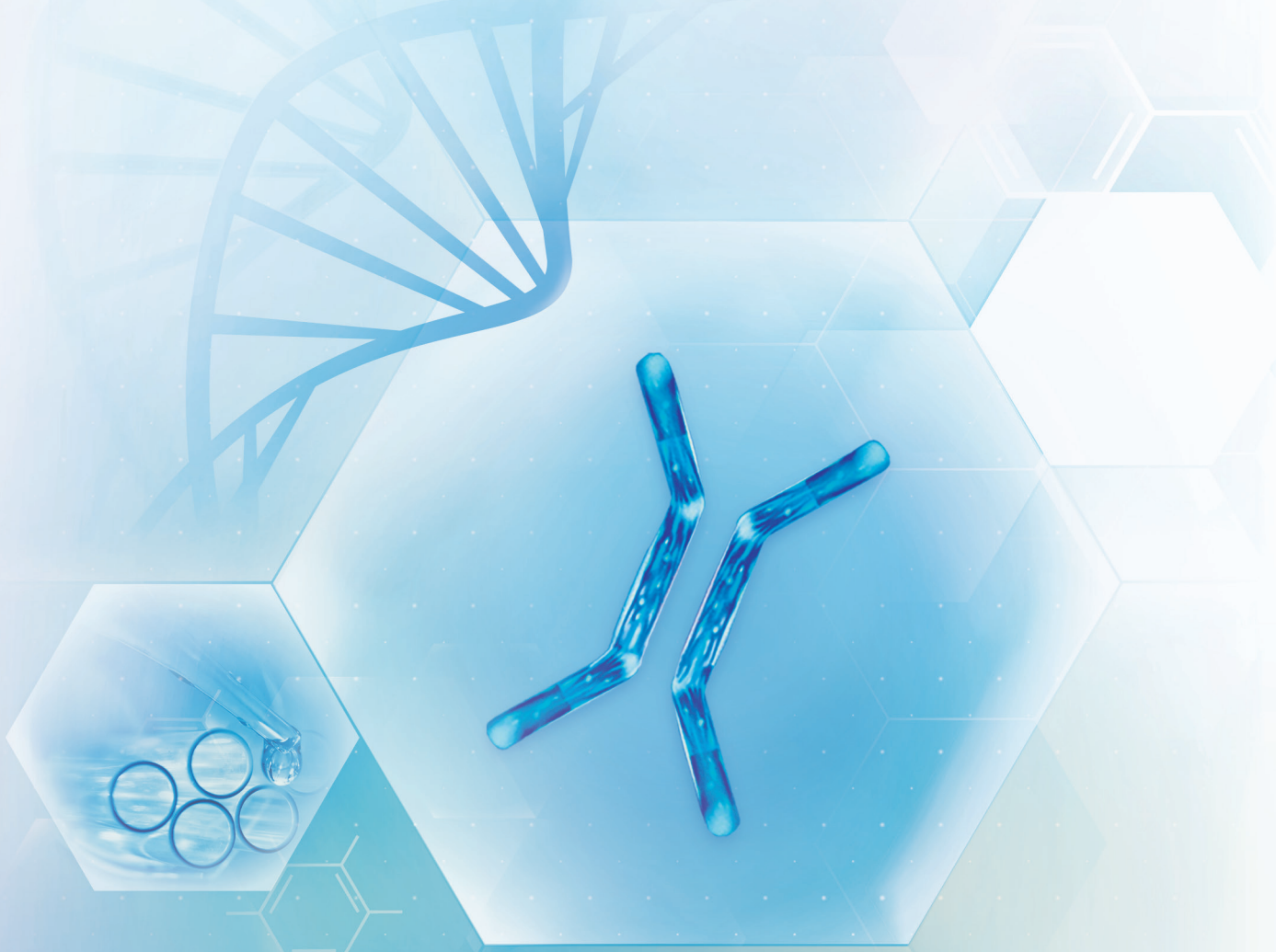
HARBOUR BIOMED

# 和鉑醫藥控股有限公司
# HBM HOLDINGS LIMITED

( incorporated in the Cayman Islands with limited liability )

Stock Code : 02142

# 2025
# Annual Report



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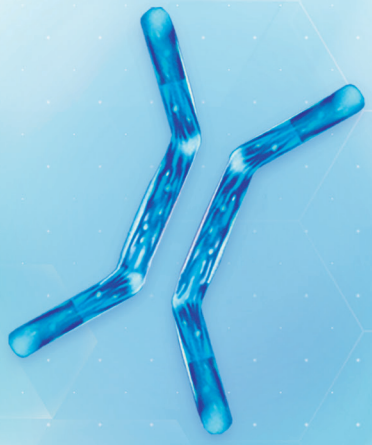


# Corporate Information

## BOARD OF DIRECTORS

### EXECUTIVE DIRECTORS

Dr. Jingsong Wang *(Chief Executive Officer) (Chairperson)*
Dr. Yiping Rong

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Robert Irwin Kamen *(re-elected with effect from 11 June 2025)*
Dr. Xiaoping Ye *(re-elected with effect from 11 June 2025)*
Dr. Albert R. Collinson
Ms. Weiwei Chen *(re-designated with effect from 1 January 2025)*

## AUDIT COMMITTEE

Ms. Weiwei Chen *(re-designated as chairperson with effect from 1 January 2025)*
Dr. Xiaoping Ye
Dr. Albert R. Collinson

## REMUNERATION COMMITTEE

Dr. Albert R. Collinson *(Chairperson)*
Dr. Xiaoping Ye
Dr. Jingsong Wang

## NOMINATION COMMITTEE

Dr. Jingsong Wang *(Chairperson)*
Dr. Robert Irwin Kamen
Dr. Xiaoping Ye
Ms. Weiwei Chen *(appointed with effect from 01 January 2025)*

## AUTHORIZED REPRESENTATIVES

Dr. Jingsong Wang
Dr. Yiping Rong

## JOINT COMPANY SECRETARIES

Mr. Wing Yat Christopher Lui
Dr. Ian Y. Liu *(appointed with effect from 10 June 2025)*

## REGISTERED OFFICE IN THE CAYMAN ISLANDS

P.O. Box 472, Harbour Place, 2nd Floor
103 South Church Street, George Town
Grand Cayman KY1-1106
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN CHINA

6F, Tower B, Fenglin International Phase I,
No. 388 Fenglin Road,
Xuhui District, Shanghai, China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19/F, Lee Garden One
33 Hysan Avenue, Causeway Bay,
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

International Corporation Services Ltd.
P.O. Box 472, Harbour Place, 2nd Floor
103 South Church Street, George Town
Grand Cayman KY1-1106, Cayman Islands

## HONG KONG SHARE REGISTRAR

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

## AUDITOR

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

## LEGAL ADVISER

*As to Hong Kong law and United States law*
Cooley HK

## PRINCIPAL BANK

China Merchants Bank, Shenzhen Branch
23/F, No. 2016 Shennan Boulevard, Futian District
Shenzhen, China

## COMPANY WEBSITE

www.harbourbiomed.com

## STOCK CODE

02142

# Financial Highlights

## FINANCIAL HIGHLIGHTS

| | As of 31 December/For the year ended 31 December | | | | |
|---|---|---|---|---|---|
| | **2025 US$ in thousands** | 2024 US$ in thousands | 2023 US$ in thousands | 2022 US$ in thousands | 2021 US$ in thousands |
| Revenue | **157,975** | 38,100 | 89,502 | 40,659 | 4,308 |
| Cost of sales | **(8,731)** | (4,486) | (2,034) | (130) | (137) |
| Other income and gains | **17,593** | 11,167 | 6,589 | 4,768 | 5,965 |
| Selling expenses | **(4,552)** | (2,677) | (1,062) | – | – |
| Administrative expenses | **(24,320)** | (13,171) | (19,498) | (27,274) | (40,067) |
| Research and development costs | **(39,765)** | (20,999) | (45,081) | (135,143) | (107,103) |
| Other expenses | **(2,593)** | (228) | (1,359) | (17,913) | (619) |
| Impairment losses on financial assets, net | **(25)** | (462) | (503) | – | – |
| Finance costs | **(2,041)** | (3,505) | (3,872) | (1,987) | (176) |
| Income tax credit/(expense) | **(1,320)** | (997) | 81 | (248) | (49) |
| Profit/(Loss) for the year | **92,221** | 2,742 | 22,763 | (137,268) | (137,878) |
| Earnings/(Loss) per share | | | | | |
| Basic (USD) | **0.12** | 0.00 | 0.03 | (0.19) | (0.19) |
| Diluted (USD) | **0.11** | 0.00 | 0.03 | (0.19) | (0.19) |
| Cash and cash equivalents | **403,056** | 166,821 | 140,324 | 171,705 | 216,304 |
| Total assets | **500,256** | 215,014 | 228,480 | 232,123 | 282,361 |
| Total liabilities | **133,144** | 90,962 | 108,851 | 139,622 | 59,447 |
| Total equity | **367,112** | 124,052 | 119,629 | 92,501 | 222,914 |

## BUSINESS DEVELOPMENTS

### GLOBAL STRATEGIC AND PLATFORM-BASED COLLABORATION

**1. Global Strategic Collaboration with AstraZeneca**

In March 2025, we entered a global strategic collaboration (the "**Collaboration**") with AstraZeneca Holdings ("**AstraZeneca**") to discover and develop next-generation multi-specific antibodies, which in November expanded to include antibody-drug conjugates ("**ADCs**") and T cell engagers ("**TCEs**") for immunology, oncology, and beyond. Under the agreement, the Company is eligible to receive up to US$175 million in upfront payment, near-term milestone payments, and option exercise fees, as well as up to US$4.4 billion in potential development and commercial milestone payments, plus tiered royalties on net sales. Additionally, AstraZeneca has the option to include additional programs in the Collaboration over the next five years, and the parties have the option to extend the terms of the agreement for an additional five years upon mutual agreement. As part of the transaction, AstraZeneca acquired 9.15% of the Company's newly issued shares with US$105 million, and the parties established a co-located innovation center in Beijing to support joint initiatives.

**2. Global Strategic Collaboration with Otsuka/Visterra**

In June 2025, our fully-owned subsidiary, Nona Biosciences (Suzhou) Co., Ltd. ("**Nona Biosciences**" or "**Nona**"), entered a license agreement with Visterra, Inc. ("**Visterra**") to advance Visterra's next-generation biotherapeutic pipeline for immune-mediated and autoimmune diseases, leveraging Nona's proprietary heavy chain-only ("**HCAb**") Harbour Mice® technology platform. Concurrently, we entered a global strategic collaboration with Otsuka Pharmaceutical Co., Ltd. ("**Otsuka**") to advance HBM7020, a BCMAxCD3 bispecific T-cell engager, for the treatment of autoimmune diseases.

**3. Global Strategic Research Collaboration with Pfizer**

In November 2025, our fully-owned subsidiary, Nona Biosciences, entered a non-exclusive license agreement with Pfizer Inc. ("**Pfizer**") to accelerate preclinical antibody discovery across multiple disease areas. Under the agreement, Pfizer gains global access to Nona's proprietary HCAb platform to generate fully human heavy chain-only antibodies. Nona will receive an upfront payment and is eligible for regulatory, clinical, and commercial milestone payments, with potential for further collaboration in antibody discovery, engineering, and development leveraging Nona's integrated platform and advanced B-cell screening technologies.

**4. Global Strategic Collaboration and License Agreement with Bristol Myers Squibb**

In December 2025, we entered a multi-year, global strategic collaboration and license agreement with Bristol Myers Squibb ("**Bristol Myers Squibb**") to discover and develop next-generation multi-specific antibodies. In return, the Company could receive payments totaling US$90 million, as well as development and commercial milestones of up to US$1.035 billion, along with tiered royalties should Bristol Myers Squibb elect to advance all potential programs.

# Business Highlights

## COLLABORATIONS ON ASSETS

1. In January 2025, we and Sichuan Kelun Biotech BioPharmaceutical (HKEX: 06990, "**Kelun-Biotech**") entered an exclusive global license agreement with Windward Bio AG ("**Windward Bio**") for HBM9378, an anti-thymic stromal lymphopoietin ("**TSLP**") fully human monoclonal antibody. Windward Bio is granted to have rights to research, develop, manufacture, and commercialize globally (excluding Greater China and several Southeast and West Asian countries). The deal includes an upfront payment and milestones totaling up to US$970 million, plus single to double-digit tiered royalties on net sales.

2. In February 2025, HBM Alpha Therapeutics, Inc., ("**HBMAT**"), an innovative biotech incubated by the Company, entered a strategic collaboration and license agreement with Spruce Biosciences, Inc., (Nasdaq: SPRB) ("**Spruce**") for HAT001/HBM9013, a potent and selective anti-CRH-neutralizing antibody. Under the agreement, Spruce obtained the exclusive global rights (excluding Greater China) to develop and commercialize HAT001/HBM9013. HBMAT is eligible to receive up to US$395 million in upfront, development, regulatory, and commercial milestones, plus tiered royalties on net sales, along with a warrant for minority interest in Spruce.

3. In June 2025, we entered a global strategic collaboration with Otsuka to advance HBM7020, a BCMA×CD3 bispecific T-cell engager, for the treatment of autoimmune diseases. Under the agreement, Otsuka is granted an exclusive license to develop, manufacture, and commercialize HBM7020 globally, excluding Greater China. The Company is eligible to receive US$47 million in upfront and near-term payments, up to US$623 million in development and commercial milestones, and tiered royalties on net sales.

4. In December 2025, we entered a long-term strategic collaboration with Yantai Lannacheng Biotechnology Co., Ltd., ("**Lannacheng**") to jointly advance the development of next-generation radionuclide drug conjugates ("**RDCs**"), leveraging company's proprietary Harbour Mice® platform.

## RESEARCH AND TECHNOLOGY LICENSE

1. In February 2025, Nona Biosciences entered a strategic collaboration with Invetx, Inc. ("**Invetx**"), a Boston-based animal biotechnology company, to develop next-generation animal health biotherapeutics using Nona's HCAb Harbour Mice® platform.

2. In February 2025, Nona Biosciences entered a licensing agreement with the University of Alabama at Birmingham ("**UAB**") to support their research in B cell development. Under the terms of the agreement, UAB, represented by Dr. James Kobie, has been granted a non-exclusive license to use Nona's two heavy and two light chain ("**H2L2**") Harbour Mice® platform to develop fully human antibodies.

3. In April 2025, Nona Biosciences entered a research collaboration with Atossa Therapeutics Inc. (Nasdaq: ATOS). The collaboration leverages Nona's proprietary H2L2 Harbour Mice® platform to identify next-generation therapeutic candidates for breast cancer.

4. In November 2025, Nona Biosciences expanded its strategic collaboration with Umoja Biopharma, Inc. ("**Umoja**"), originally established in September 2024, to develop multiple in vivo Chimeric Antigen Receptor T-Cell ("**CAR-T**") products leveraging Nona's proprietary HCAb Harbour Mice® and NonaCarFx™ platforms. Under the expanded agreement, Nona is eligible to receive an upfront payment, option exercise fees, and milestone payments tied to discovery and development progress, while Umoja retains responsibility for all further product development and commercialization.

5. In December 2025, Nona Biosciences formed a strategic biologics discovery alliance with Valink Therapeutics Inc. ("**Valink**") to accelerate the creation of innovative bispecific antibodies and bispecific ADCs, leveraging Nona's industry-leading Harbour Mice® fully human antibodies, including its HCAbs.

## RESEARCH, DEVELOPMENT AND TECHNOLOGY

### END-TO-END GENERATIVE AI-DRIVEN DRUG DISCOVERY AND DEVELOPMENT

**1. Launch of The First Fully Human Generative AI HCAb Model Powered by Hu-mAtrIx™ AI Platform**

In October 2025, we launched our first fully human Generative AI HCAb Model, powered by the Hu-mAtrIx™ AI platform. Trained on 9 million NGS (Next-Generation Sequencing)-derived HCAb sequences and extensive public data, using a fine-tuned protein large language model, HCAb generation model enables *de novo* generation of high-potential HCAb sequences with secondary optimization for target specificity. The platform establishes a closed-loop process integrating AI-driven design, intelligent screening, and wet-lab validation, transforming antibody discovery from blind screening to AI-driven intelligent selection. The AI HCAb Model demonstrated a tenfold increase in target binders' generation and significantly improved success rates. Data show that among 107 *de novo* generated binder sequences produced by AI HCAb model which were further validated in wet-lab assays, 78.5% successfully hit the target, while 20 of them demonstrated high activity, purity, yield, and specificity. With this foundation, the AI HCAb model is expected to accelerate applications of fully human HCAbs across next-generation therapeutic areas – including multi-specific antibodies, XDCs, in vivo CAR-T, and inhaled or oral large-molecule drugs – helping redefine the landscape of biologics discovery.

### ESTABLISHMENT OF GLOBAL AI-DRIVEN DRUG DISCOVERY AND DEVELOPMENT ECOSYSTEM

**1. Strategic Collaboration with Insilico**

In February 2025, we entered a strategic collaboration with Insilico Medicine, Inc., ("**Insilico**") to accelerate the discovery of innovative therapeutic antibodies. The partnership combines our industry-leading technology platform, proprietary dataset and extensive expertise in antibody development with Insilico's advanced capabilities in designing integrated AI-driven drug discovery and development platforms to jointly develop the next-generation AI-powered antibody application, and accelerates early-stage drug discovery programs targeting novel, specific antibodies in immunology, oncology, and neuroscience.

**2. Establishment of Global AI + Pharmaceutical Ecosystem Alliance**

In October 2025, we officially established the Global AI + Pharmaceutical Ecosystem Alliance, which brings together leading experts, technology partners, and investors to reshape the entire drug discovery pipeline through AI innovation. The alliance has gained strong support from government bodies, industry associations, and investors including Fortera Capital, Insilico, Molecular Mind, Evinova, INNOVEL, Fenglin Group, Taimei Technology, EClinCloud, Deep Intelligent Pharma, and us.

**3. Strategic AI Collaboration with Evinova China**

In November 2025, we entered a strategic AI collaboration with Evinova China to accelerate AI-enabled drug development. Under the terms of the collaboration, we and Evinova China will jointly apply AI and digital technologies to enhance the efficiency of innovative biologics development.

## ROBUST PORTFOLIO AND DIFFERENTIATED PIPELINE

### PROGRESS ON KEY PROGRAMS IN MID-LATE CLINICAL STAGE

**1. BATOCLIMAB (HBM9161) (FcRn mAb)**

The Biologics License Application ("**BLA**") for the treatment of generalized myasthenia gravis ("**gMG**") was submitted and accepted by the National Medical Products Administration of China (the "**NMPA**") in July 2024, and is currently under review.

**2. HBM9378 (TSLP mAb)**

The China Investigational New Drug ("**IND**") for Chronic Obstructive Pulmonary Disease ("**COPD**") was approved by NMPA in January 2025.

In July 2025, our collaboration partner Windward Bio launched Phase II POLARIS clinical study, assessing long-acting dosing of HBM9378, also known as WIN378, for people living with asthma.

**3. PORUSTOBART (HBM4003) (CTLA-4 mAb)**

Phase II clinical data, in combination with tislelizumab, for the treatment of microsatellite stable ("**MSS**") metastatic colorectal cancer ("**mCRC**"), was published in October 2025. Of the 23 evaluable patients, the objective response rate (ORR) is 34.8%, disease control rate (DCR) is 60.9%, and 12-month overall survival (OS) rate is 84%.

In February 2026, the Company entered a license agreement and equity partnership with Solstice Oncology, Inc. ("**Solstice**"), a clinical stage biotechnology company established by a syndicate of major venture capital investors, for the exclusive development and commercialization of HBM4003 outside Greater China.

**4. HBM7575 (TSLP/Undisclosed Target BsAb)**

The China IND application for the treatment of atopic dermatitis was submitted and accepted by NMPA in December 2025.

In March 2026, the China IND application for the treatment of atopic dermatitis was approved by the NMPA.

**PROGRESS ON NEXT-GENERATION INNOVATION PORTFOLIOS**

**1. HBM7020 (BCMA/CD3 BsAb)**

In June 2025, we entered a global strategic collaboration agreement with Otsuka to advance HBM7020, a BCMAxCD3 bispecific T-cell engager, for the treatment of autoimmune diseases. Under the Agreement, Otsuka is granted an exclusive license to develop, manufacture, and commercialize HBM7020 globally, excluding Greater China (Mainland China, Hong Kong, Taiwan and Macau).

**2. HBM7004 (B7H4/CD3 BsAb)**

In 2025, we continued pre-clinical development of HBM7004 and advanced it to IND-enabling stage.

**3. Metabolic Disease Programs (Undisclosed Targets)**

In March 2025, the company launched Élancé Therapeutics, Inc. ("**Élancé**"), a wholly-owned subsidiary dedicated to discovery and development of innovative obesity therapeutics. Élancé is building a pipeline of best-in-class (BIC) and first-in-class (FIC) assets designed to improve long term weight loss outcomes while preserving or even increasing lean muscle mass and to increase patient response rate. By integrating dual-targeting strategies with enhanced safety profiles, these therapeutics have the potential to complement and expand upon existing treatment options, including various agonists of Glucagon-like peptide 1 ("**GLP-1**") receptor, Glucose-dependent insulinotropic polypeptide ("**GIP**") receptor, and Glucagon ("**GCG**") receptor.

**4. Central Nervous System ("CNS") Disease Programs (Undisclosed Targets)**

We are building a pipeline to address Alzheimer's disease, Parkinson's disease, and other neurodegenerative disorders by enhancing CNS delivery and extending half-life to amplify therapeutic efficacy. Multiple programs are currently in pre-clinical stage.

For details of any of the foregoing, please refer to the rest of this announcement and, where applicable, the Company's prior press releases and announcements.

## SIGNIFICANT INVESTMENT

### 1. Investment of NK Cell-Tech

In July 2025, NK Cell Technology Co., LTD., ("**NK Cell-Tech**") completed its A+++ round financing, raising a fund of nearly RMB100 million from a group of investors, which would advance the clinical trials of its core NK cell therapy product candidates and to support the development of its product pipeline.

As of 31 December 2025, the Company, through its subsidiary, held 10.0923% of the total equity interest of NK Cell-Tech.

### 2. Investment and Incubation of Élancé

In March 2025, we launched Élancé. Harnessing our proprietary HCAb-based antibody technology, Élancé aims to develop next-generation of best-in-class (BIC) and first-in-class (FIC) obesity therapeutics, addressing key challenges in current obesity treatment, including muscle preservation and long-term efficacy.

As of 31 December 2025, through its subsidiary, the Company held 100% of the total equity interest of Élancé.

### 3. Investment and Incubation of Resilience

Resilience Neuroscience, Inc., ("**Resilience**") is advancing a next-generation CNS pipeline focused on Alzheimer's disease, Parkinson's disease, and other neurodegenerative disorders. By significantly enhancing CNS delivery and extending half-life, Resilience aims to amplify therapeutic efficacy and deliver next-generation BIC and FIC therapeutics.

As of 31 December 2025, the Company, through its subsidiary, held 100% of the total equity interest of Resilience.

### 4. Investment of Sobour Biopharma

Sobour Biopharma Co, Ltd., ("**Sobour Biopharma**") is a biotechnology company co-founded by the Company and renowned industry experts, pioneering the world's first "inflammatory danger signal regulator" therapeutic approach to target the tumor-inflammation-immunity axis.

As of 31 December 2025, the Company, through its subsidiary, held 27.88% of the total equity interest of Sobour Biopharma.

# Chairman's Statement

Dear Shareholders,

On behalf of the Board, it is my pleasure to present to you the sixth annual report of the Group. I would like to take this opportunity to share with you Harbour's key business milestones in 2025 and our strategic path forward in the future.

I am delighted to announce that 2025 was a banner year of record-breaking performance, our profit grew more than thirtyfold from last year, which stands as a historic milestone in our corporate journey, demonstrating strong growth momentum. This exceptional financial delivery was underpinned by the substantial value generated through out-licensing and several landmark collaborations with multinational pharmaceutical companies. Leveraging our innovative products and proprietary platforms, these pioneering, novel, sustainable global strategic and platform-based collaborations have not only contributed significantly to our top-line revenue but have also matured into a reliable, recurring source of income, validating the commercial viability of our innovation engine and providing stable future cash inflow/non-dilutive research sponsoring, enabling us to focus on world-class technology platform innovation and maximize our platform value.

We reflect on 2025 as a year of exceptional delivery and profound transformation. We successfully entered our Phase 3.0 strategic era, with a clear roadmap toward our 2028 vision of becoming a global leading platform-based biopharmaceutical group. This evolution is not merely a shift in strategy but a realization of our potential, propelled by three integrated growth engines: establishing Nona Biosciences as an AI-native antibody engine; forging long-term, platform-based strategic alliances with multinational pharmaceutical leaders to catalyze our global expansion; and maximizing the global value of our mid- to late-stage assets through Harbour Therapeutics. These three engines seamlessly connect technology platforms, global partnerships and pipeline development, forming a scalable model for sustainable innovation and long-term value creation. In the meantime, we are setting a new paradigm for collaboration between biotech companies and multinational pharmaceutical leaders, and accelerating the innovation of global pharmaceutical industry. Through the establishment of Joint Innovation Centers, we are empowering the sustainable development of China's innovative ecosystem by integrating global and local resources, and we are co-creating a highly efficient platform for research and development of novel therapy.

By leveraging our proprietary antibody discovery platforms and advancing our capabilities in AI-enabled drug development, we have built a strong global collaboration ecosystem. Over the past several years, we have steadily translated the technological superiority of our platforms into high-value global partnerships, building an expanding international innovation ecosystem. We have deepened our ties with global industry leaders in antibody discovery and next-generation biologics development, ensuring our innovative platform technologies continue to reach new heights and deliver impact on a global scale. We are actively expanding the next generation of antibody engineering technology ecosystem by pioneering novel modalities such as in vivo CAR-T, siRNA, Blood-Brain Barrier (BBB) shuttle delivery and Antibody-Oligonucleotide Conjugates (AOCs). We have also made substantial progress in building and scaling our AI-enabled drug discovery and development capabilities, highlighted by the successful launch of our first fully human generative AI HCAb Model powered by Hu-mAtrIx™ AI platform, dramatically improving efficiency and accuracy in antibody discovery. This underpinned our commitment to redefining the future of biotherapeutic innovation.

# Chairman's Statement

Looking to the future, we will build upon our current momentum through relentless innovation and high-impact collaborations to deliver sustainable growth and propel us toward our 2028 vision of becoming a global leading platform-based biopharmaceutical company through our three integrated growth engines.

The year 2026 will mark a pivotal chapter in continuing to enhance our strategy in building a global platform biopharma group. We are committed to accelerating our clinical pipeline by advancing multiple high-potential assets into mid- to late-stage development while progressing additional innovative candidates into the clinical stage. Our strategic focus remains disciplined and precise on immunology, oncology, and other therapeutic areas characterized by high unmet medical needs.

Concurrently, we will actively explore diverse strategic opportunities to accelerate the realization of value from both our portfolio and our platform. By expanding collaborations with global partners, we aim to strengthen our role within the global innovation ecosystem. Our ultimate objective is clear: to generate long-term, predictable value and build a resilient, scalable business model. We are firmly advancing toward our vision of becoming a global leader in the discovery and development of innovative biotherapeutics, delivering value to our shareholders and transformative treatments to patients worldwide.

Last but not least, on behalf of the Board and management team, I would like to thank our colleagues for their dedication and contribution. Our gratitude also extends to our shareholders and our partners for their continued trust and support. We look forward to forging ahead and creating another prosperous year in 2026 alongside all our stakeholders.

## OVERVIEW

### COMPANY OVERVIEW

Harbour BioMed is a global biopharmaceutical company committed to the discovery and development of novel antibody therapeutics in immunology, oncology, and other areas. The Company is building a robust portfolio and differentiated pipeline through internal R&D capability, strategic global collaborations in co-discovery and co-development, and selective acquisitions.

Our proprietary antibody technology platform, Harbour Mice®, generates fully human monoclonal antibodies in both the conventional two heavy and two light chain (H2L2) format and the heavy chain-only (HCAb) format. Building upon HCAb antibodies, the HCAb-based immune cell engagers (HBICE®) bispecific antibody technology enables tumor-killing effects that traditional combination therapies cannot achieve. The HCAb-based Antibody Plus technology (HCAb PLUS™) provides comprehensive modality solutions for the development of innovative multi-specific medicines in different disease areas. Additionally, building upon the Harbour Mice® platform, Harbour BioMed launched its first fully human Generative AI HCAb Model powered by its Hu-mAtrIx™ AI platform, accelerating the development of innovative therapies.

By integrating Harbour Mice®, HBICE®, HCAb PLUS™, a single B-cell cloning platform and AI technologies, Harbour BioMed has built a highly efficient and distinctive antibody discovery engine for developing next-generation therapeutic antibodies.

