by the Trustee on trust for the benefit of the beneficiaries of the trust. Employees will be entitled to these shares by the Trustee once they meet certain vesting conditions agreed in the grant letters and the vesting period begins. The consideration of RMB1.00 per employee will be paid when the restricted shares are accepted by the employees and vested.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(c) Restricted share award scheme of the Company: (Continued)

The restricted shares for the employees of the Group shall initially be unvested, but for external scientific consultants, the restricted shares shall initially be vested. For the shares granted on January 27, 2022, 20% of the restricted shares shall be vested in 2022, 20% shall be vest in 2023, 20% shall be vested in 2024 while another 40% shall be vested in 2025; for shares granted on May 20, 2022, 20% of the restricted shares shall be vested in 2023, 20% shall be vested in 2024, 20% shall be vested in 2025 while another 40% shall be vested in 2026; for shares granted on October 24,2022, 87.1% of the restricted shares shall be vested in 2022, 2.6% shall be vested in 2023, 2.6% shall be vested in 2024, 2.6% shall be vested in 2025 while another 5.1% shall be vested in 2026; for the shares granted in 2024, 20% of the restricted shares shall be vested in 2025, 20% shall be vest in 2026, 20% shall be vested in 2027 while another 40% shall be vested in 2028; for the shares granted on April 23, 2025, 20% of the restricted shares shall be vested in 2026, 20% shall be vest in 2027, 20% shall be vested in 2028 while another 40% shall be vested in 2029; for the shares granted on May 29, 2025, 50% of the restricted shares shall be vested in 2025, 37.5% shall be vest in 2026 while another 12.5% shall be vested in 2027; for the shares granted on October 24, 2025, 68.3% of the restricted shares shall be vested in 2025, 29.7% shall be vest in 2026, 0.5% shall be vested in 2027, 0.5% shall be vested in 2028 while another 1% shall be vested in 2029, subject to the performance condition to be fulfilled. No eligible employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the award shares under this scheme. The award shares shall not vest under any of the following circumstance: (i) in the event of any failure of Employees to remain as participants; (ii) in the event of any failure of employees to pass the specified performance review; and (iii) other circumstances as specified by the Board in its sole and absolute discretion.

30. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(c) Restricted share award scheme of the Company: (Continued)

The following table summarised the Group's unvested restricted shares movement:

	Restricted share award scheme	
	Number of unvested restricted shares	Weighted average grant date fair value per share HK$
Unvested as at January 1, 2025	1,058,967	6.40
Granted	2,600,176	4.03
Forfeited	(228,000)	10.90
Vested	(452,989)	16.18
Unvested as at December 31, 2025	2,978,154	10.07

The aforesaid arrangement has been accounted for as share-based payment transactions. Accordingly, the Group measured the fair value of the unvested restricted shares as of the grant dates and is recognising the amount as compensation expense over the vesting period for each separately vesting portion of the unvested restricted shares. The total expense recognized in the consolidated statement of profit or loss and other comprehensive income for restricted shares granted to employees of the Group and directors of the Company are RMB18,652,000 (2024: reversed a share-based payment expense approximately RMB70,000)) for the year ended December 31, 2025.

The fair value of the Company's restricted shares was determined using the closing price of each share as stated in the daily quotation sheet issued by the Stock Exchange on the grant date.

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes amount due from related parties, amount due to a related party, lease liabilities and bank borrowings as disclosed in Notes 20, 23, 24 and 26, respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, accumulated losses and various reserves.

The directors of the Company regularly review the capital structure from time to time. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts and redemption of existing debts.

32. FINANCIAL INSTRUMENTS

32a. Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Amortised cost	**1,424,208**	1,598,465
Financial liabilities		
Amortised cost	**205,436**	245,058

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit and counterparty risk and liquidity risk. The Group's financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance by actively managing debt level and cash flow in order to maintain a strong financial position and minimising refinancing and liquidity risks by attaining healthy debt repayment capacity, appropriate maturity profile and availability of banking facilities. The Group adheres to a policy of financial prudence and did not use any derivative financial instruments during both years.

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, cash and cash equivalents, time deposits with original maturity over three months, amount due from related parties, trade and other payables, amount due to a related party and bank borrowings.