### OUR MISSION

**"Healthy life • Breakthrough Medicines"**

Our efforts are driven by our vision of delivering "Healthy life • Breakthrough Medicines". To realize this vision, we partner with global academic institutions, investors, biotechnology firms, and pharmaceutical companies by leveraging our platforms. We have established a strong track record with a portfolio that includes strategically selected co-development clinical assets and internal innovative next-generation projects. We also provide technology licensing for our proprietary Harbour Mice® antibody technologies to accelerate the industry innovation in antibody therapeutics.

### CORPORATE STRATEGY

**Our strategic priority is leading the discovery of next-generation biotherapeutics innovation in the global market, powered by our proprietary technology platforms and expertise.**

To advance next-generation biotherapeutics innovation, we have established two core pillars – Harbour Therapeutics and Nona Biosciences. Harbour Therapeutics focuses on advancing a global portfolio of transformative therapeutics. Nona Biosciences provides broad, open access to Harbour BioMed's technologies and expertise through an innovative business model, accelerating global biotherapeutic innovation to benefit patients worldwide.

## PORTFOLIO:

We have approximately 20 drug candidates focusing on immunology, oncology and other areas in pre-clinical to late clinical stages. The following table summarizes our product pipeline and the development status of each drug candidate.

| Project | Target | Indication | Commercial Rights | Status | Partner |
|---|---|---|---|---|---|
| **Inflammatory & Immunology Diseases** | | | | | |
| Batoclimab HBM9161 | FcRn | Myasthenia Gravis | Greater China Rights (Out-licensed)[1] | Phase III | CSPC |
| HBM9378[2] | TSLP | Asthma | Greater China (Ex-GC:NewCo) | Phase II | Kelun-Biotech, Windward Bio |
| | | COPD* | Greater China (Ex-GC:NewCo) | Phase I | |
| HBM7575[2] | TSLP x Undisclosed | Atopic Dermatitis | Global | Phase I | Kelun-Biotech |
| HBM2001 | TL1A x IL23p19 | IBD* | Global | IND | |
| J9003 | Undisclosed (mAb) | IBD* | Global | IND | 箭阙医药 |
| R1065 | APRIL | IgAN* | Global | IND | |
| **Pathogenic B Cell Depletion for Autoimmune Diseases** | | | | | |
| HBM7020[3] | BCMA×CD3 | Autoimmune Diseases | Global (Out-licensed) | Phase I | Otsuka, 华领生物 HUALAN BIO |
| R2006 | CD3×CD19 | Autoimmune Diseases | Global | IND | |
| R7027 | Undisclosed (BsAb) | Autoimmune Diseases | Global | Pre-Clinical | |
| **Oncology/Immuno-Oncology** | | | | | |
| Porustobart HBM4003 | CTLA-4 | PD-1 Combo: MEL, NSCLC, HCC, NEN, CRC* | Greater China (Ex-GC: NewCo) | Phase II | Solstice Oncology |
| HBM1020 | B7H7/HHLA2 | Solid Tumors | Global | Phase I | |
| **Next-Generation Therapeutics** | | | | | |
| HBM7022/ AZD5863 | CLDN18.2xCD3 | Solid Tumors | Global (Out-licensed) | Phase II | AstraZeneca |
| HBM7008 | B7H4×4-1BB | NSCLC* | Global | Phase I | |
| HBM9027 | PD-L1xCD40 | Pancreatic Cancer | Global | Phase I | |
| HBM7004 | B7H4×CD3 | NSCLC* | Global | Pre-Clinical | |
| HBM9033/ SGN-MesoC2 | MSLN ADC | Solid Tumors | Global (Out-licensed) | Phase I | Pfizer |
| **Weight Management** | | | | | |
| LET003 | Undisclosed (mAb) | Obesity | Global | IND | |
| LET001 | Undisclosed (LYTAC) | Obesity | Global | Pre-Clinical | |
| **CNS** | | | | | |
| NEU2005 | Undisclosed (bsAb) | CNS Diseases | Global | IND | |

1. Harbour BioMed in-licensed the Great China rights of HBM9161 from HanAll Biopharma in 2017, and the rights were out-licensed to CSPC NBP Pharmaceutical Co. Ltd. ("**NBP Pharma**", a wholly owned subsidiary of CSPC Pharmaceutical Group Limited) in October 2022.
2. HBM9378 started as a co-development project jointly conducted by Harbour BioMed and Kelun-Biotech (also known as SKB378). Harbour BioMed and Kelun-Biotech equally share rights in Greater China, and several Southeast and West Asian countries; according to the collaboration agreement between Harbour BioMed and Kelun-Biotech, HBM7575/SKB575 is led by Kelun-Biotech in its design, global development and commercialization, with Harbour BioMed participating in the investment and development of this asset and sharing the benefits as agreed.
3. HBM7020 Greater China rights were out-licensed to Hualan biologics in 2020 and ex-Greater China rights were out-licensed to Otsuka in 2025.

* COPD = Chronic Obstructive Pulmonary Disease
* IBD = Inflammatory Bowel Disease
* IgAN = Immunoglobulin A Nephropathy
* MEL = Melanoma
* CRC = Colorectal Cancer
* HCC = Hepatocellular Carcinoma
* NEN = Neuroendocrine Neoplasm
* NSCLC = Non-Small Cell Lung Cancer

## BUSINESS REVIEW

In 2025, we fully transitioned into Phase 3.0 strategic era, driven by three integrated growth engines: establishing Nona Biosciences as the cornerstone of a global "new infrastructure" for antibody drug discovery; forging long-term, platform-based strategic partnerships with multinational pharmaceutical companies to accelerate global expansion; and maximizing the global value of our mid-to-late-stage assets through Harbour Therapeutics.

During the Reporting Period, we made substantial progress across all strategic fronts, firmly advancing our 2028 vision of becoming a global leading platform-based biopharmaceutical group in the discovery and development of novel therapeutics focusing on immunology, oncology and other areas.

## BUSINESS DEVELOPMENT

Leveraging our unique, cutting-edge innovation platforms and world-class discovery and development capabilities, we have earned sustained external validation through strategic partnerships with multinational corporations and leading biotech companies globally – solidifying our position as a trusted partner of choice and a premier engine for collaboration in the global innovation ecosystem.

Meanwhile, our FIC and BIC potential candidates across multiple modalities and therapeutic areas have been validated by our global partners through several collaborations/license agreements, accelerating the creation of transformative therapies for patients with high unmet medical needs globally.

Together, this integrated approach creates a resilient, scalable business model designed to generate long-term, predictable value.

## GLOBAL STRATEGIC COLLABORATION

### 1. Global Strategic Collaboration with AstraZeneca

In March 2025, we entered a global strategic collaboration agreement with AstraZeneca to discover and develop next-generation therapeutic multi-specific antibodies for immunology, oncology and beyond. Under the terms of the agreement, AstraZeneca obtained the option to license two preclinical immunology programs and nominated further targets for us to discover next-generation multi-specific antibodies. AstraZeneca has the option to license these programs for advancement into clinical development.

In return, the Company received an upfront payment, and has the potential to receive near-term milestone payments and option exercise fees for additional programs, totaling US$175 million, as well as up to US$4.4 billion in additional development and commercial milestone payments, along with tiered royalties on net sales. Additionally, AstraZeneca has the option to include additional programs in the collaboration over the next five years, and the parties have the option to extend the terms of the agreement for an additional five years upon mutual agreement.

Furthermore, AstraZeneca acquired 9.15% newly issued shares of the Company with US$105 million.

To support the collaboration programs under the agreement and other joint initiatives between the two parties, the Group established an innovation center in Beijing, China, to be co-located with AstraZeneca.

In November 2025, we advanced global strategic collaboration with AstraZeneca to discover and develop next-generation biotherapeutics in oncology. The collaboration aims to discover and develop next-generation biotherapeutics, including ADCs and TCE, leveraging the knowledge of both companies.

Under the terms of the agreements, AstraZeneca will continue to nominate discovery programs to the Company each year over the next four years, reflecting the continued progress of the partnership, and will retain the option to license these programs for further development. The Company will be eligible to receive option and option exercise fees, development and commercial milestone payments, plus tiered royalties on future net sales on such licensed programs. The economic terms are consistent with the financial framework established in March 2025.

**2. Global Strategic Collaboration with Otsuka/Visterra**

In June 2025, our fully-owned subsidiary, Nona Biosciences, entered a license agreement with Visterra to advance Visterra's next-generation biotherapeutic pipeline for immune-mediated and autoimmune diseases, leveraging Nona's proprietary HCAb Harbour Mice® technology platform.

In June 2025, we entered a global strategic collaboration with Otsuka to advance HBM7020, a BCMAxCD3 bispecific T-cell engager, for the treatment of autoimmune diseases.

**3. Global Strategic Research Collaboration with Pfizer**

In November 2025, our fully-owned subsidiary, Nona Biosciences, entered a non-exclusive license agreement with Pfizer designed to accelerate preclinical antibody discovery across a range of potential disease indications. Under the terms of the agreement, Pfizer will gain global rights to access Nona's proprietary HCAb platform to generate fully human heavy chain-only antibodies. In return, Nona Biosciences will receive an upfront payment and be eligible for regulatory, clinical, and commercial milestone payments. In addition, Nona may collaborate with Pfizer for antibody discovery, development, and engineering, leveraging Nona's HCAb platform, advanced B-cell screening technologies, and integrated services.

**4. Global Strategic Collaboration and License Agreement with Bristol Myers Squibb**

In December 2025, we entered a multi-year, global strategic collaboration and license agreement with Bristol Myers Squibb to discover and develop next-generation multi-specific antibodies. In return, the Company could receive payments totaling US$90 million, as well as development and commercial milestones of up to US$1.035 billion, along with tiered royalties should Bristol Myers Squibb elect to advance all potential programs.

**COLLABORATIONS ON ASSETS**

**1. Global Collaboration with Windward Bio**

In January 2025, we entered an exclusive license agreement with Windward Bio, under which we and Kelun-Biotech granted Windward Bio an exclusive license of HBM9378/WIN378 globally (excluding Greater China and several Southeast and West Asian countries).

In return, we and Kelun-Biotech are eligible to receive a total of up to US$970 million upfront and milestone payments as well as single to double-digit tiered royalties on net sales of HBM9378/WIN378. The US$45 million upfront and near-term payments include both cash consideration and equity in the parent company of Windward Bio.

Subject to the terms and conditions of the license agreement, we are also eligible to receive additional payment from Windward Bio if Windward Bio undergoes a near-term change of control or enters a sublicense agreement with a third party.

Windward Bio is a clinical-stage, drug development company committed to improving outcomes for people living with advanced immunological conditions with an initial focus on severe respiratory conditions. It is led by a highly experienced team of biopharmaceutical executives with deep discovery, development expertise and with repeated success in bringing compounds from target identification through commercialization. Collectively, they have contributed to more than 15 product launches and executed two Nasdaq IPOs and two sales. In connection with the license agreement, Windward Bio announced a $200 million Series A financing round led by OrbiMed, Novo Holdings, and Blue Owl Healthcare Opportunities, along with co-investors SR One, Omega Funds, RTW Investments, Qiming Venture Partners, Quan Capital, and Pivotal bioVenture Partners.

**2. HBMAT Strategic Collaboration with Spruce**

In February 2025, HBMAT, an innovative biotechnology company incubated by the Company, entered a strategic collaboration and license agreement with Spruce to advance novel therapies targeting corticotropin-releasing hormone (CRH) for various disorders.

Under the agreement, Spruce gains exclusive global rights, excluding Greater China (mainland China, Taiwan, Hong Kong, and Macau), to develop and commercialize HAT001 (designated as HBM9013 by Harbour BioMed), a potent and selective anti-CRH-neutralizing antibody. In return, HBMAT is eligible to receive up to US$395 million, including upfront, development, regulatory and commercial milestone payments, as well as tiered royalties on future net product sales. Additionally, HBMAT is also entitled to a warrant to receive a minority interest in Spruce.

**3. Global Strategic Collaboration with Otsuka**

In June 2025, we entered a global strategic collaboration with Otsuka to advance BCMAxCD3 bispecific T-cell engagers for the treatment of autoimmune diseases. Under the terms of the agreement, Otsuka is granted an exclusive license to develop, manufacture, and commercialize HBM7020, a BCMAxCD3 bispecific T-cell engager, globally, excluding Greater China (Mainland China, Hong Kong, Macau and Taiwan).

In return, the Company received a total of US$47 million in upfront and near-term milestone payments. The Company is also eligible for additional payments of up to US$623 million upon the achievement of specified development and commercial milestones, as well as tiered royalties on future net sales. This strategic collaboration establishes a foundation for potential future partnerships between the two companies in the T-cell engager area.

**4. Strategic Collaboration with Yantai Lannacheng Biotechnology**

In December 2025, we entered a long-term strategic collaboration with Lannacheng to jointly advance the development of next-generation RDCs, leveraging the Company's proprietary Harbour Mice® platform.

**RESEARCH AND TECHNOLOGY LICENSE**

**1. Strategic Collaboration with Invetx**

In February 2025, Nona Biosciences entered a strategic collaboration with Invetx, a Boston-based animal biotechnology company, to develop next-generation animal health biotherapeutics using Nona's HCAb Harbour Mice® platform.

**2. Licensing Agreement with University of Alabama at Birmingham**

In February 2025, Nona Biosciences entered a licensing agreement with the UAB to support their research in B cell development. Under the terms of the agreement, UAB, represented by Dr. James Kobie, has been granted a non-exclusive license to use Nona's H2L2 Harbour Mice® platform to develop fully human antibodies.

**3. Research Collaboration with Atossa Therapeutics**

In April 2025, Nona Biosciences entered a research collaboration with Atossa Therapeutics. The collaboration leverages Nona's proprietary H2L2 Harbour Mice® platform to identify next-generation therapeutic candidates for breast cancer.

**4. Strategic Collaboration with Umoja**

In November 2025, Nona Biosciences expanded strategic collaboration with Umoja, originally established in September 2024. The expanded partnership aims to create multiple in vivo CAR-T cell products, leveraging Nona's proprietary HCAb Harbour Mice® and NonaCarFx™ platforms. Under the terms of the agreement, Nona Biosciences is eligible to receive an upfront payment, potential option exercise fees and milestone payments tied to the discovery and development of specific programs in the collaboration. Umoja will be responsible for all further product development and commercialization.

**5. Strategic Biologics Discovery Alliance with Valink**

In December 2025, Nona Biosciences formed a strategic biologics discovery alliance with Valink to accelerate the creation of innovative bispecific antibodies and bispecific ADCs, leveraging Nona's industry-leading Harbour Mice® fully human antibodies, including its HCAbs.

## RESEARCH, DEVELOPMENT AND TECHNOLOGY

### END-TO-END GENERATIVE AI-DRIVEN DRUG DISCOVERY AND DEVELOPMENT

Artificial intelligence-driven drug discovery and development has become one of our engines, underpinning our commitment to redefining the future of biotherapeutic innovation. During the Reporting Period, we have made substantial progress in building and scaling our AI-enabled drug discovery and development capabilities, highlighted by the successful launch of our first fully human Generative AI HCAb Model powered by Hu-mAtrIx™ AI platform.

- In October 2025, we launched our first fully human generative AI HCAb Model powered by our Hu-mAtrIx™ AI platform, built upon the Harbour Mice® platform. This platform establishes a closed-loop process integrating AI design, intelligent screening, and wet-lab validation. This end-to-end process transforms antibody discovery from blind screening to AI-driven intelligent selection, dramatically improving efficiency and accuracy in antibody discovery.

- Our Generative AI HCAb Model is trained on 9 million NGS-derived HCAb sequences and extensive public data. Using a fine-tuned protein large language model, it enables de novo generation of high-potential HCAb sequences, with secondary optimization for target specificity. These AI-generated sequences then undergo a multi-stage intelligent screening process, which includes:

  – AI Classification Model to filter non-HCAb sequences

  – Multimodal AI Developability Prediction Model to assess key developability parameters such as stability, solubility, and aggregation tendency

  Only candidates that pass rigorous screening proceed to synthesis and wet-lab validation.

- The AI HCAb Model demonstrated a tenfold increase in specific target binders' generation and significantly improved success rates. Data show that among 107 de novo generated binder sequences produced by AI HCAb model which were further validated in wet-lab assays, 78.5% successfully hit the target, while 20 of them demonstrated high activity, purity, yield, and specificity. These AI-designed binders demonstrated outstanding developability profiles, with an average yield exceeding 700 mg/L. Multiple candidate sequences showed nanomolar-level binding affinity while maintaining binding activity against relevant targets in both humans and cynomolgus monkeys.

- Our AI platform is designed as a self-evolving innovation flywheel driven by continuous learning and feedback: AI design – automated validation – AI re-learning. This iterative process enables generative AI to create diverse new molecules, while high-throughput automation rapidly characterizes and feeds back experimental data to continuously enhance model intelligence and R&D efficiency. With this foundation, the AI HCAb Model is expected to accelerate applications of fully human HCAbs across next-generation therapeutic areas, including multi-specific antibodies, XDCs, in vivo CAR-T, and inhaled or oral large-molecule drugs, helping redefine the landscape of biologics discovery.

## ESTABLISHMENT OF GLOBAL AI-DRIVEN DRUG DISCOVERY AND DEVELOPMENT ECOSYSTEM

To extend the impact of our AI innovations beyond internal pipelines, we officially launched the Global AI+ Pharmaceutical Ecosystem Alliance, convening leading experts, technology pioneers, and investors to systematically reshape the entire drug R&D paradigm through artificial intelligence. By converging cross-sector expertise, cutting-edge infrastructure, and shared resources, we aim to create an open, collaborative, and win-win ecosystem. Through shared value and collective innovation, we seek to address the toughest challenges in drug discovery and bring transformative therapies to patients faster and more effectively.

- In February 2025, we entered a strategic collaboration with Insilico to accelerate the discovery and development of innovative therapeutic antibodies, leveraging our respective technological strengths in antibody discovery and artificial intelligence.

  The parties will combine our industry-leading technology platform, proprietary dataset and extensive expertise in antibody development with Insilico's advanced capabilities in designing integrated AI-driven drug discovery and development platforms to jointly develop the next-generation AI-powered antibody application. Additionally, we will collaborate on early-stage drug discovery programs, targeting novel, specific antibodies, leveraging Insilico's AI expertise and our wet lab capabilities.

- In October 2025, we officially established the Global AI + Pharmaceutical Ecosystem Alliance, which brings together leading experts, technology partners, and investors to reshape the entire drug discovery pipeline through AI innovation. The alliance has gained strong support from government bodies, industry associations, and investors including Fortera Capital, Insilico, Molecular Mind, Evinova, INNOVEL, Fenglin Group, Taimei Technology, EClinCloud, Deep Intelligent Pharma, and us.

- In November 2025, we entered a strategic AI collaboration with Evinova China to accelerate AI-enabled drug development. Under the terms of the collaboration, we and Evinova China will jointly apply AI and digital technologies to enhance the efficiency of innovative biologics development.

## RESEARCH AND TECHNOLOGY DEVELOPMENT

We focus on innovative next-generation therapies in oncology, immunology and other areas. Our discovery and pre-clinical research teams conduct drug discovery, formulation development, process development and pre-clinical studies on new candidates. During the Reporting Period, we have achieved progress on our clinical development:

- Our partner, Pfizer, presented the preclinical data of HBM9033/PF-08052666 at the American Association for Cancer Research (AACR) in April 2025.

- We published the Phase I study results of Porustobart (HBM4003) in combination with toripalimab as second-line therapy in patients with advanced hepatocellular carcinoma on the Clinical Cancer Research in May 2025.

- We published the Phase II study results of Porustobart (HBM4003) in combination of toripalimab in patients with refractory neuroendocrine neoplasms in The Lancet in June 2025.

- We published an article entitled "Immunotherapy for rapid bone marrow conditioning and leukemia depletion that allows efficient hematopoietic stem cell transplantation" in Journal for ImmunoTherapy of Cancer in June 2025.

Meanwhile, we have a professional team of scientists at Nona Biosciences to optimize, upgrade and further develop our technology platforms.

Nona Biosciences is committed to cutting-edge technology innovations. The HCAb Harbour Mice® is the world's first fully human HCAb transgenic mouse with clinical validation. This unique platform offers exceptional versatility for diverse applications using fully human VH single-domain antibodies as a plug-and-play system, including bispecific antibodies, multi-specific antibodies, CAR-T therapies, ADCs, mRNA-based therapeutics, and more. Leveraging Nona's technology platforms, the Company may move towards more novel and challenging drug targets globally. During the Reporting Period, the Company presented academic articles or conference posters as follows.

- Developed a "Novel Enzyme-Cleavable Linker Enabling TME-Specific Payload Release for Next-Generation ADCs Against Solid Tumors", and presented at World ADC Congress in March 2025, ADC Asia Congress in March 2025, World ADC Asia Summit in June 2025, ADC Connect in September 2025, World ADC San Diego Summit in November 2025, and 17th PEGS Europe Conference in November 2025.

- Developed a "Fully Human CD19 Cell Engager Using the NonaHCAbFx Platform", and presented at Festival of Biologics USA in April 2025, PEGS Boston Summit in May 2025, Chinese Antibody Society Annual Meeting in May 2025, 16th Annual World Bispecific Summit in September 2025.

- Developed "Heavy Chain-Only TCR mimic Antibodies for Intracellular Antigens", and presented at Antibody Plus Innovation Summit in June 2025, BioSpark 2025 Annual Conference in September 2025.

- Developed an "Innovation Function-based Screening Platform Accelerating T-Cell Engager Discovery", and presented at SAPA-CT Annual Conference in December 2025, Antibody Engineering & Therapeutics in December 2025.

During the Reporting Period, 18 patents were granted by the China National Intellectual Property Administration. As of 31 December 2025, we have applied for 645 patent applications with 496 patent application still pending. These patents and patent applications have further strengthened the protection of intellectual property rights of the Company's core products and technology platforms.

**Cautionary Statement required by Rule 18A.08(3) of the Listing Rules:** The Company cannot guarantee that it will be able to develop, or ultimately market, any of the products in its pipeline successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the Shares.

## ROBUST PORTFOLIO AND DIFFERENTIATED PIPELINE

The Company is committed to the discovery and development of novel antibody therapeutics in immunology, oncology and other areas. We have built a robust portfolio and differentiated pipeline through internal R&D capabilities, strategic global collaborations in co-discovery and co-development, and selective acquisitions. Our portfolio also consists of strategically selected clinical assets with near-term revenue potential targeting diseases with high unmet needs.

During the Reporting Period, we have made substantial progress in advancing our high-potential pipeline into mid- to late-stage clinical development and progressing next-generation innovative assets into the clinical stage, accelerating the delivery of transformative therapies to address significant unmet medical needs and drive meaningful market impact.

### KEY PROGRAMS IN MID-LATE CLINICAL STAGE

#### Batoclimab (HBM9161) (FcRn mAb)

Batoclimab is designed as a fully human monoclonal antibody that selectively binds to and inhibits the neonatal fragment crystallizable receptor ("**FcRn**"). FcRn plays a pivotal role in preventing the degradation of Immunoglobulin G ("**IgG**") antibodies. High levels of pathogenic IgG antibodies drive many autoimmune diseases. As a novel fully human anti-FcRn monoclonal antibody, Batoclimab has the potential to be a breakthrough treatment option for a wide range of autoimmune disease. On 10 October 2022, we entered a license agreement with NBP Pharma, pursuant to which we granted NBP Pharma an exclusive sublicensable license under the licensed technology to develop, manufacture and commercialize batoclimab in Greater China (including Hong Kong, Macau and Taiwan).

In early 2023, we completed the treatment of patients and published the positive topline results of the phase III clinical trial of batoclimab for the treatment of gMG, which is also the first positive pivotal trial outcome for batoclimab worldwide. This marks a major milestone as it is the Company's first product to complete phase III clinical trial and be poised for commercialization to benefit the gMG patients. We also initiated Open-Label extension clinical trial for gMG in 2022.

In June 2023, NMPA accepted the BLA of batoclimab for the treatment of gMG. This is also the first BLA accepted by NMPA since Harbour BioMed's establishment.

In December 2023, the Company voluntarily planned to include additional long-term safety data, and we re-submitted the BLA for batoclimab in June 2024.

We presented the gMG Phase III pivotal clinical trial results in JAMA Neurology in March 2024. Together with the strong Open-Label extension data, we believe these will further optimize the market potential and advance the clinical development of batoclimab.

In July 2024, NMPA accepted the BLA of batoclimab for the treatment of gMG, and the BLA is currently under review.

**HBM9378 (TSLP mAb)**

HBM9378 is a fully human monoclonal antibody against TSLP and it is generated from H2L2 platform. It is a novel, recombinant fully human mAb that potently binds to the TSLP ligand and inhibits the TSLP mediated signaling pathway by blocking the interaction between TSLP and TSLP receptor. This is a well-validated cytokine that plays a key role in the development and progression of a wide array of immunological conditions, including asthma and COPD where inhibition of this pathway has demonstrated benefit in a wide array of inflammatory phenotypes. HBM9378 has been engineered to achieve an extended half-life and effector silencing and is subcutaneously administered.

*Within Greater China*

We received the IND approval for moderate-to-severe asthma from NMPA in February 2022, and we completed Phase I clinical trial in healthy subjects within China.

In January 2025, an IND application for the treatment of COPD was approved by the NMPA.

*Global collaboration with Windward Bio*

In January 2025, it was announced that we and Kelun-Biotech entered an exclusive license agreement with Windward Bio, under which we and Kelun-Biotech granted Windward Bio an exclusive license for the research, development, manufacturing and commercialization of HBM9378/WIN378 globally (excluding Greater China and several Southeast and West Asian countries).

In July 2025, our collaboration partner Windward Bio launched Phase II POLARIS clinical study, assessing long-acting dosing of HBM9378/WIN378 for people living with asthma.

Note: HBM9378 is known as SKB378 in Kelun-Biotech's pipeline and WIN378 in Windward Bio's pipeline

**Porustobart (HBM4003) (CTLA-4 mAb)**

Porustobart (HBM4003) is a next-generation, fully human antibody against cytotoxic T-lymphocyte-associated antigen-4 (CTLA-4), one of the major negative regulators of T cell responses. It is also our first internally developed molecule generated on our HCAb platform, which we have advanced from candidate selection to clinical stage within three years. Porustobart is the first fully human heavy-chain-only anti CTLA-4 antibody which entered clinical development around the world in history, and has favourable properties compared with conventional anti-CTLA-4 antibodies in pre-clinical settings. Compared with conventional anti-CTLA-4 antibody, Porustobart has unique, favourable properties, including significant Treg cell depletion and optimized pharmacokinetics for improved safety. While increasing the potential to selectively deplete intratumoral Treg cells via enhanced antibody-dependent cellular cytotoxicity (ADCC) strategy, we believe porustobart will be able to break the significant immune-suppressive barrier of anti-cancer immunotherapies in solid tumors. Porustobart has great potential to overcome the efficacy and toxicity bottleneck of the current CTLA-4 therapy and become a core product in cancer immunotherapy.

We have implemented the global development plan for multiple types of solid tumors with adaptive treatment designed for porustobart. Positive data of efficacy and safety profile have been read out in the monotherapy trial targeting advanced solid tumor, and in trials of combination treatment with PD-1 inhibitor treating for melanoma, colorectal cancer (CRC), neuroendocrine neoplasm (NEN) and hepatocellular carcinoma (HCC).

In October 2025, we published positive Phase II clinical data in combination with tislelizumab, for the treatment of MSS mCRC. Of the 23 evaluable patients, the objective response rate (ORR) is 34.8%, disease control rate (DCR) is 60.9%, and 12-month overall survival (OS) rate is 84%.

In February 2026, the Company entered a license agreement and equity partnership with Solstice Oncology, a clinical stage biotechnology company established by a syndicate of major venture capital investors, for the exclusive development and commercialization of porustobart outside Greater China.

**HBM7575 (TSLP undisclosed target BsAb)**

HBM7575 is a long-acting bispecific antibody targeting TSLP and an undisclosed antigen, with a dual mechanism of action. On one hand, by blocking the interaction between TSLP and its receptor, it inhibits TSLP-mediated signaling pathways and the activation of Th2 immune cells. On the other hand, binding to and blocking the undisclosed target generates a synergistic effect, overcoming resistance issues associated with TSLP single-target antibodies. HBM7575 has been engineered to possess an extended half-life and favourable developability, enabling subcutaneous administration. Based on preclinical half-life data, the anticipated human half-life is expected to support dosing intervals of more than three months, positioning it as a potential best-in-class therapy.

In December 2025, NMPA accepted IND application for HBM7575 for the treatment of atopic dermatitis.

In March 2026, the China IND application for the treatment of atopic dermatitis was approved by the NMPA.

**PROGRESS ON NEXT GENERATION INNOVATION PORTFOLIOS**

**HBM7020 (BCMA/CD3 BsAb)**

HBM7020 is a BCMAxCD3 bispecific antibody generated with our proprietary fully human HBICE® bispecific technology and Harbour Mice® Platform. HBM7020 can crosslink targeted cells and T cells by targeting BCMA on cell surface and CD3 on T-cell surface and thus lead to potent T-cell activation and cell elimination. By using dual anti-BCMA binding sites for optimal cell targeting, and monovalent optimized CD3 activity to minimize CRS, HBM7020 demonstrated potent cytotoxicity with broader applications in both immunological and oncology disease.

In August 2023, HBM7020 obtained the IND clearance from NMPA to commence Phase I trial for cancer in China.

In June 2025, we entered a global strategic collaboration agreement with Otsuka to advance HBM7020 for the treatment of autoimmune diseases. Under the agreement, Otsuka is granted an exclusive license to develop, manufacture, and commercialize HBM7020 globally, excluding Greater China (Mainland China, Hong Kong, Taiwan and Macau).

**HBM7004 (B7H4/CD3 BsAb)**

HBM7004 is a novel B7H4xCD3 bispecific antibody. Using our proprietary fully human HBICE® bispecific technology and Harbour Mice® Platform (H2L2&HCAb), we discovered this B7H4xCD3 bispecific antibody to provide novel solutions for cancer immunotherapy from both efficacy and safety angles. The development of B7H4xCD3 bispecific HBICE® further consolidates our bispecific immune cell engager platform and demonstrates HBICE® platform's versatile geometry formats and plug-and-play advantages.

In preclinical studies, HBM7004 demonstrated an intratumor B7H4 dependent T cell activation. In multiple animal models, HBM7004 showed strong anti-tumor efficacy, remarkable in vivo stability and reduced systemic toxicity. Also, in preclinical models, HBM7004 showed strong synergistic effect when combining with B7H4x4-1BB bispecific antibody at low Effector:Target cell ratio, indicating the encouraging therapeutic window.

In 2025, we continued pre-clinical development and advanced HBM7004 to IND-enabling stage.

**Metabolic Disease Programs (Undisclosed Targets)**

In March 2025, we launched Élancé, building a pipeline to improve weight loss outcomes while preserving lean muscle mass. Multiple programs are currently in preclinical development, each designed to offer innovative mechanisms of action, including targeted hormone modulation and enhanced metabolic regulation. By integrating dual-targeting strategies with enhanced safety profiles, these therapies have the potential to complement and expand upon existing treatment options, including various agonists of GLP-1 receptor, GIP receptor, and GCG receptor.

These programs are supported by our antibody discovery platform and Hu-mAtrIx™ AI platform, with AI applications guiding antibody sequence discovery, enrichment, optimization, bispecific geometry design, and developability/immunogenicity/pharmacokinetics (PK) assessments, as well as patient biomarker studies.

**CNS Disease Programs (Undisclosed Targets)**

Resilience, incubated by us, is advancing a next-generation CNS pipeline focused on Alzheimer's disease, Parkinson's disease, and other neurodegenerative disorders. Multiple programs are currently in preclinical development, targeting well-validated CNS pathways. By significantly enhancing central nervous system delivery and extending half-life, these programs aim to amplify therapeutic efficacy and deliver next-generation BIC and FIC therapeutics. This approach is enabled by proprietary platform technologies, including HCAB-based blood-brain barrier (BBB) shuttle platforms for brain-penetrant antibody delivery and BBB shuttle-conjugated ASO/siRNA modalities, designed to overcome the key barriers in CNS drug development.

## SIGNIFICANT INVESTMENTS

To give full play to the value of our unique platform technologies, we continue to explore the expandability of platform technology application scenarios which generate impactful values to the Company. With limited investments, we are incubating several ventures focusing on next generation innovation varying from multivalent to cell therapies, etc. Their common objective is to increase the application scenarios of our technology platform and create the incremental value for the Company. In other words, this "technology for equity" model allows us to integrate incremental resources for the diversification of our next generation innovation which will constantly bring us more new value growth points with minimal marginal investment.

### Investment of NK Cell-Tech

In June 2021, the Company entered into an agreement with NK Cell-Tech, a startup company established in the PRC with globally leading technology and talents in the NK cell field. The Company, via Harbour BioMed (Shanghai) Technology Development Co., Ltd., ("**HBM Shanghai**"), a subsidiary of the Company, as the co-founder, made an investment in NK Cell-Tech. Pursuant to the shareholders' agreement entered by the parties, HBM Shanghai subscribed for redeemable ordinary shares with preferential shares of NK Cell-Tech, representing 15.8% of the equity interest in the registered capital of NK Cell-Tech, for a consideration of cash and technology sublicense agreement. Upon completion of the subscription, the Company, through its subsidiary, held 15.8% of the total equity interest of NK Cell-Tech and has the right to appoint a person as a director of NK Cell-Tech. This investment shows the expandability of our platform technology application scenarios which generate impactful values to the Company in the diversified deployment of next-generation innovation. It opens a new channel for the value creation and conversion of our platform technology. In November 2024, NK Cell-Tech completed its A++ round financing which accelerated the development and clinical process of its pipeline products. In July 2025, NK Cell-Tech completed its A+++ round financing, raising a fund of nearly RMB100 million from a group of investors, which would advance the clinical trials of its core NK cell therapy product candidates and to support the development of its product pipeline. As of 31 December 2025, the Company, through its subsidiary, held 10.0923% of the total equity interest of NK Cell-Tech.

As of 31 December 2025, the fair value of the investment is US$8.27 million, which represented 1.65% of the Company's total assets. During the Reporting Period, the Group recorded unrealized gain on fair value change of US$0.65 million of its investment in NK Cell Tech.

### Investment and Incubation of Élancé

In March 2025, we launched Élancé. Harnessing our proprietary HCAb-based antibody technology, Élancé aims to develop next-generation of best-in-class and first-in-class obesity therapeutics, addressing key challenges in current obesity treatment, including muscle preservation and long-term efficacy. As of 31 December 2025, through its subsidiary, the Company held 100% of the total equity interest of Élancé.

### Investment and Incubation of Resilience

Resilience is advancing a next-generation CNS pipeline focused on Alzheimer's disease, Parkinson's disease, and other neurodegenerative disorders. By significantly enhancing central nervous system delivery and extending half-life, Resilience aims to amplify therapeutic efficacy and deliver next-generation best-in-class and first-in-class therapeutics. As of 31 December 2025, the Company, through its subsidiary, held 100% of the total equity interest of Resilience.

### Investment of Sobour Biopharma

Sobour Biopharma is an innovative biotechnology company co-founded by the Company and renowned industry experts. The company pioneers the world's first "inflammatory danger signal regulator" therapeutic concept, focusing on the critical nodes involved in the perception and regulation of danger signals within the tumor-inflammation-immunity axis. By targeting these key mechanisms, Sobour aims to develop next-generation antibody therapeutics designed to reprogram the immune microenvironment and unlock novel treatment paradigms for cancer and inflammatory diseases. As of 31 December 2025, the Company, through its subsidiary, held 27.88% of the total equity interest of Sobour Biopharma.

Save as disclosed in this announcement, the Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the total assets of the Group as of 31 December 2025) during the Reporting Period.

## EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, particulars of the Company's significant events affecting the Company or any of its subsidiaries after 31 December 2025 are listed below:

### Acquisition of Common Stock in Spruce

In January 2026, through our wholly-owned subsidiary, we exercised our warrant to acquire the common stock in Spruce. Following this transaction, we hold approximately 3.8% of the total outstanding shares of Spruce and approximately 3.1% of the fully diluted shares of Spruce[1].

### Multi-target Antibody Discovery Collaboration with Link Cell Therapies

In January 2026, Nona Biosciences entered a multi-target antibody discovery collaboration with Link Cell Therapies, leveraging Nona's proprietary fully human HCAb Harbour Mice® platform and its innovative direct CAR-function-based HCAb library screening platform,NonaCarFx™, to generate novel CAR-T cell therapy candidates.

### License Agreement and Equity Partnership for HBM4003 (CTLA-4 mAb) with Solstice

In February 2026, we entered a license agreement and equity partnership with Solstice, a clinical stage biotechnology company established by a syndicate of major venture capital investors, for the exclusive development and commercialization of a clinical stage portfolio asset HBM4003 outside Greater China.

1 Calculated based on the total outstanding shares and fully diluted shares of Spruce as of September 30, 2025

Under the terms of the license agreement, we will receive upfront consideration valued at over $105 million, comprised of $50 million in upfront payments, $5 million in near-term cash payments and over $50 million of equity in Solstice. We are also eligible for additional development, regulatory and commercial milestones up to approximately $1.1 billion, contingent on the achievement of certain future events, and tiered royalties on net sales outside Greater China.

**HBM7575 (TSLP undisclosed target BsAb) IND Approval**

In March 2026, the China IND application for HBM7575, a long-acting bispecific antibody targeting TSLP and an undisclosed target for the treatment of atopic dermatitis, was approved by the NMPA.

## PROSPECTS AND OUTLOOK

2025 marked a year of significant transformation for the Company. We successfully entered our Phase 3.0 strategic era, driven by three integrated growth engines: establishing Nona Biosciences as the cornerstone of a global "new infrastructure" for antibody drug discovery; forging long-term, platform-based strategic partnerships with multinational pharmaceutical companies to accelerate global expansion; and maximizing the global value of our mid-to late-stage assets through Harbour Therapeutics.

By leveraging our unique, cutting-edge innovation platforms and world-class discovery and development capabilities, including Harbour Mice®, single-B cell screening, NonaCarFx™ (a direct CAR-function-based screening platform), Hu-mAtrIx™ (an AI-driven drug discovery platform), and Modalities-on-Demand™ (a next-generation modalities engine), we have earned sustained external validation through strategic partnerships with multinational corporations and leading biotech companies globally — solidifying our position as a trusted partner of choice and a premier engine for collaboration in the global innovation ecosystem.

Our diversified portfolio in immunology, oncology and other areas continues to advance, with significant progress in deepening existing partnerships. These collaborations not only provide ongoing validation of the first-in-class or best-in-class potential of our pipeline candidates, but also accelerate global development, reinforcing our position as a global-leading biotech company for biologics innovation and our commitment to delivering transformative therapies to patients worldwide.

Looking ahead, we will continue to drive sustainable business growth and fulfill our 2028 vision of becoming a global leading platform-based biopharmaceutical group through these three integrated growth engines. In 2026, we plan to advance multiple high-potential assets into mid- to late-stage clinical development and progress additional innovative candidates into the clinical stage across immunology, oncology, and other therapeutic areas with high unmet medical needs. Meanwhile, we will actively explore various opportunities to accelerate our portfolio and platform value realization and strengthen our role in the global innovation ecosystem by expanding collaborations with global partners. We will continue to generate long-term, predictable value to create a resilient, scalable business model, firmly advancing our vision of becoming a global leader in the discovery and development of innovative biotherapeutics.

## FINANCIAL REVIEW

### OVERVIEW

The Group recorded a revenue of US$157.9 million and a profit of US$92.2 million for the year ended 31 December 2025, as compared with a revenue of US$38.1 million and a profit of US$2.7 million for the year ended 31 December 2024.

Other income and gains were US$17.6 million for the year ended 31 December 2025, as compared with US$11.2 million for the year ended 31 December 2024. The research and development costs of the Group was US$39.8 million for the year ended 31 December 2025, as compared with US$21.0 million for the year ended 31 December 2024. The administrative expenses were US$24.3 million for the year ended 31 December 2025, as compared with US$13.2 million for the year ended 31 December 2024.

### REVENUE

Our revenue primarily consists of molecule license fee, research & technology license fee.

During the Reporting Period, our total revenue was US$157.9 million, increasing 314.6% from US$38.1 million for the year ended 31 December 2024. Molecule license revenue increased from US$29.8 million to US$141.4 million, mainly attributable to strategic collaboration with global pharmaceutical companies and newly secured out-licensing for innovative products. Meanwhile, research & technology license revenue increased 98.7% from US$8.3 million to US$16.6 million.

| | **2025** | 2024 |
|---|---|---|
| | **USD'000** | USD'000 |
| – Molecule license fee | **141,398** | 29,759 |
| – Research & technology license fee | **16,577** | 8,341 |
| Total | **157,975** | 38,100 |

### COST OF SALES

Our cost of sales increased by US$4.2 million, from US$4.5 million for the year ended 31 December 2024 to US$8.7 million for the year ended 31 December 2025, mainly consisting of the labor costs and material costs for the research service. The increase was consistent with the growth of research service fee income.

### OTHER INCOME AND GAINS

Other income and gains primarily consist of interest income, government grants recognized and other miscellaneous income, which increased from US$11.2 million for the year ended 31 December 2024 to US$17.6 million for the year ended 31 December 2025, primarily due to the increase in cash which generated more interest income and fair value gain on other financial assets.

## RESEARCH AND DEVELOPMENT COSTS

Our research and development costs increased from US$21.0 million for the year ended 31 December 2024 to US$39.8 million for the year ended 31 December 2025. This increase was mainly due to advancing clinical pipeline projects while expanding early discovery and research activities.

| | For the year ended December 31 | | | |
|---|---|---|---|---|
| | **2025** | | 2024 | |
| | **US$ in thousands** | | US$ in thousands | |
| Third-party contracting costs | **22,351** | **56.2%** | 6,359 | 30.3% |
| Employee costs | **11,933** | **30.0%** | 10,361 | 49.4% |
| Materials | **2,936** | **7.4%** | 1,057 | 5.0% |
| Depreciation and amortization | **1,687** | **4.2%** | 2,522 | 12.0% |
| Others | **858** | **2.2%** | 700 | 3.3% |
| | **39,765** | **100.0%** | 20,999 | 100.0% |

## ADMINISTRATIVE EXPENSES

Our administrative expenses increased from US$13.2 million for the year ended 31 December 2024 to US$24.3 million for the year ended 31 December 2025, primarily driven by increase in employee cost from US$8.0 million to US$12.5 million and professional expenses from US$3.9 million to US$9.4 million.

| | For the year ended 31 December | | | |
|---|---|---|---|---|
| | **2025** | | 2024 | |
| | **US$ in thousands** | | US$ in thousands | |
| Employee costs | **12,526** | **51.5%** | 7,960 | 60.4% |
| Professional expenses | **9,448** | **38.8%** | 3,865 | 29.3% |
| Depreciation and amortization | **643** | **2.6%** | 343 | 2.7% |
| Others | **1,703** | **7.1%** | 1,003 | 7.6% |
| | **24,320** | **100.0%** | 13,171 | 100.0% |

## OTHER EXPENSES

Our other expenses increased from US$0.2 million for the year ended 31 December 2024 to US$2.6 million for the year ended 31 December 2025, primarily due to the exchange loss in 2025.

**PROFIT FOR THE YEAR**

As a result of the above factors, the Group recorded a profit of US$92.2 million for the year ended 31 December 2025, increased 3263.3% from US$2.7 million for the year ended 31 December 2024.

**Aging Analysis of Accounts Receivable**

| | **2025 USD'000** | 2024 USD'000 |
|---|---|---|
| Within 6 months | **4,769** | 8,603 |
| 6 to 12 months | **54** | 50 |
| Above 12 months | **1,595** | 787 |
| Less: Impairment allowance | **488** | 461 |
| Net carrying amount | **5,930** | 8,979 |

A majority of the accounts receivables aged less than six months.

**Aging Analysis of Accounts Payables**

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

| | **For the year ended 31 December** | |
|---|---|---|
| | **2025 US$ in thousands** | 2024 US$ in thousands |
| Within 1 month | **6,865** | 2,288 |
| 1-3 months | **1,402** | 934 |
| 3-6 months | **27** | 385 |
| 6-12 months | **84** | 1,469 |
| Above 12 months | **667** | 178 |
| | **9,045** | 5,254 |

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 3 months.

## LIQUIDITY AND SOURCE OF FUNDING

Our primary uses of cash are to fund our research, clinical trials, purchase of equipment and materials and other expenses. During the Reporting Period, we primarily funded our working capital requirements through the cash flow generated by our revenue. We closely monitor cash and bank balances and strive to maintain a healthy liquidity for our operations.

### Key Financial Ratios

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

| | As of 31 December | |
|---|---|---|
| | **2025** | 2024 |
| Current ratio[1] | **5.17** | 2.82 |
| Gearing ratio[2] | **N/A[3]** | N/A[3] |

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

(2) Gearing ratio is calculated by net debt divided by the adjusted capital plus net debt. Net debt includes lease liabilities, trade payables and financial liabilities included in other payables and accruals, less cash and cash equivalents and restricted bank balances. Adjusted capital includes equity attributable to owners of the parent.

(3) As at 31 December 2025 and 31 December 2024, the Group's cash and cash equivalents plus restricted bank balances exceeded the financial liabilities. As such, no gearing ratio as of 31 December 2025 and 31 December 2024 was presented.

## MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies and joint ventures for the year ended 31 December 2025.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSET

The Group did not have detailed future plans for material investments or capital assets.

## PLEDGE OF ASSETS

As of 31 December 2025, except for the cash in bank amounting to US$1.2 million (as of 31 December 2024: US$0.9 million) was restricted, the Group had no other pledge of assets.

## CONTINGENT LIABILITIES

The Group had no material contingent liabilities as of 31 December 2025 (as of 31 December 2024: Nil).

## FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2025, the Group mainly operated in China in which the majority of the transactions were settled in the Renminbi ("**RMB**"), whereas the funding source of the Company was United States dollars ("**US$**"), the functional currency of the Company. Our financial assets and liabilities are subject to foreign currency risk as a result of certain bank deposits, trade and other receivables and trade and other payables denominated in non-functional currencies. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect our results of operations. We have not entered into any hedging transactions to manage the potential fluctuation in foreign currency as of 31 December 2025.

## BANK LOANS AND OTHER BORROWINGS

As of 31 December 2025, we had bank loans of US$73.5 million and lease liabilities of US$8.3 million.

The table below summarizes the maturity profile of the Group's bank loans and lease liabilities as of the dates indicated, based on contractual undiscounted payments:

| | **Less than 1 year US$ in thousands** | **Between 1-2 years US$ in thousands** | **Between 2-5 years US$ in thousands** | **Total US$ in thousands** |
|---|---|---|---|---|
| As of 31 December 2025 | | | | |
| Lease liabilities | **2,121** | **1,935** | **4,228** | **8,284** |
| Bank borrowings – unsecured* | **56,005** | **16,199** | **1,281** | **73,485** |
| As of 31 December 2024 | | | | |
| Lease liabilities | 1,026 | 680 | 187 | 1,893 |
| Bank borrowings – unsecured* | 55,584 | 1,906 | 1,956 | 59,446 |

* The bank borrowings carry interest at rates ranging from 1.4% to 2.80% (2024: 1.40% to 4.00%) per annum.

### EMPLOYEES AND REMUNERATION

As of 31 December 2025, 237 of our employees were located in the PRC, and 35 were located overseas. The following table sets forth the total number of employees by function as of 31 December 2025:

| Function | Number of Employees | % of Total Employees |
|---|---|---|
| Research and Development | 196 | 72.1 |
| General and Administrative | 76 | 27.9 |
| Total | 272 | 100.0 |

The total remuneration cost incurred by the Group for the year ended 31 December 2025 was US$30.3 million (including share-based payment amounting to US$3.2 million), as compared to US$23.7 million for the year ended 31 December 2024.

The Group has also adopted a pre-IPO equity plan, a post-IPO share option scheme and a post-IPO share award scheme.

## FINAL DIVIDEND

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

# Directors and Senior Management

## EXECUTIVE DIRECTORS

**Dr. Jingsong Wang, M.D., Ph.D.** (王勁松), aged 62, is an Executive Director, Chief Executive Officer and Chairman of the Board. Dr. Wang is a member of the Remuneration Committee and Chairman of the Nomination Committee. Dr. Wang is also a Director of HBM Holdings BVI and HBM Therapeutics, as well as the legal representative and Chief Executive Officer of HBM Shanghai, Nona Biosciences Suzhou, HBM Guangzhou and HBM Beijing. Dr. Wang is the principal founder of the Group and joined the Group in July 2016.

Dr. Wang was Associate Director of Translational Medicine at Wyeth Pharmaceuticals, Inc., from July 2005 to May 2007. After that, he served as Director of Clinical Discovery Immunology at Bristol-Myers Squibb Company from June 2007 to November 2011. From November 2011 to December 2015, Dr. Wang served as Head of China Research and Development at Sanofi S.A.

Dr. Wang has served as an independent director of Xinjiang Bai Hua Cun Pharma Tech Co., Ltd., (新疆百花村醫藥集團股份有限公司) from September 2021 to August 2024 and an independent non-executive director of Frontage Holdings Corporation (HKEX: 1521) since April 2018.

Dr. Wang received his M.D. in Clinical Medicine from Xuzhou Medical College in China in June 1986, his Master's degree in Medical Science (immunology) from Jilin University in China in July 1989, and his Ph.D. in Molecular Pharmacology from the China Pharmaceutical University in China in July 2011. Dr. Wang also obtained a physician qualification awarded by the Board of Registration in Medicine from the Commonwealth of Massachusetts in May 2002, as well as a Diplomate in Internal Medicine and a Diplomate in Rheumatology, both awarded by the American Board of Internal Medicine in 2003 and 2004, respectively. He obtained an unrestricted licensure in medicine awarded by the State Board of Medicine of the Commonwealth of Pennsylvania in 2005. In addition, Dr. Wang served as a Research/Clinical Fellow in rheumatology at Brigham and Women's Hospital and Harvard Medical School from June 2001 to June 2005.

**Dr. Yiping Rong, Ph.D.** (戎一平), aged 49, is an Executive Director and Chief Scientific Officer of the Company.

Dr. Rong was an associate scientist at Shanghai Biochip Co., Ltd., between June 2002 and June 2003. He then served as Associate Research Investigator at Roche R&D Center (China), where he designed and led two oncology projects (tumor antigen target by antibody modality, protein interaction target by peptide or SMI) between January 2009 to September 2012, with his last position as Principal Scientist. From September 2012 to July 2014, Dr. Rong served as Senior Scientist and Group Leader of Translation Research, Department of Oncology at Janssen Pharmaceutical R&D, Johnson & Johnson, Shanghai Discovery Center. He was in charge of preclinical translational oncology research for liver cancer indication. As a biology leader, he also successfully devised the preclinical data package and patient stratification biomarker strategy to support the first Janssen oncology Phase I filing in China. In July 2014, he joined Sanofi S.A., Asia Pacific R&D Hub, AP TSU Research as Associate Director, where he led and managed the early-stage cancer therapeutics projects for liver cancer until he departed from the position in May 2016 to join the Company.

Dr. Rong received his Master's degree in Molecular Biology in June 2002 from the East China University of Science and Technology & Chinese National Human Genome Center in China and his Ph.D in Pharmacology in May 2008 from Case Western Reserve University in the U.S.A. Dr. Rong has also been a member of the American Association of Cancer Research.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Robert Irwin Kamen, Ph.D.,** aged 82, is an independent non-executive director. Dr. Kamen is a member of the Nomination Committee. Dr. Kamen joined the Group in December 2016. He also served as a Director in Harbour Antibodies from December 2007 to December 2016 prior to the acquisition of Harbour Antibodies by the Group. Dr. Kamen has served as an independent director on our Board as well as a member of our Scientific Advisory Board since December 2016. He provides our Group with independent consulting and advisory services and is not involved in the day-to-day management of the Group.

Dr. Kamen was Head of Transcription Laboratory and Principal Investigator of the Imperial Cancer Research Fund from 1976 to 1982, after which he served as Senior Vice President of Scientific Affairs at Genetics Institute, Inc., from 1982 to 1989, where he was the overall head of research and development. He then served as President of the BASF Research Corporation from 1991 to 2000, and President and the Unit Head of the Abbott Bioresearch Center, where he was also a member of the Abbott Labs Executive Committee, from 2000 to 2002. Dr. Kamen served as an Executive-in-Residence at Oxford Bioscience Partners, a venture capital firm, from 2002 to 2008. He served as a Venture Partner at Third Rock Ventures from 2010 to 2024.

Dr. Kamen received his Bachelor's degree of arts in Biophysics from Amherst College in the U.S. in 1965 and his Ph.D. in Biochemistry and Molecular Biology from the Harvard University Graduate School of Arts and Sciences in the U.S. in 1970. He has also been a member of the European Molecular Biology Organization since 1976.

**Dr. Xiaoping Ye, Ph.D.** (葉小平), aged 63, is an independent non-executive director. Dr. Ye is a member of the Audit Committee, the Nomination Committee and the Remuneration Committee. Dr. Ye joined the Group in December 2020.

Dr. Ye is Chairman of the Board and actual controller of Hangzhou Tigermed Consulting Co., Ltd., (SZSE: 300347/HKEX: 3347) ("**Hangzhou Tigermed**").

Dr. Ye received his Ph.D. in Immunology from Oxford University in April 2001, and has nearly thirty years of experience in the pharmaceutical industry. Dr. Ye serves successively as Chairman of the Board and a Director of Hangzhou Tigermed, where he is responsible for the overall strategic of the company, as well as the supervision of the company's business management. Dr. Ye is also Chairman of the Strategy Development Committee at Hangzhou Tigermed.

From March 1999 to March 2005, Dr. Ye is the Director of Medical Registration Department at Roche Pharmaceutical Co., Ltd., in Shanghai.

Dr. Ye served as a director of Dian Diagnostics Group Co., Ltd. (SZSE: 300244) from September 2020 to December 2022 and Coland Holdings Limited since December 2010. From October 2011 to January 2020, Dr. Ye served as a director of Shanghai Lide Biotech Co., Ltd.

**Dr. Albert R. Collinson, Ph.D.**, aged 68, is an independent non-executive director. He is a member of the Audit Committee and Chairman of the Remuneration Committee. He has over 30 years of experience in the pharmaceutical and biotechnology industries. Dr. Collinson was President and Chief Executive Officer at Theracos, Inc., from July 2009 to July 2023, a pharmaceutical research and development company focusing on mid- to late-stage assets for the treatment of human diseases including type-2 diabetes. Prior to joining the Group, Dr. Collinson founded and served as President and Chief Executive Officer of Opsonic Therapeutics, Inc., from 2009 to June 2014, a privately held biotechnology company engaged in the development of the next generation of antibody therapeutics. Dr. Collinson also served as Chief Business Officer of Rib-X Pharmaceuticals, Inc., from 2004 to 2009, Senior Vice President of Business Development at Phylos, Inc., from 2000 to 2004, and Vice President of Global Research & Development Licensing at BASF Pharma from 1998 to 2000. Dr. Collinson began his career as a scientist at ImmunoGen, Inc.

Dr. Collinson received his Ph.D. in Biochemistry from Brandeis University in 1987 and his Bachelor's degree in science in Biology (General) from the University of Rhode Island in 1980. Dr. Collinson was a post-doctoral fellow at the Dana Farber Cancer Institute and Harvard Medical School.

**Ms. Weiwei Chen** (陳維維), aged 60, is an independent non-executive director. Ms. Chen had been serving as a non-executive director from June 2021 to December 2024 and an independent non-executive director since January 2025. Prior to that, Ms. Chen was an independent non-executive director from December 2020 to June 2021. Ms. Chen joined the Group in December 2020.

Ms. Chen joined Sanofi Group in February 2004 as Chief Financial Officer (China) and had subsequently served as Chief Financial Officer (Asia) since April 2011 until her departure in June 2012. Ms. Chen then served as Chief Financial Officer of Yum! Brands, Inc., (China Division) between July 2012 and May 2015. In June 2015, she joined Starbucks (China) Co., Ltd., where she has served as Vice President and Chief Financial Officer till December 2020.

Ms. Chen has served as a non-executive director of Dairy Farm International Holdings Limited, traded as DFI Retail Group (LSE: DFIB; SGX: D01), a company listed on the London Stock Exchange, with secondary listings on the Bermuda and Singapore stock exchanges, since November 2021. She also served on the LianBio Board, a Nasdaq listed company (NASDAQ: LIAN), as an independent non-executive director from April 2022 to August 2024.

Ms. Chen received her Bachelor's degree in Accountancy from the University of Illinois in the U.S. in May 1993 and her Master of Business Administration from Rutgers University in the U.S. in October 2002.

## SENIOR MANAGEMENT

**Dr. Jingsong Wang, M.D., Ph.D.** (王勁松), aged 62, is an Executive Director, Chief Executive Officer of our Company and Chairman of the Board. For further details, see "Executive Directors" above.

**Dr. Yiping Rong, Ph.D.** (戎一平), aged 49, is an Executive Director and Chief Scientific Officer of our Company. For further details, see "Executive Directors" above.

**Dr. Xiaolu Tao, Ph.D.** (陶曉路), aged 52, is President of Development of our Company. Dr. Tao joined the Group in July 2020.

Prior to joining the Group, Dr. Tao served as Associate Vice President at Cstone Pharmaceuticals (HKEX: 2616) from 2018 till 2020. She also served as Executive Director at Simcere Pharmaceutical Groups (HKEX: 2096) from 2016 to 2018, establishing and heading Drug Metabolism and Pharmacokinetics (DMPK) and Clinical Pharmacology Department for these two companies. Before starting her career in China, Dr. Tao worked in the U.S. at Akros Pharma Inc, Bristol-Myers Squibb Company and Novartis AG in the area of clinical pharmacology and pharmacometrics as Senior Scientist. She had successfully supported IND as well as BLA/NDA filings in the U.S., Europe and China for multiple programs. Dr. Tao currently is one of the experts for the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) M12, working on globally harmonized drug-drug interaction guideline.