Details of the financial instruments are disclosed in respective notes. The directors of the Company manage and monitor the below risks exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain bank deposits and trade and other payables are denominated in currencies other than the functional currency of the relevant group entities, which expose the Group 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 carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
US$	**182,338**	444,589	**(57)**	(670)
HK$	**238**	140	**(2,107)**	(352)
EUR	**–**	–	**–**	(48)
	182,576	444,729	**(2,164)**	(1,070)

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

The Group is exposed to the fluctuation of foreign exchange rate of US$ and HK$. The following table details the Group's sensitivity to a 10% increase and decrease in US$, HK$ and EUR against RMB. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the year for a 10% change in US$, HK$ and EUR. A positive number below indicates a decrease in loss for the year where US$/HK$/EUR strengthens 10% against RMB. For a 10% weakening of US$/HK$/EUR against RMB, there would be an equal and opposite impact on the loss for the year.

	HK$		US$		EUR	
	2025	2024	**2025**	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Impact on profit/loss for the year	**(187)**	(21)	**18,228**	44,392	**–**	(5)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the relevant year.

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to time deposits with original maturity over three months and lease liabilities as disclosed in Notes 21 and 24, respectively. The Group is also exposed to cash flow interest rate risk in relation to variable-rate cash and cash equivalents and variable-rate bank borrowings as disclosed in Notes 21 and 26, respectively. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and benchmark borrowing rate arising from its borrowings.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for bank balances/deposits and borrowings, the analysis is prepared assuming the amount of bank balances/deposits and borrowings outstanding at the end of the year were outstanding for the whole year. A 50-basis point increase or decrease representing management's assessment of the reasonably possible change in interest rate is used.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended December 31, 2025, would increase/decrease by RMB701,000 (2024: RMB1,599,000).

Credit and counterparty risk

Credit and counterparty risk refers to the risk that a counterparty will default on its contractual obligations resulting financial losses to the Group.

In order to minimise the credit risk, the directors of the Company review the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit and counterparty risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Categories	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit and counterparty risk (Continued)

Trade receivables arising from contracts with customers

As at December 31, 2025, the Group has concentration of credit risk as 90.3% (2024: 78.0%) of the total trade receivables was due from the Group's largest customer. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover the debts.

In addition, the Group performed impairment assessment under ECL model on these trade receivables (including amount due from related parties) on individually basis. Since the balances were from a counterparty which has low risk of default and usually settled within credit period, together with forward-looking information available at the end of the reporting period, the directors of the Company are in the opinion that the exposure to credit risk for these balances is assessed within lifetime ECL (not-credit impaired) and the ECL for the trade receivables from this customer is insignificant.

Other receivables

For the purpose of impairment assessment for other receivables, the loss allowance is measured at an amount equal to 12m ECL. In determining the ECL for these financial assets, the directors of the Company have taken into account the financial positions of the counterparties in estimating the probability of default of each of the other receivables occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. For the purposes of internal credit risk management, the Group uses repayment history or other relevant information to assess whether credit risk has increased significantly. As at December 31, 2025, other receivables with gross carrying amounts of RMB7,156,000 (2024: RMB6,694,000) are not past due and the internal credit rating of these balances are considered as low risk. Therefore, no 12m ECL was made for other receivables.

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Credit and counterparty risk (Continued)

Cash and cash equivalents and time deposits with original maturity over three months

A significant portion of the Group's bank balances/deposits are placed with a few state-owned banks in the PRC with gross carrying amounts of RMB1,350,319,000 (2024: RMB1,571,467,000) as at December 31, 2025. The credit risks on bank balances/deposits are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the credit risks mentioned above, the Group does not have any other significant concentration of credit risk.

No 12m ECL has been provided during the years ended December 31, 2024 and 2025 as the estimated loss rates were considered to be insignificant.

Liquidity risk

The following table details the Group's remaining contractual maturity for its non-derivative 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. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the year.