Dr. Tao received her Ph.D. from Temple University, School of Pharmacy in the U.S., and obtained both Bachelor of Science and Masters of Science degrees from China Pharmaceutical University in China.

The Board is pleased to present its Directors' Report for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally established two core pillars. Harbour Therapeutics focuses on advancing a global portfolio of transformative therapeutics, while Nona Biosciences provides broad, open access to Harbour BioMed's technologies and expertise through an innovative business model, accelerating global biotherapeutic innovation to benefit patients worldwide. Details of the principal activities of the principal subsidiaries are set out in note 1 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year. Record of the Company's key relationships with its employees, customers, suppliers and others that have a significant impact on the Company will be set out in the "Environmental, Social and Governance Report" which will be published on the same day with this report.

## RESULTS

The Group's profit for the year ended 31 December 2025 and the Group's financial position at that date are set out in the consolidated financial statements.

## FINAL DIVIDEND

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

## BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 and the business outlook of the Group are set out in the section headed "Management Discussion and Analysis" on pages 13 to 35 of this annual report.

## KEY FINANCIAL PERFORMANCE INDICATORS

The key financial performance indicators of the Group for the year ended 31 December 2025 are set out in the section headed "Financial Highlights" on page 4 of this annual report.

## FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years are set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the Group's purchases from its largest supplier accounted for 18.3% (2024: 12.6%) of its total purchases, and the purchases from the five largest suppliers in aggregate accounted for 36.6% (2024: 36.0%) of its total purchases.

For the year ended 31 December 2025, the Group's sales to its largest customer accounted for 42.9% (2024: 49.9%) of the Group's revenue, and the sales to the five largest customers in aggregate accounted for 89.7% (2024: 72.6%) of its total revenue.

None of the Directors or any of their close associates or any Shareholders (which, to the knowledge of the Directors, own more than 5% of the number of issued Shares of the Company) has any interest in the Group's five largest customers and suppliers.

## SUBSIDIARIES

Details of the major subsidiaries of the Company as of 31 December 2025 are set out in note 1 to the consolidated financial statements.

## SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 31 December 2025 are set out in note 28 to the consolidated financial statements.

## DISTRIBUTABLE RESERVES

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

## BANK LOANS AND BORROWINGS

Particulars of bank loans and borrowings of the Company and the Group as of 31 December 2025 are set out in note 26 to the consolidated financial statements.

## EQUITY-LINKED AGREEMENTS

Save for the share schemes as set out in the section headed "Equity Incentive Plans" below, the Group has not entered into any equity-linked agreements, nor there were any equity-linked agreements subsisted during the year ended 31 December 2025.

## RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS

The Group's financial position, results of operations, business activities and prospects are subject to a variety of risks and uncertainties, many of which are beyond the Group's control. These risks arise from the nature of the biotechnology industry, the Group's stage of development, regulatory environment, technological advancements, reliance on third parties, data security considerations, and the jurisdictions in which the Group operates. Any one or more of these risks, if materialised, could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

The principal risks and uncertainties currently identified by the Group are set out below. These risks are not exhaustive, and there may be additional risks and uncertainties not presently known to the Group or that are currently considered immaterial but may become material in the future.

### RISKS RELATING TO RELIANCE ON THIRD PARTIES

- The Group relies extensively on third-party collaborators, including CROs, CDMOs, technology partners and business development counterparties, to conduct pre-clinical studies, clinical trials, manufacturing, platform development, commercialization activities and business expansion initiatives.

- On one hand, the Group may be able to leverage external expertise and manage resources efficiently but also limits the Group's direct control over execution, timelines, quality standards and strategic alignment.

- On the other hand, the Group has limited control over the performance, timelines, quality standards and strategic priorities of these third parties.

- Third-party collaborators may change their business strategies, experience operational or financial difficulties, fail to perform their contractual obligations, or fail to meet expected milestones or deadlines.

- Any disruption, delay or failure by such third parties may adversely affect the Group's ability to achieve its research and development objectives, obtain regulatory approvals, commercialize its products or realise the expected benefits from collaborations, licensing arrangements or alternative business models.

- As the Group continues to broaden its technology offerings and expand collaboration and partnership arrangements, uncertainties relating to the reliability and long-term commitment of third-party vendors and partners may increase and introduce additional operational and execution risks.

- To mitigate these risks, the Group maintains close coordination with its third-party collaborators, actively explores alternative business and collaboration models, focuses on funnel construction and lead generation, and evaluates alternative partners where appropriate.

**RISKS RELATING TO REGULATORY, COMPLIANCE AND CORPORATE GOVERNANCE**

- As a Chapter 18A listed company, the Group is subject to extensive regulatory requirements relating to corporate governance, clinical development, regulatory compliance and public disclosure.

- Any delay or omission in disclosing material information, including matters relating to clinical, regulatory or governance developments, may result in non-compliance with applicable rules, including the Hong Kong Stock Exchange Listing Rules and the Corporate Governance Code, and may adversely affect investor confidence and market trust.

- The regulatory environment applicable to the Group is evolving and subject to change. Amendments to laws, regulations, guidelines and disclosure standards may impose additional compliance obligations, increase operating costs and expose the Group to heightened risks of non-compliance.

- The Group has implemented measures to enhance compliance and internal controls, including automated record-keeping tools, establishment of a single-source data framework, and additional layers of record keeping, internal communication and review and approval procedures. These measures are continuously reviewed and enhanced to address evolving compliance requirements.

## RISKS RELATING TO INDUSTRY, RESEARCH AND DEVELOPMENT

- The Group operates in a highly competitive and rapidly evolving biotechnology industry.

- Competition in research and development is intense, both in terms of the scope of innovation and the pace of development, which may place additional pressure on the Group's ability to achieve its research objectives and maintain a competitive position.

- Many of the Group's drug candidates and technology assets are in the pre-clinical or early clinical stages of development. Data generated at these stages have limited predictive value with respect to future clinical outcomes, regulatory approval or commercial success. There is no assurance that favourable early-stage results will translate into successful later-stage development or commercialization.

- In addition, the Group's current technology platform may need continued renewal, and its efforts to expand or develop next-generation platforms involve significant technical complexity and uncertainty. Such efforts may not yield the anticipated outcomes or may require additional time, resources and investment.

- To address these risks, the Group is diversifying its portfolio, focusing on matured or maturing targets, improving research and development efficiency, implementing backup development options, partnering with new CRO and CDMO providers, accelerating pre-clinical validation workflows, advancing new-generation and AI-enabled platforms, diversifying modalities, and broadening its collaboration and partnership network.

## RISKS RELATING TO AI, DATA SECURITY AND INTELLECTUAL PROPERTY

- The Group increasingly relies on data-driven technologies, including internal AI models and proprietary datasets, to support its research, development and innovation activities.

- These systems may be subject to cybersecurity threats, including unauthorised access, data breaches, external attacks or system failures, which could result in the loss of confidential information, technological advantages or business continuity.

- The adoption of AI technologies also raises risks relating to the handling, storage and security of confidential data.

- In addition, the development of new technologies may require broader and more innovative approaches to intellectual property protection. Failure to adequately safeguard patents, trade secrets and proprietary know-how may adversely affect the Group's competitive position and long-term value.

- The Group has strengthened data protection measures through employee training, screen-lock and access control policies, card-based printing controls, network isolation for devices, implementation of multi-layer verification processes, review of training data for intellectual property risks, adoption of privacy-preserving deployment models, and use of enterprise-approved AI tools.

**RISKS RELATING TO REGION, POLITICS AND GEOPOLITICS**

- The Group conducts research, development and collaboration activities across multiple jurisdictions, including China.

- Changes in political, economic or regulatory policies in the regions where the Group operates may impose significant challenges relating to collaboration, regulatory approval, data transfer, commercialization and value realisation.

- Current and future legislation may increase the difficulty, cost and uncertainty associated with research and development, regulatory approval and commercialization activities.

- In addition, uncertainties regarding the interpretation and enforcement of applicable laws and regulations may affect the Group's operational efficiency, strategic planning and financial performance.

- The Group monitors policy and regulatory developments on an ongoing basis and seeks to mitigate jurisdiction-specific risks through diversified partnerships, compliance management and operational planning.

**FORWARD-LOOKING CONSIDERATIONS**

- The risks and uncertainties described above may individually or collectively have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

- These risks should be considered together with other information disclosed in this annual report.

- There may be additional risks currently not known to the Group or considered immaterial that may become material in the future.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group's business is principally to discover and develop differentiated antibody therapeutics in immunology, oncology and other disease areas, which in general does not have any material impact on the environment. The Group is committed to the long-term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavors to comply with laws and regulations regarding environmental protection and adopts effective measures to achieve efficient use of resources, energy saving and waste reduction. The "Environmental, Social and Governance Report" containing further details of the Group's environmental policies and performance will be published on the same day of this report.

## DIRECTORS

The Directors in office during the year ended 31 December 2025 and up to Latest Practicable Date were:

Executive Directors: Dr. Jingsong Wang (Chairman of the Board, Chief Executive Officer of the Company), and Dr. Yiping Rong.

Independent non-executive directors: Dr. Robert Irwin Kamen, Dr. Xiaoping Ye, Dr. Albert R. Collinson and Ms. Weiwei Chen (re-designated as an independent non-executive director with effect from 1 January 2025).

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 36 to 40 of this annual report.

## CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive directors. The Company considers such directors to be independent.

## DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

### EXECUTIVE DIRECTORS

Dr. Jingsong Wang has entered into a service contract with the Company on 23 November 2020 and renewed the appointment letter with the Company on 31 December 2023; and Dr. Yiping Rong has entered into a service contract with the Company on 5 May 2022 and renewed the appointment letter with the Company effective as of 6 June 2024. The term of appointment ends three years from the date of appointment or until the third annual general meeting of the Company after the appointment, whichever is sooner. Either party may terminate the agreement by giving not less than three months' written notice.

The Executive Directors are not entitled to receive any director's fees in their capacities as Executive Directors under their respective service contracts.

### NON-EXECUTIVE DIRECTORS

Ms. Weiwei Chen has entered into an appointment letter with the Company on 9 June 2021 and renewed the appointment letter with the Company on 31 December 2023. The term of appointment is three years from the date of appointment (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

Under her appointment letter, Ms. Weiwei Chen is entitled to receive an annual fee of US$50,000 for her position as a non-executive director until 31 December 2025. Due to the re-designation of Ms. Weiwei Chen as independent non-executive director with effect on 1 January 2025, Ms. Weiwei Chen was not entitled to receive any remuneration and benefits in her capacity as a non-executive director.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Both Dr. Robert Irwin Kamen and Dr. Xiaoping Ye entered into an appointment letter with the Company on 23 November 2020 and renewed the appointment letter with the Company on 1 December 2023. Dr. Albert R. Collinson entered into an appointment letter with the Company on 13 July 2023. As discussed above, Ms. Weiwei Chen entered into an appointment letter with the Company on 1 January 2025. The term of appointment of an independent non-executive director ends three years from the date of appointment or the third annual general meeting of the Company after the appointment, whichever is sooner, (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

The annual director's fees payable to an independent non-executive director is US$50,000.

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

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save for those transactions disclosed in note 34 to the consolidated financial statements, no director nor any entity connected with a director is or was materially interested, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries, its parent company or fellow subsidiaries was a party during or at the end of the Reporting Period.

## MANAGEMENT CONTRACTS

No contracts concerning the management and operation of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended 31 December 2025.

## EMPLOYEES, DIVERSITY AND REMUNERATION POLICY

As of 31 December 2025, the Group had an aggregate of 272 full-time employees. The Company has established the Remuneration Committee for reviewing the Group's remuneration policy and the emolument of all of the directors and the senior management of the Group taking into consideration the Group's operating results, individual performance of each of the directors and senior management and comparable market practices.

## WORKFORCE DIVERSITY

The Company is committed to building a diverse workforce at all levels, without discrimination of any kind, to serve a diverse range of customers globally and to operate in a variety of environments. The Company makes employment decisions based on the principle of equal employment opportunity. As of 31 December 2025, the gender ratio of the workforce is shown as the following chart:

| | Workforce | Senior Management |
|---|---|---|
| Male | 166 | 2 |
| Female | 106 | 1 |
| Total | 272 | 3 |

The total gender diversity of the Group is balanced, at 39.0%, representing 106 females out of 272 employees (including senior management). The Group has a strong focus on promoting gender diversity in the workforce, having set an overall gender diversity target of over 50% female representation across the organisation. To support the achievement of these targets, specific initiatives have included a review of the recruitment process, with job descriptions and postings amended to motivate a broader applicant pool, as well as changes to applicant screening and interviews. In addition, to support diversity across all facets, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, equitable hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours.

## REMUNERATION POLICIES

The Company has also adopted the Pre-IPO Equity Plan, the Post-IPO Share Option Scheme, and the Post-IPO Share Award Scheme to incentivize eligible employees, details of which are set out in the section headed "Equity Incentive Plans" below.

No director has waived or agreed to waive any remuneration, and no remunerations were paid by the Group to any directors as an inducement to join the Group or upon joining the Group or as compensation for loss of office.

The Group's employee remuneration policy is determined by taking into account factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary reviews and promotional assessments. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisals results. Social insurance contributions and other pensions which are required by local laws are made by the Group for its employees in accordance with the relevant regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labour dispute during the Reporting Period.

## EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, the senior management and the five highest paid individuals are set out in note 10 and note 11 to the consolidated financial statements.

## CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rule, the changes in Directors' information during the Reporting Period and subsequent to the date of annual report for the year ended 31 December 2025 of the Company are set out below:

- Dr. Albert R. Collinson was re-elected as an independent non-executive director on 11 June 2025 and remain as a member of the Audit Committee and the chairman of the Remuneration Committee.

- Dr. Xiaoping Ye was re-elected as an independent non-executive director on 11 June 2025 and remains as a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

- Ms. Weiwei Chen was re-designated from a non-executive director to an independent non-executive director, Chairwoman of the Audit Committee and a member of the Nomination Committee with effect from 1 January 2025.

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

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

As at 31 December 2025, the interests or short positions of the directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or which will be required, pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" contained in the Listing Rules, to be notified to the Company and the Stock Exchange are set out below:

**INTEREST IN THE COMPANY**

| Name of Director | Nature of interest | Number of Shares[1] | Approximate percentage of interest in the Company[2] |
|---|---|---|---|
| Dr. Jingsong Wang[3] | Founder of a discretionary trust who can influence how the trustee exercises his discretion | 60,334,400 (L) | 6.75% |
| Dr. Jingsong Wang[4] | Beneficial interest | 9,963,000 (L) | 1.11% |
| Dr. Robert Irwin Kamen[5] | Beneficial interest | 4,128,040 (L) | 0.46% |
| Dr. Yiping Rong[6] | Beneficial interest | 3,033,000 (L) | 0.34% |

Notes:

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

(2) The calculation is based on the total number of 894,118,522 Shares in issue as of 31 December 2025 and rounded off to two decimal places.

(3) As of 31 December 2025, Dr. Wang's interests in the Shares were held by HARBOURBIO LLC the membership interests of which were in turn held in three trusts of which he is the settlor. South Dakota Trust Company LLC (acting on the instructions of Dr. Wang) is the trustee of two of the trusts which together own 99.96% equity interest in HARBOURBIO LLC.

(4) Dr. Wang has been granted 7,200,000 options pursuant to the Post-IPO Share Option Scheme and 1,913,000 restricted shares pursuant to Post-IPO Share Award Scheme which are held on his behalf by Kastle Limited.

(5) Dr. Kamen holds 2,625,960 shares in his personal capacity, and the other 1,302,080 shares are restricted shares granted to Dr. Kamen pursuant to the Pre-IPO Equity Plan being held on his behalf by Shuxin Biotech Limited ("**Shuxin**").

(6) Dr. Rong has been granted 2,625,000 options pursuant to the Post-IPO Share Option Scheme and 408,000 restricted shares pursuant to Post-IPO Share Award Scheme which are held on his behalf by Kastle Limited.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at any time during the year ended 31 December 2025, there were no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any director or their respective spouses or children under 18 years of age, nor were any such rights exercised by them; nor was the Company or any of its subsidiaries a party to any arrangement to enable the directors or their respective spouses or children under 18 years of age to acquire such rights in any other body corporate.

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

As at 31 December 2025, so far as is known to the Directors, the following persons (not being a director or Chief Executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

| Name of Shareholder | Capacity/Nature of interest | Number of Shares[1] | Approximate percentage of interest in the Company[2] |
|---|---|---|---|
| Astrazeneca Plc | Interest in controlled corporations | 76,271,762 (L) | 8.53% |
| GIC Private Limited | Investment manager | 62,975,000 (L) | 7.04% |
| HARBOURBIO LLC[3] | Beneficial interest | 60,334,400 (L) | 6.75% |
| South Dakota Trust Company LLC | Trustee | 60,334,400 (L) | 6.75% |
| LC Healthcare Fund I, L.P.[4] | Beneficial interest | 52,235,000 (L) | 5.84% |
| LC Healthcare Fund I GP, L.P[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| LC Fund GP Limited[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| Union Season Holdings Limited[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| Legend Capital Co., Ltd[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| Chen Hao[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| Zhu Linan[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| 北京君祺嘉睿企業管理有限公司[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| 北京君誠合眾投資管理合夥企業(有限合夥)[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| 天津君聯杰佑企業管理諮詢合夥企業(有限合夥)[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |
| 天津匯智壹號企業管理諮詢合夥企業(有限合夥)[4] | Interest in controlled corporations | 52,235,000 (L) | 5.84% |

Notes:

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

(2) The calculation is based on the total number of 894,118,522 Shares in issue as of 31 December 2025 and rounded off to two decimal places.

(3) HARBOURBIO LLC is a company incorporated in the State of South Dakota in the U.S. and is wholly owned and controlled by Dr. Jingsong Wang.

(4) Legend Capital Co., Ltd is deemed to be interested in the equity interests held by LC Healthcare Fund I, L.P., due to the fact that it is the sole shareholder of Union Season Holdings Limited, which is the sole shareholder of LC Fund GP Limited, which in turn is the general partner of LC Healthcare Fund I GP, L.P, which in turn is the general partner of LC Healthcare Fund I, L.P.. Legend Capital Co., Ltd is ultimately controlled by each of Zhu Linan, Chen Hao and Wang Nengguang. 北京君誠合眾投資管理合夥企業(有限合夥) is holding 80% interests in Legend Capital Co., Ltd and 北京君祺嘉睿企業管理有限公司 is the general partner of 北京君誠合眾投資管理合夥企業(有限合夥). 天津匯智壹號企業管理諮詢合夥企業(有限合夥) and 天津君聯杰佑企業管理諮詢合夥企業(有限合夥) are holding 58.12% and 41.87% interests in 北京君誠合眾投資管理合夥企業(有限合夥) respectively. Therefore, under the SFO, LC Healthcare Fund I GP, L.P, LC Fund GP Limited, Union Season Holdings Limited, Legend Capital Co., Ltd, Chen Hao, Zhu Linan, 北京君祺嘉睿企業管理有限公司, 北京君誠合眾投資管理合夥企業(有限合夥), 天津君聯杰佑企業管理諮詢合夥企業(有限合夥) and 天津匯智壹號企業管理諮詢合夥企業(有限合夥) are deemed to be interested in the 52,235,000 Shares held by LC Healthcare Fund I, L.P..

Save as disclosed above, as of 31 December 2025, the Directors are not aware of any other person who have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting Shares of the Company or any other member of the Group.

## EQUITY INCENTIVE PLANS

The Company has three existing share schemes, namely the Pre-IPO Equity Plan, the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme, which were all adopted before the effective date of the new Chapter 17 of the Listing Rules on 1 January 2023. The Company has complied and will comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

13,042,000 new Shares, representing approximately 1.45% of the weighted average of issued share capital of the Company, may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme. Further details and relevant breakdowns of each of the share schemes of the Company are set out below:

### 1. PRE-IPO EQUITY PLAN

The Pre-IPO Equity Plan was approved and adopted pursuant to the written resolution of the sole shareholder of the Company dated 11 November 2016 and amended on 26 October 2017, 6 August 2018, 19 September 2019 and 24 June 2020.

**Purpose**

The purposes of the Pre-IPO Equity Plan are:

(a) to attract and retain the best available personnel for positions of substantial responsibility;

(b) to provide incentives that align the interests of employees, Directors and Consultants with those of the Company's shareholders; and

(c) to promote the success of the Company's business.

The Pre-IPO Equity Plan permits the grant of incentive stock options, non-statutory stock options (together with the incentive stock options, the "**Pre-IPO Options**"), stock appreciation rights, restricted stock (the "**RS**") and restricted stock units (the "**RSU**", together with the Pre-IPO Options, stock appreciation rights and RS, the "**Pre-IPO Award**").

Incentive stock options may be granted only to employees (as defined in the Pre-IPO Equity Plan), while non-statutory stock options, stock appreciation rights, RS and RSU may be granted to employees, directors or consultants.

**Maximum number of Shares available for grant**

The maximum aggregate number of Shares that are available for all Pre-IPO Awards is 132,499,240 Shares. During the term of the Pre-IPO Awards, the Company shall at all times reserve and keep available such number of Shares as will be sufficient to satisfy such Pre-IPO Awards. The Shares may be authorized but unissued Shares, reacquired Shares or a combination thereof.

As of 1 January 2025, 14,192,672 Shares were available for grant under the Pre-IPO Equity Plan. During the Reporting Period, 0 and 120,832 Shares were granted to eligible participants pursuant to the Pre-IPO Equity Plan and lapsed/cancelled, respectively. It follows that, as of 31 December 2025, 14,313,504 Shares (including awards lapsed/cancelled during the Reporting Period) were available for grant under the Pre-IPO Equity Plan.

**Maximum entitlement of each participant**

There is no maximum entitlement of each participant.

**Exercise period**

The period during which a Pre-IPO Option may be exercised will be determined by the scheme administrator at the time such Pre-IPO Option is granted, provided that no Pre-IPO Option may be exercised after the expiration of its term.

**Vesting period**

The vesting criteria and conditions, and the vesting period are specified in the award agreement. Details of the vesting period of individual grants are stated in the table below.

**Consideration and purchase price**

Pursuant to the Pre-IPO Equity Plan, there is no amount payable on application or acceptance of the Pre-IPO Award and no purchase price for grant of Pre-IPO Awards.

**Exercise price**

The exercise price for Pre-IPO Option will be determined by the scheme administrator, but will be no less than 100% of the fair market value per Share on the date of grant. In addition, in the case of an incentive stock option granted to an employee who, at the time the incentive stock option is granted, owns (or, pursuant to Section 424(d) of the U.S. Internal Revenue Code of 1986, as amended, is deemed to own) stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any affiliate, the exercise price will be no less than 110% of the fair market value per Share on the date of grant.

**Remaining life of the Pre-IPO Equity Plan**

The Pre-IPO Equity Plan has a term of ten years commencing from 11 November 2016. The Scheme is administered by the Board and the trustee of the Pre-IPO Equity Plan.

For details of the Pre-IPO Equity Plan, please refer to the prospectus of the Company.

**Unvested RS and RSU granted under the Pre-IPO Equity Plan**

Details of the unvested RS granted under the Pre-IPO Equity Plan (to be satisfied by existing Shares) are as follows:

| Name | Date of grant | Vesting period | Purchase price | Unvested RS as of 1 January 2025 | Granted during the Reporting Period | Vested during the Reporting Period | Lapsed during the Reporting Period | Cancelled during the Reporting Period | Unvested RS as of 31 December 2025 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of RS on the date of grant during the Reporting Period[1] | Weighted average closing price of Shares immediately before the date of vesting during the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | | | | | | |
| – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Five highest paid individuals during the Reporting Period in aggregate** | 31 July 2020 & 20 July 2021 | (a) 30% shall vest on the first anniversary of the respective grant date;<br>(b) 30% shall vest on the second anniversary of the respective grant date;<br>(c) 40% shall vest on the third anniversary of the respective grant date; | Nil | 0 | Nil | 0 | 0 | 0 | 0 | N/A | N/A | 0 |
| **Other grantees in aggregate** | 31 July 2020 & 12 October, 2021 | (a) 30% shall be vested on the first anniversary of the Grant Date;<br>(b) 30% shall be vested on the second anniversary of the Grant Date;<br>(c) 40% shall be vested on the third anniversary of the Grant Date. | Nil | 0 | Nil | 0 | 0 | 0 | 0 | N/A | N/A | 0 |
| **Total** | | | | 0 | Nil | 0 | 0 | 0 | 0 | | | |

Note:

1. The fair value of RS are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements and based on the closing price on the date of grant.

Details of the unvested RSUs granted under the Pre-IPO Equity Plan (to be satisfied by existing Shares) are as follows:

| Name | Date of grant | Vesting period | Purchase price | Unvested RSU as of 1 January 2025 | Granted during the Reporting Period | Vested during the Reporting Period | Lapsed during the Reporting Period | Cancelled during the Reporting Period | Unvested RSU as of 31 December 2025 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of RSU on the date of grant during the Reporting Period[1] | Weighted average closing price of Shares immediately before date of vesting during the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | | | | | | |
| – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Five highest paid individuals during the Reporting Period in aggregate** | 7 November 2022 | (a) 30% shall vest from 1 December 2022; (b) 30% shall vest from 1 December 2023; (c) 40% shall vest from 1 December 2024; | Nil | 0 | Nil | 0 | 0 | 0 | 0 | N/A | N/A | 0 |
| **Other grantees in aggregate** | 31 July 2020 and 10 December 2022 | For one participant, (a) 30% of the Award Shares shall be vested on 1 March 2023; (b) 30% of the Award Shares shall be vested on 1 March 2024; and (c) the remaining 40% of the Award Shares shall be vested on 1 March 2025.<br>For another one, (a) 60% of the Award Shares shall be vested on 10 January 2023; (b) 40% of the Award Shares shall be vested on 10 December 2023;<br>For others, (a) 30% shall vest from 10 December 2021; (b) 30% shall vest from 10 December 2022; (c) 40% shall vest from 10 December 2023; | Nil | 120,832 | Nil | 0 | 120,832 | 0 | 0 | N/A | N/A | 0 |
| **Total** | – | – | | 120,832 | Nil | 0 | 120,832 | 0 | 0 | | | |

Note:

1. The fair value of RSU are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements and based on the closing price on the date of grant.

## 2. POST-IPO SHARE OPTION SCHEME

The Post-IPO Share Option Scheme was conditionally adopted pursuant to the written resolutions of the Shareholders passed on 23 November 2020.

### Purpose

The purpose of the Post-IPO Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide our Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to selected participants.

### Eligible participants

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group is entitled to be offered and granted options.

### Maximum number of Shares available for grant

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes of our Company is 76,789,116, being no more than 10% of the Shares in issue on the Listing Date.

As at 1 January 2025, 37,682,516 Shares were available for grant under the Post-IPO Share Option Scheme. During the Reporting Period, 9,693,000 and 1,227,900 Shares were granted to eligible participants pursuant to the Post-IPO Share Option Scheme and lapsed/cancelled, respectively. Therefore, as of 31 December 2025, the total number of Shares available for grant under the Post-IPO Share Option Scheme was 29,217,416 Shares. As at the Latest Practicable Date, 29,217,416 new Shares (representing approximately 3.25% of the number of the issued share capital of the Company) were available for grant under the Post-IPO Share Option Scheme.

### Maximum entitlement of a selected participant

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company to each selected participant (including both exercised and outstanding options) in any 12 month period shall not exceed 1% of the total number of Shares in issue.

**Consideration**

A consideration of HK$1.00 is payable within 20 business days from the date of grant of an option.

**Exercise period**

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

**Vesting period**

The vesting criteria and conditions, and the vesting period are specified in the offer letter. Details of the vesting period of individual grants are stated in the table below.

**Exercise price**

Pursuant to the Post-IPO Share Option Scheme, the participants may subscribe for the Shares on the exercise of an option at the price determined by the Board provided that it shall be at least the highest of (a) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

**Remaining life of the Post-IPO Share Option Scheme**

The Post-IPO Share Option Scheme shall be valid and effective for the period of ten years commencing on the Listing Date (after which no further options shall be offered or granted).

Details of the outstanding options granted under the Post-IPO Share Option Scheme (to be satisfied by new Shares) are as follows:

| Name | Role | Date of Grant | Vesting Period | Exercise price | Outstanding options as of 1 January 2025 | Granted during the Reporting Period | Exercised during the Reporting Period | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding options as of 31 December 2025 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of options at the date of grant during the period[1] | Weighted average closing price of the Share immediately before the date of exercise during the Reporting Period | Performance targets for grant of options during the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | | | | | | | | |
| Dr. Jingsong Wang | Executive Director, chief executive officer and chairman of the Board | 27 July 2022 | (i) 25% shall vest on 31 March 2023; (ii) 25% shall vest on 31 March 2024; (iii) 25% shall vest on 31 March 2025; and (iv) 25% shall vest on 31 March 2026 | HK$6.20 | 3,381,000 | Nil | 0 | 0 | 0 | 3,381,000 | N/A | N/A | N/A | N/A |
| | | 18 April 2023 | (i) 20% shall vest on 18 April 2023; (ii) 20% shall vest on 18 April 2024; (iii) 20% shall vest on 18 April 2025; and (iv) 40% shall vest on 18 April 2026 | HK$2.41 | 2,247,000 | 0 | 0 | 0 | 0 | 2,247,000 | N/A | N/A | N/A | See Note 2 |
| | | 3 April 2024 | (i) 50% shall vest on 3 April 2024; (ii) 50% shall vest on 3 April 2025 | HK$1.362 | 1,572,000 | 0 | 0 | 0 | 0 | 1,572,000 | N/A | N/A | N/A | See Note 9 |
| Dr. Yiping Rong | Executive Director | 27 July 2022 | (i) 25% shall vest on 31 March 2023; (ii) 25% shall vest on 31 March 2024; (iii) 25%shall vest on 31 March 2025; and (iv) 25% shall vest from 31 March 2026 | HK$6.20 | 435,000 | Nil | 0 | 0 | 0 | 435,000 | N/A | N/A | N/A | N/A |
| | | 18 April 2023 | (i) 20% shall vest on 18 April 2023; (ii) 20% shall vest on 18 April 2024; (iii) 20% shall vest on 18 April 2025; and (iv) 40% shall vest on 18 April 2026 | HK$2.41 | 1,664,000 | 0 | 0 | 0 | 0 | 1,664,000 | N/A | N/A | N/A | See Note 2 |
| | | 3 April 2024 | (i) 50% shall vest on 3 April 2024; (ii) 50% shall vest on 3 April 2025 | HK$1.362 | 526,000 | 0 | 0 | 0 | 0 | 526,000 | N/A | N/A | N/A | See Note 9 |

| Name | Role | Date of Grant | Vesting Period | Exercise price | Outstanding options as of 1 January 2025 | Granted during the Reporting Period | Exercised during the Reporting Period | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding options as of 31 December 2025 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of options at the date of grant during the period[1] | Weighted average closing price of the Share immediately before the date of exercise during the Reporting Period | Performance targets for grant of options during the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Other grantees in category** | | | | | | | | | | | | | | |
| Employee Participants[3] | | 27 July 2022 | See Note 4 | HK$5.65 &HK$6.20[5] | 1,332,000 | Nil | 183,000 | 0 | 47,500 | 1,101,500 | N/A | N/A | HK$9.3541 See Note 10 | N/A |
| | | 18 April 2023 | See Note 6 | See Notes 5 | 22,444,600 | 0 | 5,007,600 | 0 | 1,180,400 | 16,256,600 | N/A | N/A | HK$9.3541 See Note 10 | See Note 2 and Note 6 |
| | | 12 January 2024 | (i) 25% shall vest on 31 March 2025; (ii) 25% shall vest on 31 March 2026; (iii) 25%shall vest on 31 March 2027; and (iv) 25% shall vest from 31 March 2028 | | 1,297,000 | 0 | 103,000 | 0 | 0 | 1,194,000 | N/A | N/A | HK$9.3541 See Note 10 | N/A |
| | | 3 April 2024 | (i) 50% shall vest on 3 April 2024; (ii) 50% shall vest on 3 April 2025 | | 3,812,000 | 0 | 1,439,000 | 0 | 0 | 2,373,000 | N/A | N/A | HK$9.3541 See Note 10 | See Note 9 |
| | | 29 April 2025 | (i) 25% of the Awards shall vest on 31 March 2027; (ii) 25% of the Awards shall vest on 31 March 2028; and (iii) the remaining 50% of the Awards shall vest on 31 March 2029. | HK$8.6 | 0 | 4,875,000 | 0 | 0 | 0 | 4,875,000 | HK$8.34 | HK$21,755,175 | N/A | See Note 9 |
| | | 30 June 2025 | (i) 25% of the Awards shall vest on 30 June 2027; (ii) 25% of the Awards shall vest on 30 June 2028; and (iii) the remaining 50% of the Awards shall vest on 30 June 2029. | HK$8.604 | 0 | 3,465,000 | 0 | 0 | 0 | 3,465,000 | HK$8.27 | HK$14,742,536 | N/A | See Note 9 |

| Name | Role | Date of Grant | Vesting Period | Exercise price | Outstanding options as of 1 January 2025 | Granted during the Reporting Period | Exercised during the Reporting Period | Cancelled during the Reporting Period | Lapsed during the Reporting Period | Outstanding options as of 31 December 2025 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of options at the date of grant during the period[1] | Weighted average closing price of the Share immediately before the date of exercise during the Reporting Period | Performance targets for grant of options during the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 3 September 2025 | (i) 25% of the Awards shall vest on 30 September 2027; (ii) 25% of the Awards shall vest on 30 September 2028; and (iii) the remaining 50% of the Awards shall vest on 30 September 2029. | HK$16.08 | 0 | 843,000 | 0 | 0 | 0 | 843,000 | HK$14.73 | HK$6,894,391 | N/A | See Note 9 |
| | | 10 September 2025 | (i) 25% of the Awards shall vest on 30 September 2027; (ii) 25% of the Awards shall vest on 30 September 2028; and (iii) the remaining 50% of the Awards shall vest on 30 September 2029. | HK$17.21 | 0 | 201,000 | 0 | 0 | 0 | 201,000 | HK$17.15 | HK$1,757,665 | N/A | See Note 9 |
| | | 31 December 2025 | (i) 25% of the Awards shall vest on 31 December 2027; (ii) 25% of the Awards shall vest on 30 December 2028; and (iii) the remaining 50% of the Awards shall vest on 30 December 2029. | HK$12.76 | 0 | 309,000 | 0 | 0 | 0 | 309,000 | HK$12.16 | HK$1,875,136 | N/A | See Note 9 |
| Total | | | | | 38,710,600 | 9,693,000 | 6,732,600 | 0 | 1,227,900 | 40,443,100 | | | | |

Notes:

1. The fair value of options granted are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The assumptions including the expected volatility, the exercise multiple, the risk-free rate, the dividend yield and the fair value of the ordinary shares. For expected volatility, we have made reference to historical volatility of several comparable companies in the same industry. The exercise multiple was estimated as the average ratio of the stock price to the exercise price of when employees would decide to voluntarily exercise their vested share options. The risk-free rate for periods within the contractual life of the share options is based on the market yield of Hong Kong Government Bonds in effect at the time of grant. The dividend yield is based on the expected dividend policy over the contractual life of the share options.

2. Each vesting of the abovementioned options will be subject to the results of the individual performance appraisal of each grantee. The Group will conduct performance appraisal on each grantee before each vesting, and the performance appraisal criteria (such as financial benchmarks or business/operative milestones, etc) shall be determined by the Board. The said options will only vest if the grantee obtains over a certain score at his/her performance appraisal. Based on the above vesting schedule, subject to the satisfaction of the individual performance appraisal, 20% of the options shall vest immediately after the grant.

3. Employee Participants other than Dr. Jingsong Wang and Dr. Yiping Rong as disclosed above, on individual basis.

4. For one participant: (a) 25% shall vest on 31 March 2022; (b) 25% shall vest on 31 March 2023; (c) 25% shall vest on 31 March 2024; and (d) the remaining 25% shall vest on 31 March 2025. For another one: (a) 25% shall vest on 11 April 2023; (b) 25% shall vest on 11 April 2024; (c) 25% shall vest on 11 April 2025; and (d) the remaining 25% shall vest on 11 April 2026. For others: (a) 25% shall vest on 31 March 2023; (b) 25% shall vest on 31 March 2024; (c) 25% shall vest on 31 March 2025; and (d) the remaining 25% shall vest on 31 March 2026.

5. The exercise price of the options granted is HK$2.41 per Share, save for the 1,284,000 options granted to 5 non-connected employees whose exercise price is HK$6.20 per Share.

6. Among the 36,056,000 options, 1,284,000 options granted to 5 non-connected employees, (i) 25% of which shall vest on 18 April 2024; (ii) 25% of which shall vest on 18 April 2025; (iii) 25% of which shall vest on 18 April 2026; and (iv) the remaining 25% shall vest on 18 April 2027. There is no performance targets attached to these 1,284,000 options.

   Save for the 1,284,000 options as stated above, subject to the satisfaction of the performance targets as stated in Note 2, the remaining options (i) 20% of which shall vest on 18 April 2023; (ii) 20% of which shall vest on 18 April 2024; (iii) 20% of which shall vest on 18 April 2025; and (iv) the remaining 40% shall vest on 18 April 2026. The performance targets for these options are set out in note 2 above.

7. The options have a term of 10 years from the date of grant.

8. The exercise period of the options granted under the Post-IPO Share Option Scheme shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Post-IPO Share Option Scheme and the share option award agreement signed by the grantee.

9. Each vesting of the Options will be subject to the results of the individual performance appraisal of the Option Grantee.

10. Weighted average calculation: Weighted average price = Σ (Number of options exercised × Corresponding closing price)/Σ Number of options exercised

## 3. POST-IPO SHARE AWARD SCHEME

The Post-IPO Share Award Scheme was conditionally adopted by resolutions passed in the meeting of our Shareholders dated 23 November 2020.

### Purpose

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

### Eligible Person

Any individual, being an employee, director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (an "**Eligible Person**" and, collectively "**Eligible Persons**") who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an award (the "**Post-IPO Award**"). A Post-IPO Award gives a selected participant a conditional right, when the Post-IPO Awards vest, to obtain the Shares underlying the Post-IPO Awards (the "**Award Shares**") or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Post-IPO Award in Shares, the cash equivalent from the sale of the Award Shares.

### Maximum number of Award Shares (which can be satisfied by new Shares or existing Shares) available for grant

The aggregate number of Award Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the Post-IPO Share Award Scheme) will not exceed 38,394,558 Shares (representing approximately 5% of the total issued Shares immediately after completion of the Global Offering) without Shareholders' approval, subject to an annual limit of 1% of the total number of issued Shares at the relevant time.

As of 1 January 2025, 31,762,308 Award Shares were available for grant under the Post-IPO Share Award Scheme. During the Reporting Period, 3,349,000 and 72,750 Award Shares were granted to Eligible Persons pursuant to the Post-IPO Share Award Scheme and lapsed/cancelled, respectively. It follows that, as at 31 December 2025, 28,486,058 Award Shares were available for grant under the Post-IPO Share Award Scheme.

**Maximum number of new Shares available for issue**

The total number of new Shares issued and may be issued pursuant to the Post-IPO Share Award Scheme will not exceed 38,394,558 Shares (the "**Scheme Mandate**").

As at 1 January 2025, 36,045,308 new Shares were available for issue under the Scheme Mandate. During the Reporting Period, 1,325,750 new Shares were issued pursuant to the Post-IPO Share Award Scheme. It follows that, as at 31 December 2025 and the Latest Practicable Date, 34,719,558 new Shares and 34,563,288 new Shares (representing approximately 3.85% of the issued share capital of the Company as of the Latest Practicable Date) were available for issue under the Scheme Mandate, respectively.

**Maximum entitlement of an Eligible Person**

Under the Post-IPO Share Award Scheme, there is no specific limit on the maximum number of shares which may be granted to a single Eligible Person.

**Vesting period**

The vesting criteria and conditions, and the vesting period are specified in the award letter. Details of the vesting period of individual grants are stated in the table below.

**Consideration and purchase price**

Pursuant to the Post-IPO Share Award Scheme, there is no amount payable on application or acceptance of the Post-IPO Award and no purchase price of Shares awarded.

**Remaining life of the Post-IPO Share Award Scheme**

The Post-IPO Share Award Scheme has a term of ten years commencing on the Listing Date.

Details of the unvested Post-IPO Award Shares granted under the Post-IPO Share Award Scheme (to be satisfied by new Shares) are as follows:

| Name | Role | Date of grant | Vesting period | Purchase price | Unvested award Shares as of 1 January 2025 | Granted during the Reporting Period[1] | Vested during the Reporting Period | Lapsed during the Reporting Period | Cancelled during the Reporting Period | Unvested award Shares as of 31 December 2025 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of award Shares on the date of grant during the Reporting Period[1] | Weighted average closing price of Shares immediately before date of vesting during the Reporting Period | Performance targets for grant of awards during the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | | | | | | | | |
| – | – | – | – | – | – | – | – | – | – | – | – | – | – | |
| **Other grantees in category** | | | | | | | | | | | | | | |
| Employee Participants | | 27 July 2022 | See Note 2 | Nil | 322,000 | N/A | 161,000 | 17,250 | 0 | 143,750 | N/A | N/A | HK$9.18 | N/A |
| | | 18 April 2023 | (i) 25% shall vest on 18 April 2024; (ii) 25% shall vest on 18 April 2025; (iii) 25% shall vest on 18 April 2026; and (iv) 25% shall vest on 18 April 2027. | Nil | 121,500 | N/A | 22,000 | 55,500 | Nil | 44,000 | N/A | N/A | HK$7.18 | See Note 4 |
| | | 12 January 2024 | (i) 25% shall vest on 31 March 2025; (ii) 25% shall vest on 31 March 2026; (iii) 25%shall vest on 31 March 2027; and (iv) 25% shall vest from 31 March 2028 | Nil | 501,000 | 0 | 125,250 | 0 | 0 | 375,750 | N/A | N/A | HK$9.18 | N/A |
| | | 3 April 2024 | (i) 50% shall vest on 3 April 2024; (ii) 50% shall vest on 3 April 2025 | Nil | 1,017,500 | 0 | 1,017,500 | 0 | 0 | 0 | N/A | N/A | HK$8.7 | See Note 4 |
| | | 3 September 2025 | See Note3 | | 0 | 3,282,000 | 0 | 0 | 0 | 3,282,000 | HK$14.73 | HK$16.08 | N/A | See Note 4 |
| | | 10 September 2025 | (i) 25% of the Awards shall vest on 30 September 2027; (ii) 25% of the Awards shall vest on 30 September 2028; and (iii) the remaining 50% of the Awards shall vest on 30 September 2029 | | 0 | 67,000 | 0 | 0 | 0 | 67,000 | HK$17.15 | HK$17.21 | N/A | See Note 4 |
| Total | | | | | 1,962,000 | 3,349,000 | 1,325,750 | 72,750 | 0 | 3,912,500 | | | | |

Notes:

1. The fair value of award Shares are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements and based on the closing price on the date of grant.

2. For one participant: (a) 25% shall vest on 31 March 2022; (b) 25% shall vest on 31 March 2023; (c) 25% shall vest on 31 March 2024; and (d) the remaining 25% shall vest on 31 March 2025. For another one: (a) 25% shall vest on 11 April 2023; (b) 25% shall vest on 11 April 2024; (c) 25% shall vest on 11 April 2025; and (d) the remaining 25% shall vest on 11 April 2026; For others:(a) 25% shall vest on 31 March 2023; (b) 25% shall vest on 31 March 2024; (c) 25% shall vest on 31 March 2025; and (d) the remaining 25% shall vest on 31 March 2026.

3. For the first group of two Award Grantees: (i) 25% of the Awards shall vest on 31 March 2027; (ii) 25% of the Awards shall vest on 31 March 2028; and (iii) the remaining 50% of the Awards shall vest on 31 March 2029.

   For the second group of three Award Grantees: (i) 25% of the Awards shall vest on 30 June 2027; (ii) 25% of the Awards shall vest on 30 June 2028; and (iii) the remaining 50% of the Awards shall vest on 30 June 2029.

   For the third group of two Award Grantees: 100% of the Awards shall vest on 3 September 2026.

   For the fourth group of three Award Grantees: (i) 25% of the Awards shall vest on 30 September 2027; (ii) 25% of the Awards shall vest on 30 September 2028; and (iii) the remaining 50% of the Awards shall vest on 30 September 2029.

4. Each vesting of the Awards will be subject to the results of the individual performance appraisal of the Award Grantee.

Details of the outstanding Award Shares granted under the Post-IPO Share Award Scheme (to be satisfied by existing Shares) are as follows:

| Name | Role | Date of grant | Vesting period | Purchase price | Unvested award Shares as of 1 January 2025 | Granted during the Reporting Period[1] | Vested during the Reporting Period | Lapsed during the Reporting Period | Cancelled during the Reporting Period | Unvested award Shares as of 31 December 2025 | Closing price of Shares immediately before the date of grant during the Reporting Period | Fair value of Award Shares on the date of grant during the Reporting Period[(1)] | Weighted average closing price of Shares immediately before date of vesting during the Reporting Period | Performance targets for grant of awards during the Reporting Period |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | | | | | | | | |
| Dr. Jingsong Wang | Executive Director, chief executive officer and chairman of the Board | 27 July 2022 | Note 2 | Nil & HK$8.20 | 563,500 | Nil | 281,750 | 0 | 0 | 281,750 | N/A | N/A | HK$9.18 | N/A |
| Dr. Yiping Rong | Executive Director | 27 July 2022 | Note 2 | Nil & HK$8.20 | 72,500 | Nil | 36,250 | 0 | 0 | 36,250 | N/A | N/A | HK$9.18 | N/A |
| Dr. Jingsong Wang | Executive Director, chief executive officer and chairman of the Board | 3 April 2024 | (i) 50% shall vest on 3 April 2024; (ii) 50% shall vest on 3 April 2025 | Nil | 393,000 | 0 | 393,000 | 0 | 0 | 0 | N/A | N/A | HK$8.7 | See Note 4 |
| Dr. Yiping Rong | Executive Director | 3 April 2024 | (i) 50% shall vest on 3 April 2024; (ii) 50% shall vest on 3 April 2025 | Nil | 131,500 | 0 | 131,500 | 0 | 0 | 0 | N/A | N/A | HK$8.7 | See Note 4 |
| **Other grantees in aggregate** | | 31 December, 2021 | Note 3 | HK$8.2 | 0 | Nil | 0 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |
| Total | | | | | 1,160,500 | 0 | 842,500 | 0 | 0 | 318,000 | | – | | |

Notes:

1. The fair value of Award Shares is calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The methodology and assumptions used were based on the closing price on the date of the grant.

2. For the grant on 27 July 2022, (i) 25% shall vest from 31 March 2023; (ii) 25% shall vest from 31 March 2024; (iii) 25% shall vest from 31 March 2025; and (iv) 25% shall vest from 31 March 2026.

3. For the grant on 31 December 2021 (i) 50% of the award Shares shall be vested upon the first anniversary of the date of the grant; and (ii) the remaining 50% of the award Shares shall be vested upon the occurrence of the following events (whichever is the earlier to occur): (i) the second anniversary of the date of grant, and (ii) the first Business Day falling after the first anniversary of the date of grant but before the second anniversary of the date of grant on which the closing price of the Share as quoted on the Stock Exchange is HK$12.38 or more.

4. Each vesting of the Awards will be subject to the results of the individual performance appraisal of the Award Grantee.

## CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the year ended 31 December 2025, the Company had no controlling shareholder.

## USE OF NET PROCEEDS

### 1. ISSUE OF SUBSCRIPTION SHARES UNDER GENERAL MANDATE WITH ASTRAZENECA

References are made to the announcements of the Company dated 21 March 2025 and 8 April 2025 in relation to, among others, the share subscription agreement entered into between the Company and AstraZeneca Holdings B.V. ("**AstraZeneca Holdings**") dated 21 March 2025 (the "**Share Subscription Agreement**"), pursuant to which 76,271,762 new Shares (the "**Subscription Shares**") were subscribed for by AstraZeneca Holdings (the "**Subscription**"). As of the date of the Share Subscription Agreement, the Subscription Shares represent 9.15% of the issued share capital (excluding treasury shares) of the Company as enlarged by the allotment and issue of the Subscription Shares. Completion of the issue of Subscription Shares took place on 8 April 2025 and the Subscription Shares were allotted on the same date under the general mandate granted to the Directors pursuant to the resolutions of the Shareholders dated 6 June 2024.

The subscription price was US$1.38 per Share (equivalent to approximately HK$10.74 per Share) (the "**Subscription Price**"), representing (i) a premium of approximately 37.2% to the closing price of HK$7.83 per Share as quoted on the Stock Exchange on 21 March 2025, being the date of the Share Subscription Agreement; and (ii) a premium of approximately 28.3% to the average closing price of approximately HK$8.37 per Share as quoted on the Stock Exchange for the preceding five (5) consecutive trading days prior to and including the date of the Share Subscription Agreement. The net price per Subscription Share, after deduction of all relevant expenses, is approximately US$1.38. The Subscription Price was determined after arm's length negotiations between the Company and AstraZeneca Holdings with reference to, among others, market price of the Shares and the trading volume of the Shares.

AstraZeneca Holdings is a company incorporated in the Netherlands and a wholly-owned subsidiary of AstraZeneca PLC, which is a company listed on the London Stock Exchange, the Nasdaq Stockholm and the Nasdaq Global Select Market under the stock symbol "AZN". The Company entered into the Share Subscription Agreement with AstraZeneca Holdings to advance the Company's strategic, commercial and financial objectives. The equity investment at a premium was reflective of the Company's view of its long-term growth potential as a leading biopharmaceutical company in China. The Subscription will initially add a significant amount of capital to the Company's cash balance, providing financial support for developing the Company's in-house research and development capabilities and expanding its global presence. The terms and conditions of the Subscription (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription were approximately US$105.3 million (equivalent to approximately HK$819.2 million), and the net proceeds, after deduction of all relevant expenses incidental to the allotment and issue of the Subscription Shares are approximately US$104.2 million (equivalent to approximately HK$811.3 million), which will be used for research and development, operations and general working capital requirements of the Group.

As of the date of this annual report, the net proceeds from the Subscription have been used in accordance with the intentions previously disclosed by the Company in the announcements dated 21 March 2025 and 8 April 2025, and there has been no material change in or delay to the intended use of proceeds. Details of the use of net proceeds from the Subscription are as follows:

| **Intended use of proceeds** | **Planned proportion of the net proceeds** *(%)* | **Planned amount of the net proceeds to be used** | **Utilized amount of the proceeds during the Reporting Period** *(Approximately HK$ million)* | **Unutilized amount of the proceeds as of 31 December 2025** | **Expected timeline for utilizing the net proceeds from the Subscription** |
|---|---|---|---|---|---|
| For pre-clinical discovery, and research and development of clinical programs | 70 | 567.9 | 311.1 | 256.8 | By end of 2027 |
| For the working capital and other general corporate purposes | 30 | 243.4 | 93.5 | 149.9 | By end of 2027 |
| **Total** | **100** | **811.3** | **404.6** | **406.7** | |

Further details of the Subscription are set out in the announcements of the Company dated 21 March 2025 and 8 April 2025, respectively.

## 2. PLACING OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of the Company dated 29 August 2025 and 5 September 2025 in relation to, among others, the placing agreement dated 29 August 2025 entered into between the Company and Citigroup Global Markets Limited (the "**Placing Agent**"). Pursuant to the Placing Agreement, an aggregate of 45,022,000 new Shares (the "**Placing Shares**") were placed by the Placing Agent to not less than six placees (the "**Placees**"), representing approximately 5.17% of the issued share capital of the Company (excluding treasury Shares) as enlarged by the allotment and issue of the Placing Shares immediately upon completion of the Placing. Completion of the Placing of Placing Shares took place on 5 September 2025 and the Placing Shares were allotted on the same date under the general mandate granted to the Directors pursuant to the resolutions of the Shareholders dated 11 June 2025.

The placing price of HK$11.50 per Placing Share (the "**Placing Price**") was determined after arm's length negotiations between the Company and the Placing Agent and represents (i) a discount of approximately 9.45% to the closing price of HK$12.70 per Share as quoted on the Stock Exchange on 28 August 2025, being the last full trading day prior to the date of the Placing Agreement; (ii) a discount of approximately 9.87% to the average closing price of HK$12.76 per Share as quoted on the Stock Exchange for the preceding five consecutive trading days of the Shares prior to and including the last full trading day prior to the date of the Placing Agreement; (iii) a discount of approximately 3.85% to the average closing price of HK$11.96 per Share as quoted on the Stock Exchange for the preceding 15 consecutive trading days of the Shares prior to and including the last full trading day prior to the date of the Placing Agreement; and (iv) a premium of approximately 1.77% to the average closing price of HK$11.30 per Share as quoted on the Stock Exchange for the preceding 20 consecutive trading days of the Shares prior to and including the last full trading day prior to the date of the Placing Agreement. The net price per Placing Share (after deducting related costs and expenses) is approximately HK$11.37.

The Placing is in the best interest of the Company and its Shareholders as a whole taking into account that the Placing will enlarge the Shareholder base of the Company, introducing globally top-tier, long-only institutional investors, and strengthen the Company's capital base, providing the Company with greater financial flexibility and resources required to pursue the strategy and business growth of the Company.

The gross proceeds from the Placing are approximately HK$517.8 million and the net proceeds (after deducting the Placing commission and other related expenses and professional fees) arising from the Placing are approximately HK$511.7 million.

As of the date of this annual report, the net proceeds from the Placing have been used in accordance with the intentions previously disclosed by the Company in the announcements dated 29 August 2025 and 5 September 2025, and there has been no material change in or delay to the intended use of proceeds. Details of the use of the proceeds from the Placing are set out below:

| Intended purposes | Description | Planned proportion of the net proceeds *(%)* | Planned use of the net proceeds | Utilized amount of the proceeds during the Reporting Period *(Approximately HK$ million)* | Unutilized amount of the proceeds as of 31 December 2025 | Expected timeline for utilizing the net proceeds from the Placing |
|---|---|---|---|---|---|---|
| (i) Pioneering the research and development of innovative drug assets | To continuously advance R&D activities for innovation programs not only in the autoimmune and oncology areas (such as HBM7026/R2006) but also in the metabolic and CNS space to feed the long-term sustainable growth of the business. The Company has also evaluated additional early stage programs that it expects to advance in the near future. Furthermore, the Company will enhance the competencies of the Company's unique innovation platform by constantly upgrading and applying advanced technology, including exploring more AI-driven transformation which requires capital allocation. | 50.0 | 255.8 | 76.5 | 179.3 | By end of 2026 |
| (ii) Progressing the clinical trials of existing pipeline drug assets | To advance clinical trials for mid-to-late-stage assets. The Company also expects to launch more clinical trials as more pre-clinical programs enter the clinical stage in the near future. | 40.0 | 204.7 | 47.7 | 157.0 | By end of 2026 |
| (iii) Working capital and general operating purposes | Including but not limited to talent acquisition and workforce expansion, infrastructure and hardware upgrading, operating expenses, third-party vendor payments, and other general management and administrative expenses. | 10.0 | 51.2 | 13.8 | 37.4 | By end of 2026 |
| **Total** | | **100.0** | **511.7** | **138.0** | **373.7** | |

Further details of the Placing are set out in the announcements of the Company dated 29 August 2025 and 5 September 2025, respectively.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Pursuant to an ordinary resolution of the Shareholders passed at the Company's annual general meeting on 11 June 2025, the Board was granted a general mandate to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the relevant resolution granting such mandate (the "**Share Repurchase Mandate**"). During the Reporting Period, the Company exercised its powers under the Share Repurchase Mandate, which shall expire at the conclusion of the next annual general meeting of the Company, and repurchased a total of 25,843,000 Shares (the "**Share Repurchased**") on the Stock Exchange at an aggregate consideration of HK$195,202,550, all of which are held as treasury shares which may be resold, used to satisfy the Post-IPO Share Option or Share Award Scheme, or cancelled.

Particulars of the Shares Repurchased are as follows:

| Trading month | Number of Shares Repurchased | Highest price paid per Share *(HK$)* | Lowest price paid per Share *(HK$)* | Total consideration paid *(HK$)* |
|---|---|---|---|---|
| January 2025 | 2,772,000 | 3.16 | 2.21 | 7,766,330 |
| February 2025 | 5,810,000 | 4.30 | 3.65 | 23,710,070 |
| April 2025 | 1,909,000 | 9.00 | 6.97 | 14,699,080 |
| May 2025 | 7,132,000 | 9.23 | 7.96 | 60,767,110 |
| June 2025 | 3,320,000 | 9.08 | 7.69 | 27,021,360 |
| July 2025 | 500,000 | 8.21 | 7.75 | 3,941,300 |
| September 2025 | 150,000 | 14.10 | 13.99 | 2,106,840 |
| October 2025 | 1,600,000 | 15.33 | 12.14 | 21,044,340 |
| November 2025 | 1,550,000 | 13.80 | 11.98 | 20,149,250 |
| December 2025 | 1,100,000 | 14.25 | 11.92 | 13,996,870 |
| **Total** | **25,843,000** | | | **195,202,550** |

Save as disclosed above, during the Reporting Period, the Company and its subsidiaries have neither sold, purchased nor redeemed any of its listed securities (including the sale of treasury shares (as defined under the Listing Rules)).