32. FINANCIAL INSTRUMENTS (Continued)

32b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk table

	Weighted average interest rate %	On demand or less than 1 month RMB'000	1 to 3 months RMB'000	3 months to 1 year RMB'000	1 to 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
December 31, 2025							
Trade and other payables	N/A	86,716	–	–	–	86,716	86,716
Amount due to a related party	N/A	19	–	–	–	19	19
Bank borrowings – variable rate (Note)	2.34	232	4,695	29,858	86,517	121,302	118,701
		86,967	4,695	29,858	86,517	208,037	205,436
Lease liabilities	3.66	219	560	1,518	2,167	4,464	4,277
December 31, 2024							
Trade and other payables	N/A	59,744	–	–	–	59,744	59,744
Amount due to a related party	N/A	3,068	–	–	–	3,068	3,068
Bank borrowings – variable rate (Note)	2.66	405	26,883	26,999	132,648	186,935	182,246
		63,217	26,883	26,999	132,648	249,747	245,058
Lease liabilities	3.68	219	437	1,882	1,307	3,845	3,715

Note: The amounts included above for variable interest rate instruments of non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the year.

33. RESEARCH AND DEVELOPMENT EXPENSES

	2025 RMB'000	2024 RMB'000
Outsourcing service fees	**190,188**	109,051
Staff costs	**157,837**	132,510
Raw material costs	**130,924**	73,273
Office rental costs, utilities, and depreciation and amortisation	**69,602**	70,612
Others	**23,610**	18,706
	572,161	404,152

34. CAPITAL COMMITMENTS

	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**3,944**	20,589

35. RETIREMENT BENEFITS PLAN

The employees of the Group are mainly the members of the state-managed retirement benefits schemes operated by the PRC government. The Group is required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the required contributions under the schemes.

The total cost charged to profit or loss of RMB34,389,000 (2024: RMB29,447,000) represents contributions paid or payable to the above schemes by the Group for the years ended December 31, 2025.

36. PLEDGE OF ASSETS

At the end of the reporting period, the carrying amounts of the assets pledged by the Group to banks in order to secure the bank borrowings and general banking facilities granted by banks to the Group are as follows:

	2025 RMB'000	2024 RMB'000
Land use rights included in right-of-use assets	**19,701**	20,196
Buildings	**220,778**	235,559

37. RELATED PARTY DISCLOSURES

(i) Transactions and balances

The Group has the following balances and transactions with related parties:

Related parties	Relationship	Nature of transactions and balances	2025 RMB'000	2024 RMB'000
Suzhou Alphamab	Related company	Utilities expenses	**14**	3,071
		Interest expenses – lease liabilities	**–**	739
		Purchase of raw materials	**142**	267
		Technical service expense	**2,226**	4,974
		Site restoration expense	**2,000**	–
		Sample selling income	**(163)**	(204)
		Technical service income	**–**	(3,571)
		Assets resale income	**(321)**	(74)
		Amount due from Suzhou Alphamab	**184**	3,785
		Amount due to Suzhou Alphamab	**(19)**	(3,068)
Jilin Alphamab	Related company	Material sales income	**(163)**	–
		Amount due from Jilin Alphamab	**99**	–

37. RELATED PARTY DISCLOSURES (Continued)

(ii) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management were as follows:

	2025 RMB'000	2024 RMB'000
Short-term benefits	21,698	22,034
Post-employment benefits	972	828
Share-based payments	16,659	3,957
	39,329	26,819

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings RMB'000	Lease liabilities RMB'000	Accrued interest expense (Note 22) RMB'000	Total RMB'000
At January 1, 2024	250,000	7,080	187	257,267
Financing cash flows	(67,754)	(13,808)	(8,349)	(89,911)
Non-cash changes				
New leases entered	–	9,565	–	9,565
Interest expenses recognised (Note 8)	–	878	8,310	9,188
At December 31, 2024	182,246	3,715	148	186,109
Financing cash flows	(63,545)	(2,538)	(6,707)	(72,790)
Non-cash changes				
New leases entered	–	3,006	–	3,006
Interest expenses recognised (Note 8)	–	94	6,644	6,738
At December 31, 2025	118,701	4,277	85	123,063

39. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current assets		
Investments in subsidiaries	**2,305,217**	2,032,632
Amounts due from subsidiaries	**1,328,068**	1,368,529
	3,633,285	3,401,161
Current assets		
Other receivables, deposits and prepayments	**8,575**	681
Time deposits with original maturity over three months	**–**	3,594
Cash and cash equivalents	**26,870**	330,559
	35,445	334,834
Current liability		
Other payables	**996**	3,824
Net current assets	**34,449**	331,010
Total assets less current liability	**3,667,734**	3,732,171
Net assets	**3,667,734**	3,732,171
Capital and reserves		
Share capital	**13**	13
Treasury shares	**(37,117)**	(9,188)
Reserves	**3,704,838**	3,741,346
Total equity attributable to owners of the Company	**3,667,734**	3,732,171

39. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (Continued)

The movements of the reserves of the Company are as follows:

	Share premium RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
As at January 1, 2024	4,052,694	83,645	(487,057)	3,649,282
Profit and total comprehensive income for the year	–	–	89,398	89,398
Vesting of restricted shares	1,792	(1,792)	–	–
Exercise of share options	615	(476)	–	139
Recognition of equity-settled share-based payment expense	–	2,527	–	2,527
As at December 31, 2024	4,055,101	83,904	(397,659)	3,741,346
Loss and total comprehensive expense for the year	–	–	(57,399)	(57,399)
Vesting of restricted shares	3,295	(3,295)	–	–
Exercise of share options	41,227	(38,817)	–	2,410
Recognition of equity-settled share-based payment expense	–	18,481	–	18,481
As at December 31, 2025	4,099,623	60,273	(455,058)	3,704,838

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

General information of subsidiaries

The Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiaries	Place of incorporation/ operation and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Equity interest attributable to the Company		Principal activities
			2025	2024	
Directly held:					
Alphamab Oncology (BVI) Ltd.	The BVI/April 19, 2018	Issued capital of US$1 and paid-in capital of US$1	100%	100%	Investment holding
Indirectly held:					
Alphamab Oncology (HK) Limited	Hong Kong/ May 11, 2018	Issued capital of HK$1 and paid-in capital of HK$1	100%	100%	Investment holding
Jiangsu Alphamab#	The PRC/ July 14, 2015	Registered and paid-in capital of US$243,666,888	100%	100%	R&D manufacturing and commercialisation of Biologics of oncology
Alphamab Australia#	Australia/ November 20, 2016	Registered capital and paid-in capital of Australian Dollar 1,000,100	100%	100%	R&D of drugs
Alphamab USA#	United States of America/ January 12, 2021	Registered capital of US$10 and paid-in capital of nil	–	100%	R&D of drugs
Alphamab SH#	The PRC/ January 12, 2021	Registered capital of US$2,999,985 and paid-in capital of US$2,999,985	100%	100%	R&D of drugs

Jiangsu Alphamab refers to Jiangsu Alphamab Biopharmaceuticals Co., Ltd. 江蘇康寧傑瑞生物製藥有限公司, which is a wholly foreign owned enterprise established in the PRC.

Alphamab Australia refers to Alphamab (Australia) Co Pty Ltd, which is a wholly foreign owned enterprise established in Australia.

Alphamab USA refers to Alphamab Oncology USA Inc, which is a wholly foreign owned enterprise established in the USA and deregistered in January 2025.

Alphamab SH refers to Alphamab Biopharmaceuticals Co., Ltd. 康寧傑瑞生物製藥有限公司, which is a wholly foreign owned enterprise established in the PRC.

Financial Summary

	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025 RMB'000**
Results					
(Loss) Profit before taxation	(412,417)	(325,722)	(210,593)	166,342	**(113,939)**
Income tax expense	–	–	–	–	**–**
(Loss) Profit for the year	(412,417)	(325,722)	(210,593)	166,342	**(113,939)**
Loss for the year attributable to:					
Owners of our Company	(412,417)	(325,722)	(210,593)	166,342	**(113,939)**
Non-controlling interests	–	–	–	–	**–**
	(412,417)	(325,722)	(210,593)	166,342	**(113,939)**
Assets and liabilities					
Total assets	2,705,091	2,117,531	2,137,113	2,241,755	**2,097,067**
Total liabilities	(834,802)	(559,859)	(465,001)	(409,871)	**(386,169)**
Total equity	1,870,289	1,557,672	1,672,112	1,831,884	**1,710,898**
Equity (equity deficiency) attributable to owners of our Company	1,870,289	1,557,672	1,672,112	1,831,884	**1,710,898**
Non-controlling interests	–	–	–	–	**–**
	1,870,289	1,557,672	1,672,112	1,831,884	**1,710,898**