## PRE-EMPTIVE RIGHTS

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

## TAX RELIEF AND EXEMPTION

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

## DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this annual report, as of 31 December 2025, none of the Directors or their respective associates engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group.

## CONNECTED TRANSACTIONS

During the Reporting Period, the Group has not entered into any connected transactions (or continuing connected transactions) which are not exempt from the annual reporting requirements pursuant to Chapter 14A of the Listing Rules.

A summary of all significant transactions with related parties (the "**Related Party Transactions**") entered into by the Group during the Reporting Period is contained in note 34 to the consolidated financial statements. None of the related party transactions disclosed in note 34 to the consolidated financial statements constituted a connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules and the Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules as and where applicable and relevant.

## CHARITABLE DONATIONS

During the Reporting Period, the Group has not made any charitable donations.

## SIGNIFICANT LEGAL PROCEEDINGS AND PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every director, Auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director, Auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. Subject to the Companies Act, if any director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge, or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the director or person so becoming liable as aforesaid from any loss in respect of such liability.

Such permitted indemnity provision has been in force for the year ended 31 December 2025. For the year ended 31 December 2025, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance, related to any director, Auditor or other Officer of the Company, as known to the Directors to be pending or threatened against the Company.

For the year ended 31 December 2025, the Company has arranged appropriate liability insurance to cover the Directors for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

## DISCLOSURE UNDER RULES 13.20 TO 13.22 OF THE LISTING RULES

The Directors are not aware of any circumstances resulting in a disclosure obligation under Rules 13.20 to 13.22 of the Listing Rules.

## CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 78 to 98 of this annual report.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, were held by the public at all times as of the Latest Practicable Date.

## AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by Ernst & Young. A resolution will be proposed by the Company in the forthcoming Annual General Meeting ("**AGM**") to re-appoint Ernst & Young as the auditor of the Company.

## IMPORTANT EVENTS AFTER REPORTING DATE

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

**Acquisition of Common Stock in Spruce**

In January 2026, through our wholly-owned subsidiary, we have exercised our warrant to acquire the common stock in Spruce. Following this transaction, we hold approximately 3.8% of the total outstanding shares of Spruce and approximately 3.1% of the fully diluted shares of Spruce (based on the total outstanding shares and fully diluted shares of Spruce as of September 30, 2025).

**Multi-target Antibody Discovery Collaboration with Link Cell Therapies**

In January 2026, Nona Biosciences entered a multi-target antibody discovery collaboration with Link Cell Therapies, leveraging Nona's proprietary fully human HCAb Harbour Mice® platform and its innovative direct CAR-function-based HCAb library screening platform, NonaCarFx™, to generate novel CAR-T cell therapy candidates.

**License Agreement and Equity Partnership for HBM4003 (CTLA-4 Mab) with Solstice**

In February 2026, we entered into a license agreement and equity partnership with Solstice, a clinical stage biotechnology company established by a syndicate of major venture capital investors, for the exclusive development and commercialization of a clinical stage portfolio asset HBM4003 outside Greater China.

Under the terms of the license agreement, we will receive upfront consideration valued at over $105 million, comprised of $50 million in upfront payments, $5 million in near-term cash payments and over $50 million of equity in Solstice. We are also eligible for additional development, regulatory and commercial milestones up to approximately $1.1 billion, contingent on the achievement of certain future events, and tiered royalties on net sales outside Greater China.

**HBM7575 (TSLP Undisclosed Target BsAb) IND Approval**

In March 2026, the China IND application for HBM7575, a long-acting bispecific antibody targeting TSLP and an undisclosed target for the treatment of atopic dermatitis, was approved by the NMPA.

Save as disclosed in this annual report, as at the date of this report, the Company is not aware of any other major subsequent events of the Company after 31 December 2025 and up to the date of this report which need to be disclosed in the annual report.

On behalf of the Board
Dr. Jingsong Wang
*Chairman*
30 March 2026

# Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the year ended 31 December 2025 (the "**Review Period**").

## CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving and establishing high standards of corporate governance, which are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted and complied with the applicable code provisions of the Corporate Governance Code (as amended and coming into effect on 1 July 2025, the "**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has devised its own Corporate Governance Policy which incorporates the principles and practices as set out in the CG Code. The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance and alignment with the latest measures and standards set out in the CG Code.

The Board is of the view that, during the Review Period, the Company has complied with all the code provisions of the CG Code, save and except for the deviation from code provision C.2.1 of the CG Code, details of which are set out below.

## RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. Our Audit Committee would assist the Board in leading the management and overseeing the design, implementation and supervision of internal control.

During the Review Period, we regularly reviewed and enhanced our risk management and internal control system, which has been designed to manage the risks and uncertainties that could cause the Group's financial condition or business performance to differ materially from expected or historical results. Below is a summary of the risk management and internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our business operation, such as protection of intellectual property, environment protection and occupational health and safety.

- We have established standard operating programs that govern our activities, including an integrated procure-to-pay process, standardized accrual methods, and budgeting and tracking mechanisms.

- We provide our staff with staff handbooks that are revised from time to time. To enhance compliance awareness, we established a staff induction training program and we also provide regular internal and external compliance training to our staff as a part of the staff training program.

- With the help of our legal advisers, the directors who are responsible for monitoring the Group's corporate governance also regularly review our compliance with all relevant laws and regulations.

- Our Audit Committee assists the Board in overseeing the effectiveness of the risk management of the internal control system. Our Audit Committee maintains a regular dialogue with the Company's external auditors and reviews the Company's financial statements. Our Audit Committee makes recommendations to the directors on the appointment and removal of the external auditors and makes recommendations on financial reporting and supervision of the Group's internal control procedures. The Company has established a compliance team to review grants and sponsorships and other compliance initiatives.

- The Board evaluates the design and operational effectiveness of the Company's internal control system and no material weaknesses are revealed in the evaluation results.

- We have engaged a PRC/US law firm to regularly advise us on and keep us abreast with the PRC laws and regulations. We will continue to arrange various trainings to be provided by external advisers from time to time when necessary and/or by any appropriate accredited institution to update our directors, senior management and relevant employees on the latest PRC laws and regulations.

- We maintained strict anti-corruption policies among all our staff, personnel and distributors. We ensure that our employees comply with the requirements, including restrictions on the purchasing and business cooperation, restrictions on the promotion of drugs for unapproved uses or patient populations and restrictions on industry-sponsored scientific and educational activities.

- We also established a whistleblowing policy and system for employees and those who deal with the Company (e.g., customers and suppliers) to raise concerns, in confidence and anonymity, with the Audit Committee (or any designated committee comprising a majority of independent non-executive directors) about possible improprieties in any matter related to the Company.

We currently do not have an internal audit function. We are committed to continuously monitoring and assessing the necessity to establish an internal audit function on an annual basis.

During the Review Period, we reviewed and concluded that the current internal mechanism was adequate to enable the effectiveness of the Company's internal control and risk management systems. Furthermore, as an additional comfort, no material weakness with the Company's internal controls over financial reporting was identified during the course of audit by our external auditor.

As an ongoing monitoring and assessment process, we have taken, including but not limited to, the following consideration factors into account when reviewing and concluding if an internal audit function is required:

- Limited headcounts of the Company;
- Current clinical stage of the Company with a primary focus on research and development activities;
- Relying on CRO & CDMO over our significant business operations;
- Occasional and simple revenue sources mainly from licensing without any product sales;
- Limited, simple and straight forward expenditure items; and
- External consultants, including GxP audit to CRO/CDMO, providing ongoing guidance and advice, thereby ensuring the operations of the Company meeting the legal and regulatory-compliance requirements.

We have established procedures and internal controls for the handling and dissemination of inside information. We have reviewed the effectiveness of the risk management and internal control systems during the Review Period. We consider such procedures and internal controls as effective and adequate.

Notwithstanding the above, the Board acknowledges that inaccuracies occurred in certain historical disclosures across different documents relating to the Share Option Scheme. Based on the Company's comprehensive review, these inaccuracies primarily arose from inadvertent human errors at the data preparation level, misalignment of computation baselines/approaches across different types of disclosures, and certain errors originated from earlier periods and were subsequently carried forward, which made them more difficult to identify during isolated, document-by-document preparation processes. In particular, a significant portion (over 90%) of the identified inaccuracies related to the recording and/or disclosure of lapsed options. Unlike grants and exercises (which are typically event-driven and actively actioned), lapses are often "passive" outcomes arising automatically under the pre-agreed terms of the Share Option Scheme (for example, upon cessation of employment), and therefore may not have been captured and reflected with the same timeliness and visibility as actively initiated transactions. The Board considers these lapse-related inaccuracies to be inadvertent in nature, and the Company will implement enhanced review and reconciliation controls with a specific focus on the identification and verification of lapses going forward.

Overall, while the Board considers the overall control framework and review layers to be appropriate in design, it has concluded that further strengthening is necessary, particularly to ensure end-to-end reconciliation and consistent baselines across monthly returns, announcements and annual/interim reports and to enhance monitoring on lapses.

To further strengthen the Company's internal controls over the preparation of disclosures relating to the Share Option Scheme, the Company plans to implement the following enhancement measures:

**(I) EXPLORING AUTOMATION TO REDUCE MANUAL ERRORS**

Although the brokerage service provider's existing system is able to record data relating to the Share Option Scheme, certain information – particularly lapse-related data – still requires a degree of manual input. The Company is working with its brokerage service provider to enhance and adopt an automated equity/option management system capable of tracking each grant, exercise, lapse and cancellation on a transaction-by-transaction basis, with a particular focus on strengthening the automated tracking and recording of lapse-related data to prevent human errors. The Company expects that, once implemented, this system will serve as the single source of truth for all Share Option Scheme movements and balances and will materially reduce reliance on manual compilation and calculations, thereby addressing the root causes of the historical inaccuracies and preventing inadvertent human errors at source.

The Company is expected to implement such automated equity/option management system by the end of first quarter of 2026 (2026Q1), subject to the development and implementation progress of the relevant brokerage service providers.

**(II) SINGLE SOURCE OF TRUTH AND DATA GOVERNANCE**

The Company will designate the above system (once implemented) as the single authoritative data source for all Share Option Scheme-related figures. The Company will also implement data governance protocols (including role-based access controls, change logs and clear responsibility assignment for maintenance and updates).

The Company is expected to adopt this single authoritative data source by the end of first quarter of 2026 (2026Q1), subject to the development and implementation progress of the above-mentioned system.

**(III) ADDITIONAL INDEPENDENT REVIEW LAYER**

The Company will introduce an additional independent review layer outside of the HR function, to be performed by the head of the compliance function. At the present time, the Company has appointed the global head of legal to serve as the head of the compliance function and granted him an access to the existing system offered by the brokerage service provider. Before any monthly return, option grant announcement or annual/interim report is finalized, such reviewer will verify the key figures and movements against the HR-provided version and supporting documents, check consistency across the relevant disclosures, and complete a documented sign-off. Any discrepancy, inconsistency or matter involving judgment will be escalated to the Board secretary and the joint company secretaries, the chairman of the audit committee, to the chairman of the Board, and/or the Board, when material and appropriate, before publication/submission. The Board will oversee the operation of this enhanced control through management reporting and exception escalation.

The Company is expected to establish this additional independent review layer from the next monthly return and for all subsequent announcements/reports.

**(IV) ENHANCED TRAINING AND STANDARDIZED DISCLOSURE GUIDANCE**

The Company will provide targeted training to relevant personnel (HR and other relevant teams) on the Company's standardized definitions/calculation methodologies for Share Option Scheme disclosure, with refresher sessions on a periodic basis.

The Company is expected that initial training will be completed by the end of first quarter of 2026 (2026Q1), with periodic refreshers thereafter.

**(V) FORMALIZATION INTO INTERNAL CONTROL POLICIES AND ONGOING MONITORING**

The Company will engage with its compliance adviser as appropriate, to formulate a comprehensive internal policy governing Share Option Scheme disclosure preparation based on the compliance adviser's recommendations. The Company will formalize the above measures into its internal control documentation and monitor implementation on an ongoing basis.

The Company is expected to formalize such comprehensive internal policy by the end of first half of 2026 (2026H1) with ongoing monitoring thereafter.

Having reviewed (i) the nature of the historical inaccuracies and their root causes, and (ii) the enhancement measures described above, the Board is of the view that the measures are sufficient and adequate, in all material respects, to prevent recurrence of similar incidents. The Board will continue to monitor the effectiveness of the enhanced controls following implementation and will require management to report on the operation of these controls as appropriate.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all directors and they confirmed that they have strictly complied with the Model Code during the Review Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

## BOARD OF DIRECTORS

### RESPONSIBILITY

The Board is responsible for the overall leadership of the Group and oversees the Group's strategic decisions and monitors the business and performance, ensuring that any changes to board composition can be managed without undue disruption. The Board has delegated to the Group's senior management the authority and responsibility for the day-to-day management and operations of the Group. To oversee specific aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee (collectively, the "**Board Committees**"). The Board has delegated a number of responsibilities to the Board Committees, which are set out in their respective terms of reference.

All Directors ensure that they perform their duties in good faith, comply with applicable laws and regulations, and at all times act in the interests of the Company and its Shareholders.

As stipulated in Principle B.1 of the CG Code, the Board regularly reviews the contribution required from a director to perform his role and responsibilities to the Company, and whether the director is spending sufficient time performing them.

The Company has arranged for the directors to take out appropriate liability insurance to indemnify them against liabilities arising from their corporate activities. The scope of the insurance will be reviewed annually.

### COMPOSITION OF THE BOARD

Our Board currently consists of two Executive Directors (namely Dr. Jingsong Wang (Chief Executive Officer and Chairman of the Board) and Dr. Yiping Rong), four independent non-executive directors (namely Dr. Robert Irwin Kamen, Dr. Xiaoping Ye, Dr. Albert R. Collinson and Ms. Weiwei Chen). The biographical details of the directors are set out in the section titled "Directors and Senior Management" on pages 36 to 40 in this annual report.

With effect from 1 January 2025, Ms. Weiwei Chen has been re-designated as an independent non-executive director. Ms. Chen possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules and confirms that she has gained such expertise through her experiences. Therefore, following the re-designation, the Company has met the requirements set out under Rules 3.10(2) and 3.21 of the Listing Rules and further strengthened its corporate governance.

Under Rule 3.10A of the Listing Rules, a listed issuer must appoint independent non-executive directors representing at least one-third of the board. The Company currently has four independent non-executive directors representing more than half of the Board, and hence the Company is in compliance with Rule 3.10A of the Listing Rules.

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

None of the directors has any personal relationships (including financial, business, family or other material/related relationships) with any other directors and members of senior management.

All directors, including the independent non-executive directors, bring a variety of valuable business experience, knowledge and expertise to the Board for efficient and effective operation. The independent non-executive directors are invited to join the Audit Committee, the Remuneration Committee and the Nomination Committee.

To the extent that the provisions of the CG Code require the directors to disclose to the issuer the number and nature of offices held in public companies or organizations and other significant commitments, and the duties and the time involved, the directors have agreed to disclose their duties and commitments to the Company in a timely manner.

**BOARD DIVERSITY POLICY**

The Board has established the board diversity policy (the "**Board Diversity Policy**"), which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level. Pursuant to the Board Diversity Policy, in reviewing the suitability of a candidate to serve as a director, the Nomination Committee will consider a number of aspects, including gender, age, cultural, educational background and professional experience. According to the policy, at least one female director should be included as member of the Board, and members of the Board should include candidates from a diverse background, such as professionals with extensive industry experience, risk management skills and financial knowledge, so as to provide a holistic and integrated perspective and outlook to enhance corporate decision-making.

During the Review Period, the Board has reviewed and considered the implementation of the Board Diversity Policy to be effective. The Board Diversity Policy is well implemented as evidenced by the fact that there are both female and male directors from a diverse age group with experience from different industries and sectors. The directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, e-commerce, engineering, finance, law and computer science. They obtained degrees in various areas including business administration, economics, computer science and technology. Gender diversity of the Board stands at 16.7%, representing one female out of six directors, which has met the goal of our gender diversity.

We will maintain a focus on gender diversity when recruiting staff at the mid to senior level so as to develop a pipeline of potential female successors to our Board. The Company will also identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our nomination committee periodically to maintain gender diversity of our Board.

**APPOINTMENT AND CONTINUOUS PROFESSIONAL DEVELOPMENT**

Each newly appointed director will receive formal, comprehensive and individually tailored induction training upon his or her appointment to ensure that he or she has a proper understanding of the business and operations of the Company and is fully aware of the roles, functions, duties and responsibilities of directors under the Listing Rules and relevant statutory requirements.

The Company arranges regular seminars for the directors from time to time to provide updates on the latest development and changes in the Listing Rules and other relevant laws and regulatory requirements. The directors are also provided with regular updates on the performance, position and prospects of the Company to facilitate the discharge of their duties by the Board as a whole and each of the directors.

The Company encourages the directors to participate in continuous professional development to develop and update their knowledge and skills. During the Review Period, all the directors participated in continuous professional development to develop and update their knowledge and skills in accordance with code provision C.1.4 of the CG Code. The Company's external lawyers also provided briefings, presentations and information to the directors to enable each of them to have further training on the roles, functions and responsibilities of directors of listed companies. All directors received this training. The Company's external company secretarial service organization updates and provides written training materials on the roles, functions and responsibilities of directors from time to time and all directors study such materials and are required to submit signed training records to the Company annually.

The training records of the directors for the year ended 31 December 2025 are summarized as follows:

| Name of Directors | Types of Training[Note] |
|---|---|
| Dr. Jingsong Wang | A, B |
| Dr. Yiping Rong | A, B |
| Ms. Weiwei Chen | A, B |
| Dr. Robert Irwin Kamen | A, B |
| Dr. Xiaoping Ye | A, B |
| Dr. Albert R. Collinson | A, B |

Note:

Types of Training:

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications (such as the Stock Exchange's letters to authorized representatives of listed issuers)

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be separate and should not be performed by the same individual. Companies listed on the Stock Exchange are expected to comply with such requirement, but may choose to deviate from such requirement. Currently, the Company does not have a separate Chairman and Chief Executive Officer and Dr. Jingsong Wang currently performs both roles.

Our Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of Chairman of our Board and Chief Executive Officer of our Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Dr. Jingsong Wang has entered into a service contract with the Company on 23 November 2020 and renewed the appointment letter with the Company on 31 December 2023; and Dr. Yiping Rong has entered into a service contract with the Company on 5 May 2022 and renewed the appointment letter with the Company effective on 6 June 2024. The term of appointment is three years from the date of appointment or until the third annual general meeting of the Company after the appointment, whichever is sooner, (as the case may be) (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

Ms. Weiwei Chen has entered into an appointment letter with the Company on 9 June 2021 and renewed the appointment letter with the Company on 31 December 2023 as non-executive director. Due to the re-designation from non-executive director to independent non-executive director with effect on 1 January 2025, Ms. Weiwei Chen has entered into an appointment letter with the Company on the same day. The term of appointment is three years from the date of appointment (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

Each of Dr. Robert Irwin Kamen and Dr. Xiaoping Ye entered into an appointment letter with the Company on 23 November 2020 and renewed the appointment letter with the Company on 1 December 2023. Dr. Albert R. Collinson entered into an appointment letter with the Company on 13 July 2023. The term of appointment is three years from the date of the appointment (as the case may be) until the third annual general meeting of the Company after the appointment, whichever is sooner, (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

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

The procedures and processes for the appointment, re-election and removal of the directors are set out in the Articles of Association.

The Nomination Committee is responsible for reviewing the composition of the Board and monitoring the appointment, re-election and succession plan of the directors.

## BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

The Company adopts the practice of holding regular Board meetings at least four times a year and approximately once every quarter, involving active participation, either in person or through electronic means of communication, of a majority of directors. The Company gives not less than 14 days' notice of all regularly scheduled Board meetings to give all directors an opportunity to attend the regular meetings and to put relevant matters on the agenda. For other Board and committee meetings, reasonable notice will generally be given. The agenda and accompanying Board papers are sent to the directors or committee members at least three days prior to the meeting to ensure that they have sufficient time to review the documents and prepare adequately for the meeting. When a director or committee member is unable to attend a meeting, he or she will be informed of the matters to be discussed and will have an opportunity to express his or her views to the Chairman prior to the meeting. Minutes of the meetings are kept by the company secretary of the Company and copies will be sent to all directors for reference and records.

Minutes of the Board and committee meetings record, in sufficient detail, the matters considered and decisions reached by the Board and the respective committee, including any questions from the directors. Draft minutes of each Board meeting and committee meeting are sent to the directors for comment within a reasonable time after the date of the meeting. The directors have the right to inspect the minutes of the Board meetings.

Code provision C.5.1 of the CG Code stipulates that the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the Review Period, the Board held four meetings and convened one general meeting.

The Board will make arrangements for holding at least four regular Board meetings and a meeting between the Chairman and the non-executive directors (including independent non-executive directors) without the presence of executive directors once a year.

The attendance record of each of the Directors at such meetings are set out in the following table:

| | Attendance/Eligible Attendance | |
|---|---|---|
| **Director** | **Board meeting** | **General meeting** |
| Dr. Jingsong Wang | 5/5 | 1/1 |
| Dr. Yiping Rong | 5/5 | 1/1 |
| Ms. Weiwei Chen | 5/5 | 1/1 |
| Dr. Robert Irwin Kamen | 5/5 | 1/1 |
| Dr. Xiaoping Ye | 5/5 | 1/1 |
| Dr. Albert R. Collinson | 5/5 | 1/1 |

Note:

During the Review Period, the Chairman of the Board held one meeting with the independent non-executive directors without the presence of other directors.

## AUTHORIZATION BY THE BOARD

The Board reserves the right of decision making on all major issues of the Company, including: approving and monitoring all policy matters, overall strategy and budget, internal control and risk management systems, material transactions (especially those with potential conflicts of interest), financial information, appointment of directors and other material financial and operational matters. Directors may seek independent professional advice at the Company's expense when they perform their duties and the Company encourages the directors to seek independent advice from the Company's senior management.

Responsibility for the day-to-day management, administration and operations of the Group has been delegated to the senior management. The delegated functions and responsibilities are regularly reviewed by the Board. Management shall obtain the Board's approval before entering into any material transactions.

## CORPORATE GOVERNANCE FUNCTIONS

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

The Board would review the Company's corporate governance policies and practices, training and continuous professional development of the directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report. The Board has performed the above duties during the Review Period.

The Board is aware that corporate governance is a shared responsibility of all directors, including:

- To develop, review and implement the Company's policies and practices on corporate governance and make recommendations to the Board;
- To review and monitor the training and continuous professional development of directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual applicable to employees and directors;
- To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- To develop, review and monitor the implementation of shareholders' communication policy to ensure its effectiveness, and to make recommendations to the Board when appropriate to help strengthen the relationship between the Company and its shareholders.

## BOARD COMMITTEE

### NOMINATION COMMITTEE

For the year ended 31 December 2025, the Nomination Committee consists of four members, namely Dr. Jingsong Wang (Executive Director), Dr. Robert Irwin Kamen (independent non-executive director), Dr. Xiaoping Ye (independent non-executive director) and Ms. Weiwei Chen (independent non-executive director). Dr. Jingsong Wang is Chairman of the Nomination Committee.

The major duties of the Nomination Committee include the following:

- To review the structure, size and composition of the Board, and to make recommendations for any proposed change;
- To identify suitable candidates to be appointed as directors;
- To make recommendations to the Board on the appointment or re-appointment of directors and succession planning; and
- To assess the independence of independent non-executive directors.

The Nomination Committee will evaluate the candidates or incumbent candidates based on criteria such as integrity, experience, skills and ability to commit time and effort to perform their duties and responsibilities. The recommendation of the Nomination Committee will then be put to the Board for decision and its written terms of reference is available on the websites of the Stock Exchange and the Company.

During the Review Period, one Nomination Committee meeting was held.

| Director | Attendance/ Eligible Attendance |
|---|---|
| Dr. Jingsong Wang *(Chairman)* | 1/1 |
| Dr. Robert Irwin Kamen | 1/1 |
| Dr. Xiaoping Ye | 1/1 |
| Ms. Weiwei Chen | 1/1 |

## BOARD'S NOMINATION POLICY FOR THE NOMINATION OF DIRECTORS

The Company has adopted a nomination policy for the election of directors (the "**Board's Nomination Policy**"), details of which are as follows:

## NOMINATION CRITERIA

When considering a candidate nominated for directorship or a director's proposed re-appointment, the Nomination Committee will take into account the following factors:

- Age, skills, experience, professional and educational qualifications, background and other personal qualities of the candidate;
- Effect on the Board members' composition and diversity;
- Potential/actual conflicts of interest that may arise if the candidate is selected, and independence of the candidate;

- Commitment of the candidate to devote sufficient time to effectively carry out his/her duties;

- In the case of a proposed re-appointment of an independent non-executive director, the number of years he/she has already served the Company; and

- Other factors considered to be relevant by the Nomination Committee on a case by case basis.

**NOMINATION PROCEDURES**

The nomination procedures are as follows:

- The Nomination Committee shall consider the suitability of such person and assess the independence of the proposed independent non-executive director in accordance with the Listing Rules, the Board's Diversity Policy and the Board's Nomination Policy;

- The Nomination Committee shall make recommendations to the Board;

- The Board shall consider the people recommended by the Nomination Committee in accordance with the Listing Rules (including the CG Code in Appendix C1 to the Listing Rules), the Board's Nomination Policy and the Board's Diversity Policy;

- When filling a vacancy and appointing a new director, the Board confirms the person appointed as a director and the new director is subject to re-election by the shareholders of the Company at the next annual general meeting in accordance with the Articles of Association;

- Upon retirement of a retiring director, the Board shall recommend the retiring directors for re-election at the annual general meeting pursuant to the recommendation of the Nomination Committee. The appointment of the retiring directors is subject to the approval of the Shareholders at the annual general meeting; and

- The Board reserves the right of final decision on all matters relating to the selection and appointment of directors.

**REMUNERATION COMMITTEE**

As at 31 December 2025, the Remuneration Committee consists of three members, namely Dr. Jingsong Wang (Executive Director), Dr. Xiaoping Ye (independent non-executive director) and Dr. Albert R. Collinson (independent non-executive director). Dr. Albert R. Collinson is Chairman of the Remuneration Committee.

The major duties of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of all directors and senior management; reviewing and approving management's remuneration proposals with reference to the Board's corporate goals and objectives; making recommendations to the Board on specific remuneration packages for all Executive Directors and senior management; and reviewing and/or approving matters relating to the Company's share schemes under Chapter 17 of the Listing Rules. The written terms of reference of the Remuneration Committee is available on the websites of the Stock Exchange and the Company.

During the Review Period, the Remuneration Committee has reviewed and approved the following material matters in relation to its existing share schemes:

- the Board has resolved to grant a total of 4,857,000 share options under the Post-IPO Share Option Scheme on 29 April 2025 to 2 grantees, both of which are non-connected employees.
- the Board has resolved to grant a total of 3,465,000 share options under the Post-IPO Share Option Scheme on 30 June 2025 to 3 grantees, all of which are non-connected employees.
- the Board has resolved to grant a total of 843,000 share options under the Post-IPO Share Option Scheme on 3 September 2025 to 3 grantees, all of which are non-connected employees.
- the Board has resolved to grant a total of 201,000 share options under the Post-IPO Share Option Scheme on 10 September 2025 to 1 grantee, which is a non-connected employee.
- the Board has resolved to grant a total of 309,000 share options under the Post-IPO Share Option Scheme on 31 December 2025 to 1 grantee, which is a non-connected employee.
- Each vesting of the options will be subject to the results of the individual performance appraisal of each option grantee. The Group will conduct performance appraisal on each option grantee before each vesting, and the performance appraisal criteria (such as financial benchmarks or business/operative milestones, etc.) shall be determined by the Board. The options will only vest if the option grantee obtains over a certain score at his/her performance appraisal.
- the Board has resolved to grant a total of 3,282,000 share awards under the Post-IPO Share Award Scheme on 3 September 2025 to 10 grantees, all of which are non-connected employees.
- the Board has resolved to grant a total of 67,000 share awards under the Post-IPO Share Award Scheme on 10 September 2025 to 1 grantee, which is a non-connected employee.
- Each vesting of the awards will be subject to the results of the individual performance appraisal of each awardee. The Group will conduct performance appraisal on each awardee before each vesting, and the performance appraisal criteria (such as financial benchmarks or business/operative milestones, etc.) shall be determined by the Board. The said awards will only vest if the awardee obtains over a certain score at his/her performance appraisal.

For details of the above grant of share options, please refer to the announcement of the Company dated 29 April 2025, 30 June 2025, 3 September 2025, 10 September 2025, and 31 December 2025.

**Directors' remuneration policy**

The Remuneration Committee is also responsible for establishing a transparent process for developing such remuneration policy and structure to ensure that no director or any of his/her associates is involved in determining his/her own remuneration. The remuneration of directors comprises an annual directors' fee and may also be entitled to options and/or awards under the rules of the share option scheme or share award scheme adopted by the Company from time to time. Such remuneration is determined and recommended by the Remuneration Committee with reference to individual and Company performance as well as market practice and market conditions.

During the Review Period, one Remuneration Committee meeting was held.

| Director | Attendance/ Eligible Attendance |
|---|---|
| Dr. Albert R. Collinson *(Chairman)* | 1/1 |
| Dr. Xiaoping Ye | 1/1 |
| Dr. Jingsong Wang | 1/1 |

Notes:

During the Review Period, the Remuneration Committee met once to review and make recommendations to the Board on the remuneration policy and packages and other related matters.

Remuneration by band of the 3 members of the senior management of the Company for the year ended 31 December 2025 are set out below.

| Annual Remuneration | Number of Individual(s) |
|---|---|
| HK$2,000,001 to HK$2,500,000 | 0 |
| HK$2,500,001 to HK$3,000,000 | 0 |
| HK$3,000,001 to HK$3,500,000 | 1 |
| HK$3,500,001 to HK$4,000,000 | 1 |
| Above HK$4,000,001 | 1 |
| | 3 |

## AUDIT COMMITTEE

With effect from 1 January 2025, Ms. Weiwei Chen has been re-designated as an independent non-executive director, and also re-designated from a member to the chairwoman of the Audit Committee. Ms. Chen possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules and confirms that she has gained such expertise through her experiences. Following Ms. Chen's re-designation and as of 31 December 2025, the Audit Committee consists of three members, namely Ms. Weiwei Chen (independent non-executive director), Dr. Xiaoping Ye (independent non-executive director) and Dr. Albert R. Collinson (independent non-executive director). Ms. Weiwei Chen is Chairwoman of the Audit Committee. The Company has met the requirements set out under Rules 3.10(2) and 3.21 of the Listing Rules.

The major duties of the Audit Committee include the following:

- To review the financial statements and reports before submission to the Board and to consider any significant or unusual items raised by the internal audit department or the external auditors;

- To review the relationship with the external auditor with reference to the work performed by the auditor, its fees and terms of engagement, and to make recommendations to the Board on the appointment, reappointment and removal of the external auditor; and

- To review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control system and related programs, including the adequacy of the Company's resources, staff qualifications and experience, training programs and budget for the accounting and financial reporting function.

During the Review Period, two Audit Committee meetings were held.

| Director | Attendance/ Eligible Attendance |
|---|---|
| Ms. Weiwei Chen *(Chairwoman)* | 2/2 |
| Dr. Xiaoping Ye | 2/2 |
| Dr. Albert R. Collinson | 2/2 |

Subsequent to 31 December 2025, the Audit Committee held a meeting to review the financial reporting system, compliance process, risk management and internal control system and its process and reappointed external auditor.

The Audit Committee also reviewed the final results for the financial year, and the audit report prepared by the external auditors on the accounting matters and significant findings arising from the audit process. The Company has made appropriate arrangements for employees to raise concerns in confidence about possible improprieties in financial reporting, risk management and other matters of the internal control system, and its written terms of reference is available on the websites of the Company and the Stock Exchange.

## DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN RELATION TO FINANCIAL STATEMENTS

The directors are fully aware of their responsibilities in relation to the preparation of the financial statements for the year ended 31 December 2025 and give a true and fair view of the affairs of the Company and the Group and of the results and cash flows of the Group.

Our senior management has provided related explanation and information to the Board as is necessary to make an informed assessment of the Company's financial statements, which is subject to the Board's approval. The Company provides quarterly updates on the Company's performance, position and prospects to all members of the Board.

The directors are not aware of any material uncertainties relating to matters or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

The statement of the Company's auditors regarding their reporting responsibilities on the Company's consolidated financial statements are set out in the Independent Auditor's Report on pages 101 to 106 of this Annual Report.

## JOINT COMPANY SECRETARIES

Dr. Ian Y. Liu (appointed with effect from 9 June 2025) ("**Dr. Liu**") and Mr. Wing Yat Christopher Lui ("**Mr. Lui**"), senior manager of Tricor Services Limited, an external service provider, have been appointed as the Company's joint company secretaries.

Dr. Liu has been designated as the primary contact person at the Company which would work and communicate with Mr. Lui on the Company's corporate governance and secretarial and administrative matters.

All directors have access to the advice and services of the company secretary on corporate governance and board practices and matters.

For the year ended 31 December 2025, each of Dr. Liu and Mr. Lui has undertaken not less than 15 hours of relevant professional training to update their respective skills and knowledge, thus in compliance with Rule 3.29 of the Listing Rules.

## AUDITOR'S REMUNERATION

The audit fees paid by the Group to the auditor in respect of audit and non-audit services for the year ended 31 December 2025 were approximately US$0.32 million and nil, respectively.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

### SHAREHOLDERS' COMMUNICATION POLICY

The Company believes that effective communication with shareholders is essential to improve investor relations and understanding of the Group's business, performance and strategy. The Company also recognizes the importance of timely and non-selective disclosures that will enable shareholders and investors to make informed investment decisions.

The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The annual general meeting provides an opportunity for shareholders to communicate directly with the directors. Chairman of the Board will attend the annual general meeting to answer questions from Shareholders. The Company's external auditors will also attend the annual general meeting to answer questions about the audit, the preparation and content of the auditor's report, accounting policies and auditor independence.

In order to facilitate effective communication, the Company has adopted a shareholder communication policy aimed at establishing mutual relationship and communication between the Company and its Shareholders via maintaining a website at www.harbourbiomed.com. The Company will post updates relating to its business operations and development, financial information, corporate governance practices and other information on its website for public access. Further, the Company discloses information and publishes periodic reports and announcements to the public in accordance with the Listing Rules, the relevant laws and regulations.

The Company has reviewed and considered the implementation of the Shareholders' communication policy to be effective during the Review Period.

## SHAREHOLDERS' RIGHTS

In order to protect the interests and rights of shareholders, each matter will be proposed at a general meeting by way of individual resolution, including the election of individual directors.

All resolutions proposed at the AGM will be voted on by way of poll in accordance with the Listing Rules and the poll results will be published on the Company's website and the website of the Stock Exchange in due course after each AGM.

## DIVIDEND POLICY

The Board has approved and adopted a dividend policy (the "**Dividend Policy**"). Pursuant to the Dividend Policy, it is expected that, subject to compliance with applicable laws and regulations, the Company will declare dividends, which will be announced after the publication of the interim results announcement and the annual results announcement respectively. The dividend will be declared and paid in Hong Kong dollars.

In accordance with the Dividend Policy, the Board shall consider the following factors before declaring or recommending dividends:

- the Company's actual and expected financial performance;
- retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group;
- the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- the Group's liquidity position;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- other factors that the Board may consider relevant.

The payment of dividend by the Company is also subject to applicable laws and regulations, including the Cayman Islands laws and the Articles of Association. The Board will review this Dividend Policy from time to time and does not guarantee that any particular amount of dividend will be paid for any specified period.

## BOARD INDEPENDENCE

The Company recognizes that Board independence is key to good corporate governance. As part of the established governance framework, the Group has adopted Board independence mechanism (the "**Mechanism**"), which demonstrates the Company's commitment to high standards of corporate governance, and making good governance integral to the Company's culture.

According to the Mechanism, the Board, Board committees or individual directors may seek such independent professional advice, views and input as considered necessary to fulfil their responsibilities and in exercising independent judgement when making decisions in furtherance of the directors' duties at the Company's expense. Independent professional advice shall include legal advice and advice of accountants and other professional financial advisers on matters of law, accounting, tax and other regulatory matters.

In the event that independent professional advice, views and input are considered necessary, the Board, Board committees or individual directors shall communicate with the company secretary to start the Mechanism, providing background and details of the relevant incidents and/or transactions, and the issues involved which would require independent views and input. They may direct any questions, queries, concerns or specific advice to be sought to the company secretary who will then contact the Company's professional advisers (including legal advisers, accountants, independent auditor, internal control adviser) or other independent professional parties to obtain such independent professional advice within a reasonable period of time. Any advice obtained through the Mechanism shall be duly documented and made available to other members of the Board.

Despite having obtained any information or advice from the chairperson of the Board and/or any independent professional advisers through the Mechanism, the directors are expected to exercise independent judgement in forming their decisions.

During the Review Period, the Board has reviewed and considered the implementation of the Mechanism to be effective.

## CONVENING EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS

Proposals may be put forward by Shareholders for consideration at general meetings in accordance with the Articles of Association. Pursuant to Article 12.3 of the Articles of Association, general meetings shall also be convened on the written requisition of any two or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, in the share capital of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). 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 or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, 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. The procedures for nominating a person for election as a director are available on the Company's website and the website of the Stock Exchange.

## MAKING ENQUIRIES TO THE BOARD

Shareholders who wish to make enquiries about the Company to the Board may send their enquiries to the Company's principal place of business in Hong Kong at Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong (email address: ir@harbourbiomed.com).

## AMENDMENT TO CONSTITUTIONAL DOCUMENTS

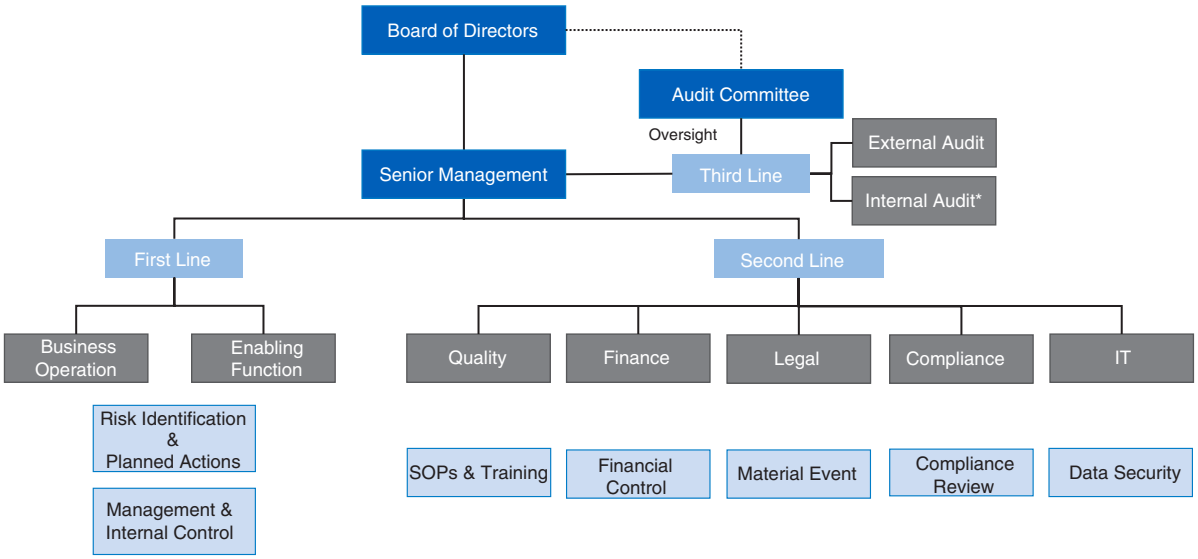
During the Review Period, no changes were made to the memorandum and articles of association of the Company.

## RISK MANAGEMENT CONCEPT

In pursuit of sustainable steady business growth, the Board acknowledges that the Group must maintain robust risk management to support the efficient portfolio development. The Board regards risk management as a proactive measure for creating efficiencies and promotes its responsibilities. The management and all staff members as well as its entire business system are fully engaged in the risk management mechanism including regular identification, assessment, effective control, escalation if needed and report.

## RISK MANAGEMENT FRAMEWORK

The Group has established a risk management framework with "three lines of defence":




1st line of defence: Business Functions – During the course of business activities, each of the functional departments and business units, as well as personnel holding the respective business position, shall be the first responsible unit for handling matters within their terms of reference for risk identification and management.

2nd line of defence: Supervision and support for risk management – The functional departments, including the departments responsible for the functions of legal affairs, compliance, IT, and finance/HR, shall assist the front-line business departments to assume joint responsibilities for overseeing, inspecting and evaluating those works relating to the implementation of risk management.

3rd line of defence: Independent assurance – The Audit Committee under the Board shall be responsible for overseeing and reviewing the results of the risk management and external audit report.

* For the Internal Audit function, please refer to page 79 in the report.

During the Review Period, we regularly reviewed and enhanced our risk management and internal control system, which has been designed to manage the risks and uncertainties that could cause the Group's financial condition or business performance to differ materially from expected or historical results. We regularly review the various nodes of internal control to ensure that there are no material weaknesses in internal control and report the results to the Audit Committee and the Board of Directors. If a material weakness is identified, the Company will hold a high-level management meeting to develop an internal control plan and report the results of implementation to the Audit Committee and the Board of Directors. During the Review Period, we reviewed and concluded that the current internal mechanism was adequate to enable the effectiveness of the Company's internal control and risk management systems. Furthermore, as an additional comfort, no material weakness with the Company's internal controls over financial reporting was identified during the course of audit by our external auditor.

## RISK MANAGEMENT IDENTIFICATION AND RESPONSE MEASURES

Pursuant to the risk assessment at the beginning of 2026, the major risks of the Group in the next 12 months, which have been aligned with the ESG materiality issues of the company, are as below:

(i) We believe that the Group's reliance on third-party collaborators may bring a major risk to the Group's operations, business activities, and prospects. In response, the Group plans to maintain close coordination with its third-party collaborators, actively explore alternative business and collaboration models, focus on funnel construction and lead generation, and evaluate alternative partners where appropriate.

(ii) As a Chapter 18A listed company and being subject to extensive regulatory requirements relating to corporate governance, clinical development, regulatory compliance and public disclosure, any delay or omission in complying with these requirements may adversely affect investor confidence and market trust. The Group has implemented measures to enhance compliance and internal controls, including automated record-keeping tools, establishment of a single-source data framework, and additional layers of record keeping, internal communication and review and approval procedures, and will review and enhance to address evolving compliance requirements.

(iii) The biotechnology industry has become increasingly competitive, particularly taking into consideration the nature of the industry where data generated in pre-clinical and early clinical stages of development have limited predictive value in future clinical outcomes, regulatory approval or commercial success. In order to maintain its leading position, the Group plans to diversify its portfolio, focus on matured or maturing targets, improve research and development efficiency, implement backup development options, partner with new CRO and CDMO providers, accelerate pre-clinical validation workflows, advance new-generation and AI-enabled platforms, diversify modalities and broaden its collaboration and partnership network.

(iv) The Group's increasing reliance on data-driven technologies may be subject to cybersecurity threats, ever-changing privacy regulations and innovative intellectual property protection strategies. To better adapt to this new industrial norm, the Group has strengthened data protection measures through employee training, screen-lock and access control policies, card-based printing controls, network isolation for devices, implementation of multi-layer verification processes, review of training data for intellectual property risks, adoption of privacy-preserving deployment models, and use of enterprise-approved AI tools, and will continue devising and implementing data protection measures.

# Independent Auditor's Report

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**To the shareholders of HBM Holdings Limited**
*(Incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of HBM Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 107 to 196, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## BASIS FOR OPINION

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

## KEY AUDIT MATTERS

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

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

## KEY AUDIT MATTERS (continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Revenue recognition of exclusive license contracts*** | |
| The Group entered into several exclusive license contracts (the "Contracts") for the development and commercialisation of candidate drugs. The consideration for the Contracts included upfront fees, milestone payments based on the completion of certain milestone events and royalties based on future sales. For the year ended 31 December 2025, the Group recognised licensing revenue under the Contracts amounting to USD141,398,000.<br><br>Revenue from the Contracts with customers should be recognised when control of licenses and services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those licenses or services.<br><br>The above-mentioned revenue was significant to the consolidated statement of profit or loss and the consolidated statement of comprehensive income, and the Contracts included several types of considerations including variable considerations, which were subject to professional judgement and estimation.<br><br>The disclosures about revenue recognition under the Contracts are set out in note 2.4 *Material accounting policies*, note 3 *Significant accounting judgements and estimates* and note 5 *Revenue, other income and gains* to the financial statements. | Our audit procedures included, among others, evaluating management's accounting policies and assessing management's processes and controls relating to revenue recognition under the Contracts.<br><br>We inspected the Contracts and discussed with management about the nature, business rationale and the progress of the Contracts.<br><br>We checked the conditions and the current status of the payments made by the customers and the achievement of the milestone events to assess management's judgements and estimations regarding the variable considerations and the satisfaction of each performance obligation.<br><br>We involved our internal specialists to assist us in the assessment of the methodologies and the assumptions used by management in estimation of the fair value of the considerations obtained from the transaction. We also evaluated the objectivity, competence and capability of the external valuer engaged by management.<br><br>We obtained confirmations from the customers to confirm the amount of revenue consideration received.<br><br>We also focused on the adequacy of the related disclosures in the consolidated financial statements. |

## KEY AUDIT MATTERS (continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Impairment of an indefinite-life intangible asset*** | |
| The carrying value of the indefinite-life intangible asset (technology licencing agreement) in the consolidated financial statements amounted to USD7,600,000 as at 31 December 2025.<br><br>In accordance with IFRS Accounting Standards, the Group is required to perform an impairment test for the indefinite-life intangible asset at least on an annual basis. The impairment test is based on the recoverable amount of the individual asset which is determined based on fair value less costs of disposal. The impairment testing process is complex and involves significant management judgements and estimates.<br><br>The disclosures about the impairment of the indefinite-life intangible asset are set out in note 2.4 *Material accounting policies*, note 3 *Significant accounting judgements and estimates* and note 17 *Intangible assets* to the financial statements. | Our audit procedures included, among others, involving internal valuation specialists to assist us in evaluating the assumptions and methodologies used by management, in particular, discount rate, royalty rate and growth rate beyond the budget period used in the valuation method based on the cash flow forecast of the asset.<br><br>We paid attention to the forecast used with respect to future revenues and operating results by comparing the forecast with the business development plan of the indefinite-life intangible asset.<br><br>We also evaluated the objectivity, competence and capability of the external valuer engaged by management.<br><br>We also focused on the adequacy of the related disclosures in the consolidated financial statements. |

## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Cheung. (practising certificate number: P04900).

*Ernst & Young*
Certified Public Accountants
Hong Kong

30 March 2026

# Consolidated Statement of Profit or Loss

Year ended 31 December 2025

| | Notes | 2025 USD'000 | 2024 USD'000 |
|---|---|---|---|
| **REVENUE** | 5 | **157,975** | 38,100 |
| Cost of sales | | **(8,731)** | (4,486) |
| Gross profit | | **149,244** | 33,614 |
| Other income and gains | 5 | **17,593** | 11,167 |
| Selling expenses | | **(4,552)** | (2,677) |
| Administrative expenses | | **(24,320)** | (13,171) |
| Research and development costs | | **(39,765)** | (20,999) |
| Other expenses | 6 | **(2,593)** | (228) |
| Impairment losses on financial assets, net | 7 | **(25)** | (462) |
| Finance costs | 8 | **(2,041)** | (3,505) |
| **PROFIT BEFORE TAX** | 9 | **93,541** | 3,739 |
| Income tax expense | 12 | **(1,320)** | (997) |
| **PROFIT FOR THE YEAR** | | **92,221** | 2,742 |
| Attributable to: | | | |
| Owners of the parent | | **91,333** | 2,778 |
| Non-controlling interests | | **888** | (36) |
| | | **92,221** | 2,742 |
| **EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT** | | | |
| Basic (USD) | 14 | **0.12** | 0.00 |
| Diluted (USD) | 14 | **0.11** | 0.00 |

# Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| **PROFIT FOR THE YEAR** | **92,221** | 2,742 |
| **OTHER COMPREHENSIVE INCOME** | | |
| Other comprehensive income that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | **1,105** | 326 |
| **OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX** | **1,105** | 326 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **93,326** | 3,068 |
| Attributable to: | | |
| Owners of the parent | **92,438** | 3,104 |
| Non-controlling interests | **888** | (36) |
| | **93,326** | 3,068 |

# Consolidated Statement of Financial Position

Year ended 31 December 2025

| | Notes | 31 December 2025 USD'000 | 31 December 2024 USD'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 15 | **4,233** | 1,788 |
| Right-of-use assets | 16 | **8,098** | 1,798 |
| Intangible assets | 17 | **7,668** | 7,684 |
| Prepayments, other receivables and other assets | 20 | **12,220** | 23 |
| Other financial assets | 21 | **22,177** | 7,626 |
| **Total non-current assets** | | **54,396** | 18,919 |
| **CURRENT ASSETS** | | | |
| Inventories | 18 | **6,379** | 2,374 |
| Trade receivables | 19 | **5,930** | 8,979 |
| Prepayments, other receivables and other assets | 20 | **29,337** | 17,040 |
| Restricted bank balances | 22 | **1,158** | 881 |
| Cash and cash equivalents | 22 | **403,056** | 166,821 |
| **Total current assets** | | **445,860** | 196,095 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | 23 | **9,045** | 5,254 |
| Other payables and accruals | 24 | **17,092** | 6,017 |
| Contract liabilities | 25 | **1,824** | 1,550 |
| Interest-bearing bank borrowings | 26 | **56,005** | 55,584 |
| Lease liabilities | 16 | **2,121** | 1,026 |
| Tax payable | | **120** | – |
| **Total current liabilities** | | **86,207** | 69,431 |
| **NET CURRENT ASSETS** | | **359,653** | 126,664 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **414,049** | 145,583 |

# Consolidated Statement of Financial Position

Year ended 31 December 2025

| | Notes | 31 December 2025 USD'000 | 31 December 2024 USD'000 |
|---|---|---|---|
| **NON-CURRENT LIABILITIES** | | | |
| Contract liabilities | 25 | **20,609** | 14,250 |
| Interest-bearing bank borrowings | 26 | **17,480** | 3,862 |
| Lease liabilities | 16 | **6,163** | 867 |
| Deferred tax liabilities | 27 | **2,685** | 2,552 |
| **Total non-current liabilities** | | **46,937** | 21,531 |
| **Net assets** | | **367,112** | 124,052 |
| **EQUITY** | | | |
| **Equity attributable to owners of the parent** | | | |
| Share capital | 28 | **22** | 19 |
| Treasury shares | 28 | **(33,951)** | (8,869) |
| Reserves | 29 | **401,054** | 133,297 |
| | | **367,125** | 124,447 |
| Non-controlling interests | | **(13)** | (395) |
| **Total equity** | | **367,112** | 124,052 |

Jingsong Wang
Director

Yiping Rong
Director

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

| | Attributable to owners of the parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital USD'000 | Treasury shares USD'000 | Share premium* USD'000 | Capital reserve* USD'000 | Exchange fluctuation reserve* USD'000 | Accumulated losses* USD'000 | Sub-total USD'000 | Non-controlling interests USD'000 | Total USD'000 |
| At 1 January 2025 | 19 | (8,869) | 826,960 | 12,765 | 2,098 | (708,526) | 124,447 | (395) | 124,052 |
| Profit for the year | – | – | – | – | – | 91,333 | 91,333 | 888 | 92,221 |
| Other comprehensive income for the year: | | | | | | | | | |
| Exchange differences on translation of foreign operations | – | – | – | – | 1,105 | – | 1,105 | – | 1,105 |
| Total comprehensive income for the year | – | – | – | – | 1,105 | 91,333 | 92,438 | 888 | 93,326 |
| Dividends declared to non-controlling shareholders | – | – | – | – | – | – | – | (506) | (506) |
| Shares repurchased (note 28) | (1) | (25,082) | – | – | – | – | (25,083) | – | (25,083) |
| Share-based payments (note 30) | – | – | – | 3,227 | – | – | 3,227 | – | 3,227 |
| Ordinary share issued (note 28) | 3 | – | 170,168 | – | – | – | 170,171 | – | 170,171 |
| Issue of share under share-based payments scheme (note 28) | 1 | – | 2,594 | (670) | – | – | 1,925 | – | 1,925 |
| At 31 December 2025 | 22 | (33,951) | 999,722 | 15,322 | 3,203 | (617,193) | 367,125 | (13) | 367,112 |

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

| | Attributable to owners of the parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital USD'000 | Treasury shares USD'000 | Share premium* USD'000 | Capital reserve* USD'000 | Exchange fluctuation reserve* USD'000 | Accumulated losses* USD'000 | Sub-total USD'000 | Non-controlling interests USD'000 | Total USD'000 |
| At 1 January 2024 | 19 | (9,223) | 826,960 | 11,764 | 1,772 | (711,304) | 119,988 | (359) | 119,629 |
| Profit for the year | – | – | – | – | – | 2,778 | 2,778 | (36) | 2,742 |
| Other comprehensive income for the year: | | | | | | | | | |
| Exchange differences on translation of foreign operations | – | – | – | – | 326 | – | 326 | – | 326 |
| Total comprehensive income for the year | – | – | – | – | 326 | 2,778 | 3,104 | (36) | 3,068 |
| Repurchase of ordinary shares (note 28) | – | (644) | – | – | – | – | (644) | – | (644) |
| Share-based payments (note 30) | – | – | – | 1,999 | – | – | 1,999 | – | 1,999 |
| Cancellation of shares | – | 998 | – | (998) | – | – | – | – | – |
| At 31 December 2024 | 19 | (8,869) | 826,960 | 12,765 | 2,098 | (708,526) | 124,447 | (395) | 124,052 |

* These reserve accounts comprise the consolidated reserves of USD401,054,000 (2024: USD133,297,000) in the consolidated statement of financial position.

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

| | Notes | 2025 USD'000 | 2024 USD'000 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | **93,541** | 3,739 |
| Adjustments for: | | | |
| Finance costs | 8 | **2,041** | 3,505 |
| Foreign exchange loss/(gain), net | | **(113)** | (1,035) |
| Bank interest income | 5 | **(12,170)** | (6,783) |
| Share of losses of an associate | 6 | **49** | – |
| Loss on disposal of items of property, plant and equipment | 6 | **28** | – |
| Gain on disposal of right-of-use assets | 9 | **(40)** | (13) |
| Gain on fair value change of other financial assets | 5/6 | **(3,588)** | (1,983) |
| Share-based payment expenses | 9 | **3,227** | 1,190 |
| Provision for impairment of trade receivables | 7 | **25** | 462 |
| Depreciation of property, plant and equipment | 15 | **1,016** | 1,618 |
| Depreciation of right-of-use assets | 16 | **1,429** | 1,166 |
| Amortisation of intangible assets | 17 | **81** | 101 |
| Acquisition of financial assets at fair value through profit or loss | | **(10,750)** | – |
| | | **74,776** | 1,967 |
| Increase in inventories | | **(4,005)** | (2,374) |
| Decrease in trade receivables | | **2,949** | 42,895 |
| (Increase)/decrease in prepayments, other receivables and other assets | | **(13,135)** | 47 |
| Increase/(decrease) in trade payables | | **3,979** | (10,332) |
| Increase in contract liabilities | | **6,633** | 474 |
| Increase/(decrease) in other payables and accruals | | **11,204** | (1,493) |
| Cash generated from operations | | **82,401** | 31,184 |
| Income tax paid | | **(1,067)** | (508) |
| Net cash flows generated from operating activities | | **81,334** | 30,676 |

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

| | Notes | 2025 USD'000 | 2024 USD'000 |
|---|---|---|---|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Prepayment for right-of-use assets | | **–** | (4) |
| Interest received | | **8,687** | 6,783 |
| Purchases of items of property, plant and equipment | | **(4,267)** | (175) |
| Purchases of intangible assets | | **(7,486)** | (56) |
| Disposal of items of property, plant and equipment | | **294** | 7 |
| Decrease in time deposits with original maturity of more than three months but less than one year when acquired, net | | **(176,200)** | – |
| Inject capital to an associate | | **(49)** | – |
| Net cash flows generated (used in)/from investing activities | | **(179,021)** | 6,555 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| New bank loans | | **46,594** | 33,162 |
| Interest paid | | **(1,941)** | (3,458) |
| Dividends paid to non-controlling shareholders | | **(357)** | – |
| Repurchase of ordinary shares | 28 | **(25,082)** | (644) |
| Proceeds from issue of shares | 28 | **172,096** | – |
| Principal portion of lease liabilities | 16 | **(1,300)** | (1,108) |
| Interest portion of lease liabilities | 16 | **(102)** | (66) |
| Repayment of bank loans | | **(32,555)** | (38,123) |
| Net cash flows from/(used in) financing activities | | **157,353** | (10,237) |
| Net increase in cash and cash equivalents | | **59,666** | 26,994 |
| Cash and cash equivalents at beginning of year | | **166,821** | 140,324 |
| Effect of foreign exchange rate changes, net | | **369** | (497) |
| Cash and cash equivalents at end of year | | **226,856** | 166,821 |

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

| | Notes | 2025 USD'000 | 2024 USD'000 |
|---|---|---|---|
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 22 | **228,014** | 167,702 |
| Non-pledged time deposits with original maturity of more than three months but less than one year when acquired | 22 | **176,200** | – |
| Cash and cash equivalents as stated in the statement of financial position | | **404,214** | 167,702 |
| Non-pledged time deposits with original maturity of more than three months but less than one year when acquired | | **(176,200)** | – |
| Restricted bank balances | 22 | **(1,158)** | (881) |
| Cash and cash equivalents as stated in the statement of cash flows | | **226,856** | 166,821 |

## 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 20 July 2016. The registered office address of the Company is P.O. Box 472, 2nd Floor, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were engaged in the business of developing innovative therapeutics in the fields of immuno-oncology and immunology diseases.

**Information about subsidiaries**

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

| Name | Place and date of incorporation/ registration and place of business | Nominal value of issued ordinary share/ paid up capital | Percentage of equity interest attributable to the Company | | Principal activities |
|---|---|---|---|---|---|
| | | | Direct | Indirect | |
| Harbour BioMed Holdings Limited | British Virgin Islands 8 June 2016 | – | 100% | – | Investment holding |
| Harbour BioMed Therapeutics Limited | People's Republic of China ("PRC")/Hong Kong 19 July 2016 | USD1 | – | 100% | Investment holding |
| Harbour BioMed (Shanghai) Co., Ltd. (和鉑醫藥(上海)有限責任公司) *(a)* | PRC/Chinese mainland 26 December 2016 | USD180,000,000 | – | 100% | Research and development of innovative therapeutics |
| Nona Biosciences (Suzhou) Co., Ltd. (諾納生物(蘇州)有限公司) *(a)* | PRC/Chinese mainland 11 September 2018 | USD90,000,000 | – | 100% | Research and development of innovative therapeutics |
| Harbour Antibodies US, Inc. | United States 29 January 2016 | USD1 | – | 100% | Research and development of innovative therapeutics |
| Resilience Neuroscience US Inc. | United States 9 September 2024 | USD1 | – | 100% | Research and development of innovative therapeutics |

## 1. CORPORATE INFORMATION (continued)

**Information about subsidiaries** (continued)

| Name | Place and date of incorporation/ registration and place of business | Nominal value of issued ordinary share/ paid up capital | Percentage of equity interest attributable to the Company | | Principal activities |
|---|---|---|---|---|---|
| | | | Direct | Indirect | |
| Élancé Therapeutics, Inc. | United States 15 April 2024 | USD5 | – | 100% | Research and development of innovative therapeutics |
| Nona Biosciences US, Inc. ("Nona US") | United States 11 August 2022 | USD1 | – | 100% | Development of biotechnology |
| Nona Biosciences (Shanghai) Co., Ltd. (諾納生物(上海)有限公司) *(a)* | PRC/Chinese mainland 18 July 2024 | RMB150,000,000 | – | 100% | Research and development of biotechnology |
| Harbour BioMed (Beijing) Co., Ltd. (和鉑醫藥研發(北京)有限公司) *(a)* | PRC/Chinese mainland 14 July 2025 | USD10,000,000 | – | 100% | Research and development of biotechnology |

(a) The English names of the companies represent the best effort made by the management of the Company to directly translate the Chinese names as they have not registered any official English names.

These entities are limited liability companies established under law in Chinese mainland.

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

## 2. ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for other financial assets which have been measured at fair value. These financial statements are presented in United States dollars ("USD") and all values are rounded to the nearest thousand except when otherwise indicated.

*Basis of consolidation*

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

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

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

(b) rights arising from other contractual arrangements; and

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

## 2. ACCOUNTING POLICIES (continued)

### 2.1 BASIS OF PREPARATION (continued)

*Basis of consolidation* (continued)

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

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

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

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

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and added related disclosures in note 2.5 to the financial statements.

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

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

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

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

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

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that *the Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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

## 2. ACCOUNTING POLICIES (continued)

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

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

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

### 2.4 MATERIAL ACCOUNTING POLICIES

*Fair value measurement*

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Fair value measurement* (continued)

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

*Impairment of non-financial assets*

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Impairment of non-financial assets* (continued)

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

*Related parties*

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

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

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

(ii) has significant influence over the Group; or

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

or

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Related parties* (continued)

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

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

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

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

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

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

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

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

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

*Property, plant and equipment and depreciation*

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

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

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

| | |
|---|---|
| Plant and machinery | 10.00% to 40.00% |
| Electronic equipment | 20.00% to 50.00% |
| Furniture and fixtures | 20.00% to 33.33% |
| Leasehold improvements | The shorter of remaining lease terms and estimated useful lives |

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

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

*Intangible assets (other than goodwill)*

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

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

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

| | |
|---|---|
| Software | 2 to 3 years |
| Backlog | 4 years |
| Technology licencing agreement | Indefinite |

The useful lives of software are assessed by the Group considering different purposes and usage of the software, and the authorised period for use. Backlog is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 4 years. Technology licencing agreement is assessed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows.

*Research and development costs*

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

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

*Leases*

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

*Group as a lessee*

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Leases* (continued)

*Group as a lessee* (continued)

(a) Right-of-use 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 accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms. Right-of-use assets are subject to impairment.

(b) Lease liabilities

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Leases* (continued)

*Group as a lessee* (continued)

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

*Investments and other financial assets*

*Initial recognition and measurement*

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

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

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Investments and other financial assets* (continued)

*Subsequent measurement*

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

*Financial assets at amortised cost (debt instruments)*

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

*Financial assets at fair value through profit or loss*

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

*Derecognition of financial assets*

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Derecognition of financial assets* (continued)

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

*Impairment of financial assets*

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

*General approach*

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

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

The Group considers a financial asset in default when contractual payments are 10 to 45 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Impairment of financial assets* (continued)

*General approach* (continued)

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

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

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

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

*Simplified approach*

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

*Financial liabilities*

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Financial liabilities* (continued)

*Subsequent measurement*

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

*Financial liabilities at fair value through profit or loss*

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

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

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

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

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

*Derecognition of financial liabilities*

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Derecognition of financial liabilities* (continued)

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

*Offsetting of financial instruments*

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

*Treasury shares*

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

*Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

*Cash and cash equivalents*

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Provisions*

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

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

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

*Income tax*

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

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

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Income tax* (continued)

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

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

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

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Government grants*

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

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

*Revenue recognition*

*Revenue from contracts with customers*

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Revenue recognition* (continued)

*Revenue from contracts with customers* (continued)

The Group recognises revenue from the following major sources:

(a) Molecule licence fee

The Group provides licences of its developed molecules for further development and commercialisation in identified fields to customers and revenue is recognised when the customers obtain rights to use the underlying molecules.

(b) Technology licence fee

The Group provides licences of its patented technology (the "Harbour Technology") to customers so that customers can use the Group's transgenic mouse platforms (the "Harbour Mice") for the purpose of generating antibodies and commercialisation of antibodies and antibody products in identified fields. The consideration for the licence comprises upfront fees, annual fees, and variable elements (including but not limited to per-mouse fees, development milestone payments and sales-based royalties). The upfront fees and annual fees are recognised as revenue throughout the licence period when customers obtain rights to access the Harbour Technology. Per-mouse fees and development milestone payments are included in the transaction price and recognised as revenue throughout the licence period when it is highly probable that there will not be a subsequent reversal of a significant amount of revenue. Sales-based royalties are not included in the transaction price until customers make the sales. Upfront fees received by the Group are initially recognised as a contract liability.

(c) Research service fee

The Group earns revenues by providing research services to a customer. Upfront payments received by the Group are initially recognised as a contract liability. Service revenue is recognised at a point in time when the agreed research results are delivered to and accepted by the customer. For certain type of contracts, services are rendered to the customers based on the process towards completion of the performance obligation as the Group's performance does not create an asset with an alternative future use and the contract terms specify that the Group has an enforceable right to payment for the performance completed to date. Therefore, revenue generated from such contracts is recognised over time based on the stage of completion of the contracts.

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Revenue recognition* (continued)

*Other income*

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

*Contract liabilities*

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

*Contract costs*

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

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

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

(c) The costs are expected to be recovered.

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

*Share-based payments*

The Group operates a share award plan. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees for share grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 30 to the financial statements.

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Share-based payments* (continued)

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

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

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

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Other employee benefits*

*Pension scheme*

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

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

*Borrowing costs*

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

*Events after the reporting period*

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Dividends*

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

*Foreign currencies*

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

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

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

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

## 2. ACCOUNTING POLICIES (continued)

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

*Foreign currencies* (continued)

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

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

### 2.5 CLIMATE-RELATED MATTERS

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group closely monitors relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

**Judgements**

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

*Revenue from contracts with customers*

When determining whether a licence granted to a customer provides the customer with rights to use, or access, the Group's intellectual property, the following criteria are considered: (a) the contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual property to which the customer has rights; (b) the rights granted by the licence directly expose the customer to any positive or negative effects of the Group's activities identified in (a); and (c) those activities do not result in the transfer of a good or a service to the customer as those activities occur. When all criteria are met, the licence granted provides the customer with rights to access the Group's intellectual property. Management judgements are required based on the terms of the contracts and the nature of the intellectual property to consider whether continuous activities, that do not transfer a good or service, will be undertaken by the Group to significantly affect the intellectual property.

The Group also makes judgements to determine the method used in estimating the variable consideration and whether the amount of variable consideration is constrained. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group determined that the most likely amount method is the appropriate method to use in estimating the variable consideration, since reaching the requirements of a milestone or other variable consideration is an either-or situation. If a milestone or other variable consideration relates specifically to the Group's efforts to satisfy a single performance obligation or to a specific outcome from satisfying the performance obligation, the Group generally allocates that milestone amount entirely to that performance obligation once it is probable that a significant revenue reversal would not occur.

*Deferred tax assets*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of USD276,194,000(2024: USD360,934,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

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

**Judgements** (continued)

*Revenue from contracts with customers* (continued)

*Deferred tax assets* (continued)

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by USD7,478,000(2024: USD6,365,000) this year. Further details on deferred taxes are disclosed in note 27 to the financial statements.

**Estimation uncertainty**

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

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

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of the reporting period. Indefinite life intangible asset is tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset or valuation techniques such as the relief from the royalty method. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit using key assumptions such as the growth rate, the gross margin and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of non-financial assets are set out in notes 15, 16 and 17 to the financial statements.

*Cut-off of research and development costs*

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

*Fair value of unlisted equity investments*

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 36 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. Further details are included in note 21 to the financial statements.

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

**Estimation uncertainty** (continued)

*Share-based payments arrangements*

The Group has granted share awards to its employees and other qualifying participants as mentioned in note 30, The directors have adopted the binomial option pricing model to determine the total fair value of the options granted, which is to be expensed over the respective vesting periods. Significant judgment on parameters, such as risk-free interest rate, dividend yield and expected volatility, is required to be made by the directors in applying the option pricing model.

*Provision for expected credit losses on other receivables*

Impairment loss on other receivables represent management's best estimate of losses incurred in other receivables at the reporting date under ECL models. Management assesses whether the credit risk of other receivables have increased significantly since their initial recognition and apply a three-stage impairment model to calculate their ECLs. The Group is required to exercise judgement in making assumptions and estimates when calculating impairment losses on other receivables, including any observable data indicating that there is a measurable decrease in the estimated future cash flows from other receivables and historical loss experience on the basis of the relevant observable data that reflects current economic conditions. The realisable values of collateral have been taken into account when individually and collectively assessing the ECL for other receivables.

The measurement of the ECLs involves significant management judgments and assumptions, primarily including the selection of appropriate models and determination of relevant key measurement parameters, criteria for determining whether there was a significant increase in credit risk or a default was incurred, economic indicators for forward-looking measurement, and the application of economic scenarios and weightings, management consideration due to significant uncertain factors not covered in the models and the estimated future cash flows in stage 3.

*Allowance for inventories*

Management reviews the net realisable values of inventories at the end of the reporting period based on the estimated selling prices in the ordinary course of business less the estimated selling expenses and related taxes to determine the allowance for inventories with reference to the ageing and conditions of the inventories. Management may take reference to the available price in the open market or the most recent/subsequent selling price if the open market information is not available. These estimates could change significantly as a result of change in market demand of products or technical innovation and impact the expectation of net realisable value and allowance for inventories required.

## 4. OPERATING SEGMENT INFORMATION

**Operating segment information**

For management purposes, the Group has only one reportable operating segment, which is the development of innovative therapeutics in the fields of immuno-oncology and immunology diseases. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

**Geographical information**

*(a) Revenue from external customers*

| | **2025** | 2024 |
|---|---|---|
| | **USD'000** | USD'000 |
| Europe | **92,036** | 19,546 |
| United States | **18,292** | 9,998 |
| Chinese mainland | **4,415** | 7,650 |
| Others | **43,232** | 906 |
| Total revenue | **157,975** | 38,100 |

The revenue information above is based on the locations of the customers.

*(b) Non-current assets*

| | **2025** | 2024 |
|---|---|---|
| | **USD'000** | USD'000 |
| Chinese mainland | **22,201** | 2,395 |
| Europe | **7,600** | 8,007 |
| United States | **2,418** | 891 |
| Total non-current assets | **32,219** | 11,293 |

Except for the intangible asset information which is based on the countries of the respective subsidiaries owning the assets, the non-current asset information above is based on the locations of the assets and excludes financial assets.

## 4. OPERATING SEGMENT INFORMATION (continued)

**Information about major customers**

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

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Customer A | **67,694** | 19,027 |
| Customer B | **42,215** | – |
| Customer C | **23,064** | – |
| Customer D | **–** | 2,413 |

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| *Types of goods or services* | | |
| – Molecule licence fee | **141,398** | 29,759 |
| – Research services and technology licence fee | **16,577** | 8,341 |
| Total | **157,975** | 38,100 |

## 5. REVENUE, OTHER INCOME AND GAINS (continued)

**Revenue from contracts with customers**

*(i) Disaggregated revenue information*

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Timing of revenue recognition | | |
| *At a point in time* | | |
| – Molecule licence fee | **141,398** | 29,759 |
| – Research services and technology licence fee | **1,710** | 814 |
| *Over time* | | |
| – Research services and technology licence fee | **14,867** | 7,527 |
| Total | **157,975** | 38,100 |

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

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Research services and technology licence fee | **1,045** | 549 |
| Total | **1,045** | 549 |

## 5. REVENUE, OTHER INCOME AND GAINS (continued)

**Revenue from contracts with customers** (continued)

*(ii) Performance obligations*

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

*Molecule licence fee*

The performance obligation is satisfied at a point in time as the customers obtain rights to use of the underlying licences and payment is generally due within 10 business days from the date of billing.

*Technology licence fee*

The performance obligation is satisfied over time throughout the licence period as the customers are granted rights to access the know-hows which the Group has exclusive rights to use. Upfront payment is generally due within 10 days after the effective date of contract, whereas other payment is generally due within 30 to 45 days from the date of billing.

*Research service fee*

The performance obligation is satisfied at a point in time when research results are delivered to and accepted by the customer. For certain type of the contracts, the performance obligation is satisfied over the service period based on the stage of completion of the contract. The payment is generally due within 30 days from the date of billing.

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

| | **2025** | 2024 |
|---|---|---|
| | **USD'000** | USD'000 |
| Amounts expected to be recognised as revenue: | | |
| – Within one year | **1,737** | 1,492 |
| – After one year | **3,317** | 155 |
| Total | **5,054** | 1,647 |

The above remaining performance obligations mainly relate to the contracts of licences and research service fee. The amounts expected to be recognised after one year relate to performance obligations that will be satisfied in the coming years. The amounts disclosed above do not include variable consideration which is constrained.

## 5. REVENUE, OTHER INCOME AND GAINS (continued)

**Revenue from contracts with customers** (continued)

*(ii)* *Performance obligations* (continued)

*Research service fee* (continued)

An analysis of other income and gains is as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Other income and gains | | |
| – Interest income | **12,170** | 6,783 |
| – Gains on fair value change of other financial assets | **3,588** | 1,983 |
| – Government grants recognised* | **1,771** | 1,048 |
| – Foreign exchange gain, net | **–** | 1,035 |
| – Others | **64** | 318 |
| Total other income and gains | **17,593** | 11,167 |

* Government grants have been received from the PRC local government authorities to support the subsidiaries' research and development activities. There are no unfulfilled conditions relating to these government grants.

## 6. OTHER EXPENSES

An analysis of other expenses is as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Foreign exchange losses, net | **2,516** | – |
| Share of losses of an associate | **49** | – |
| Loss on disposals of items of property, plant and equipment | **28** | – |
| Others | **–** | 228 |
| Total | **2,593** | 228 |

## 7. IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Impairment of trade receivables | **25** | 462 |

## 8. FINANCE COSTS

An analysis of finance costs is as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Interest on bank borrowings | **1,661** | 2,954 |
| Interest on contract liabilities | **278** | 485 |
| Interest on lease liabilities | **102** | 66 |
| Total | **2,041** | 3,505 |

## 9. PROFIT BEFORE TAX

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

| | Notes | 2025 USD'000 | 2024 USD'000 |
|---|---|---|---|
| Cost of sales (excluding employee benefit expense) | | **6,271** | 2,123 |
| Depreciation of property, plant and equipment | 15 | **1,016** | 1,618 |
| Depreciation of right-of-use assets | 16 | **1,429** | 1,166 |
| Amortisation of intangible assets | 17 | **81** | 101 |
| Loss on disposals of items of property, plant and equipment | 15 | **28** | – |
| Gain on disposals of right-of-use assets | 16 | **(40)** | (13) |
| Employee benefit expense (including directors' remuneration): | | | |
| – Wages and salaries | | **25,785** | 21,406 |
| – Pension scheme contributions* | | **1,286** | 1,084 |
| – Share-based payment expenses | | **3,227** | 1,190 |
| Auditors' remuneration | | **322** | 375 |
| Lease expenses arising from short-term leases | 16 | **53** | 50 |
| Foreign exchange loss/(gain), net | 5/6 | **2,516** | (1,035) |

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

| | **2025 USD'000** | 2024 USD'000 |
|---|---|---|
| Fees | **206** | 227 |
| Other emoluments: | | |
| Salaries, allowances and benefits in kind | **1,476** | 1,427 |
| Share-based payment expenses | **182** | 407 |
| Pension scheme contributions | **53** | 59 |
| Subtotal | **1,711** | 1,893 |
| Total | **1,917** | 2,120 |

During the year, certain directors were granted restricted shares, share award and options in respect of their services to the Group, under the share award plan of the Company, further details of which are included in note 30 to the financial statements. The fair values of such share-based payment, which have been recognised in the statement of profit or loss over the vesting period, were determined as at the grant date and the amounts included in the financial statements for the current year are included in the above directors' and chief executive's remuneration disclosures.

### (a) Independent non-executive directors

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

| | **2025 USD'000** | 2024 USD'000 |
|---|---|---|
| Dr. Robert Irwin Kamen | **50** | 50 |
| Dr. Xiaoping Ye | **50** | 50 |
| Dr. Albert R. Collinson | **50** | 50 |
| Ms. Weiwei Chen* | **56** | – |
| Mr. Ka Chi Yau (resigned in June 2024) | **–** | 27 |
| Total | **206** | 177 |

* Ms. Weiwei Chen has been re-designated as an independent non-executive Director with effect from 1 January 2025.

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

**(a) Independent non-executive directors** (continued)

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

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

| 2025 | Fees USD'000 | Other emoluments: Salaries, allowances and benefits in kind USD'000 | Other emoluments: Pension scheme contributions USD'000 | Other emoluments: Share-based payment expenses USD'000 | Total USD'000 |
|---|---|---|---|---|---|
| Executive directors: | | | | | |
| Mr. Jingsong Wang* | – | 1,062 | 43 | 137 | 1,242 |
| Dr. Yiping Rong | – | 414 | 10 | 45 | 469 |
| Total | – | 1,476 | 53 | 182 | 1,711 |

| 2024 | Fees USD'000 | Other emoluments: Salaries, allowances and benefits in kind USD'000 | Other emoluments: Pension scheme contributions USD'000 | Other emoluments: Share-based payment expenses USD'000 | Total USD'000 |
|---|---|---|---|---|---|
| Executive directors: | | | | | |
| Mr. Jingsong Wang* | – | 1,026 | 49 | 315 | 1,390 |
| Dr. Yiping Rong | – | 401 | 10 | 92 | 503 |
| Non-executive director: | | | | | |
| Ms. Weiwei Chen | 50 | – | – | – | 50 |
| Total | 50 | 1,427 | 59 | 407 | 1,943 |

* Mr. Jingsong Wang is also the chief executive of the Company, and his remuneration disclosed above included the remuneration for the services rendered by him as the chief executive.

## 11. FIVE HIGHEST PAID EMPLOYEES

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

| | **2025** | 2024 |
|---|---|---|
| | **USD'000** | USD'000 |
| Salaries, allowances and benefits in kind | **1,456** | 1,806 |
| Share-based payment expenses | **1,441** | (77) |
| Pension scheme contributions | **87** | 8 |
| Total | **2,984** | 1,737 |

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

| | **Number of employees** | |
|---|---|---|
| | **2025** | 2024 |
| HK$4,000,001 to HK$4,500,001 | **1** | 2 |
| HK$6,000,001 to HK$6,500,000 | **–** | 1 |
| HK$7,000,001 to HK$7,500,000 | **1** | – |
| HK$11,500,001 to HK$12,000,000 | **1** | – |
| Total | **3** | 3 |

During the year, no remuneration was paid by the Group to the directors or any of the five highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office (2024: Nil).

## 12. INCOME TAX

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

**Cayman Islands**

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

**British Virgin Islands**

Pursuant to the rules and regulations of the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the BVI.

**Hong Kong**

Hong Kong profits tax has been provided for at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, unless such profits are taxable at the half-rate of 8.25% (2024: 8.25%) that may apply for the first HK$2,000,000 (2024: HK$2,000,000) of the assessable profits.

**Chinese mainland**

Pursuant to the Corporate Income Tax Law of the Chinese mainland and the respective regulations, the subsidiaries which operate in the Chinese mainland are subject to corporate income tax ("CIT") at a rate of 25% (2024: 25%) on the taxable income, except for the subsidiary, Harbour BioMed (Shanghai) Co., Ltd., which was certified as a High and New Technology Enterprise in 2020 and renewed the certificate in December 2023 and was entitled to a preferential CIT rate of 15% (2024: 15%), Nona Biosciences (Suzhou) Co., Ltd., which was certified as a High and New Technology Enterprise in 2021 and renewed the certificate in November 2024 and was entitled to a preferential CIT rate of 15% (2024: 15%).

**Netherlands**

The subsidiaries which operate in the Netherlands are subject to profits tax at a rate of 15% (2024: 15%) for the first EUR200,000 (2024: EUR200,000) of taxable income, and the excess amount is subject to corporate income tax at a rate of 25.8% (2024: 25.8%) during the year.

## 12. INCOME TAX (continued)

**United States**

The subsidiaries which operate in the United States are subject to federal income tax at a rate of 21% (2024: 21%) and the Massachusetts state income tax at a rate of 8% (2024: 8%) on the taxable income.

The major components of income tax expenses of the Group are as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Current income tax | **1,204** | 509 |
| Deferred income tax (note 27) | **116** | 488 |
| Total tax expenses for the year | **1,320** | 997 |

A reconciliation of the tax expense applicable to profit before tax at the statutory rate applicable in Chinese mainland to the tax expense at the effective tax rate is as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Profit before tax | **93,541** | 3,739 |
| Tax at a tax rate of 25% | **23,385** | 935 |
| Effect of different tax rates enacted by local authorities | **(11,287)** | (486) |
| Tax losses and deductible temporary differences not recognised | **7,478** | 6,365 |
| Expenses not deductible for tax purposes | **2,153** | 253 |
| Tax losses utilised from previous periods | **(16,154)** | (3,069) |
| Income not subject to tax | **(154)** | (427) |
| Additional deductible allowance for qualified research and development costs | **(4,101)** | (2,574) |
| Tax expense at the Group's effective tax rate | **1,320** | 997 |

## 13. DIVIDENDS

No dividend has been paid or declared by the Company and its subsidiaries during the year (2024: Nil).

## 14. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the earnings attributable to the owners of the parent and the weighted average number of ordinary shares outstanding excluding the treasury shares during the year.

The calculation of the diluted earnings per share amount for the year ended 31 December 2025 is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

| | **2025** | 2024 |
|---|---|---|
| **Earnings** | | |
| Earnings attributable to owners of the parent (USD'000) | **91,333** | 2,778 |
| **Shares** | | |
| Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation* | **791,526,743** | 768,246,295 |
| Effect of dilution – weighted average number of ordinary shares: | | |
| Share granted under share award scheme | **5,288,375** | 4,210,407 |
| Share option granted** | **13,867,740** | – |
| Total | **810,682,858** | 772,456,702 |
| Basic earnings per share (USD per share) | **0.12** | 0.00 |
| Diluted earnings per share (USD per share) | **0.11** | 0.00 |

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

** The share options had anti-dilutive effect for the year.

## 15. PROPERTY, PLANT AND EQUIPMENT

| | Plant and machinery USD'000 | Electronic equipment USD'000 | Furniture and fixtures USD'000 | Leasehold improvements USD'000 | Total USD'000 |
|---|---|---|---|---|---|
| **31 December 2025** | | | | | |
| **Cost** | | | | | |
| As at 1 January 2025 | **14,953** | **524** | **196** | **4,589** | **20,262** |
| Additions | **2,711** | **266** | **–** | **735** | **3,712** |
| Disposals | **(699)** | **(116)** | **–** | **–** | **(815)** |
| Exchange realignment | **367** | **11** | **4** | **104** | **486** |
| As at 31 December 2025 | **17,332** | **685** | **200** | **5,428** | **23,645** |
| **Accumulated depreciation** | | | | | |
| As at 1 January 2025 | **(13,249)** | **(493)** | **(196)** | **(4,536)** | **(18,474)** |
| Charge for the year | **(889)** | **(49)** | **–** | **(78)** | **(1,016)** |
| Disposals | **377** | **117** | **–** | **–** | **494** |
| Exchange realignment | **(298)** | **(11)** | **(4)** | **(103)** | **(416)** |
| As at 31 December 2025 | **(14,059)** | **(436)** | **(200)** | **(4,717)** | **(19,412)** |
| **Net carrying amount** | | | | | |
| As at 31 December 2025 | **3,273** | **249** | **–** | **711** | **4,233** |
| As at 31 December 2024 | 1,704 | 31 | – | 53 | 1,788 |
| **31 December 2024** | | | | | |
| **Cost** | | | | | |
| As at 1 January 2024 | 15,078 | 620 | 228 | 4,657 | 20,583 |
| Additions | 134 | 21 | – | – | 155 |
| Disposals | (29) | (108) | (29) | – | (166) |
| Exchange realignment | (230) | (9) | (3) | (68) | (310) |
| As at 31 December 2024 | 14,953 | 524 | 196 | 4,589 | 20,262 |
| **Accumulated depreciation** | | | | | |
| As at 1 January 2024 | (12,030) | (532) | (213) | (4,484) | (17,259) |
| Charge for the year | (1,410) | (77) | (13) | (118) | (1,618) |
| Disposals | 22 | 108 | 29 | – | 159 |
| Exchange realignment | 169 | 8 | 1 | 66 | 244 |
| As at 31 December 2024 | (13,249) | (493) | (196) | (4,536) | (18,474) |
| **Net carrying amount** | | | | | |
| As at 31 December 2024 | 1,704 | 31 | – | 53 | 1,788 |
| As at 31 December 2023 | 3,048 | 88 | 15 | 173 | 3,324 |

## 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases certain buildings for its office and laboratory use. The movements in right-of-use assets and lease liabilities during the year are as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Right-of-use assets | | |
| Carrying amount at 1 January | **1,798** | 1,555 |
| Additions | **7,996** | 1,490 |
| Depreciation charge | **(1,429)** | (1,166) |
| Exchange realignment | **101** | (18) |
| Termination | **(368)** | (63) |
| Carrying amount at 31 December | **8,098** | 1,798 |

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Lease liabilities | | |
| Carrying amount at 1 January | **1,893** | 1,605 |
| New leases | **7,996** | 1,490 |
| Interest expense | **102** | 66 |
| Payments | **(1,402)** | (1,174) |
| Exchange realignment | **103** | (18) |
| Termination | **(408)** | (76) |
| Carrying amount at 31 December | **8,284** | 1,893 |
| Analysed into: | | |
| Current portion | **2,121** | 1,026 |
| Non-current portion | **6,163** | 867 |

## 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

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

| | **2025 USD'000** | 2024 USD'000 |
|---|---|---|
| Depreciation charge of right-of-use assets | **1,429** | 1,166 |
| Interest expense | **102** | 66 |
| Expense relating to short-term leases | **53** | 50 |
| Total amount recognised in profit or loss | **1,584** | 1,282 |

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

| | **2025 USD'000** | 2024 USD'000 |
|---|---|---|
| Within operating activities | **53** | 50 |
| Within financing activities | **1,402** | 1,174 |
| Total | **1,455** | 1,224 |

## 17. INTANGIBLE ASSETS

| | Software USD'000 | Backlog USD'000 | Technology licencing agreement USD'000 | Total USD'000 |
|---|---|---|---|---|
| **31 December 2025** | | | | |
| **Cost** | | | | |
| As at 1 January 2025 | **1,697** | **1,728** | **7,600** | **11,025** |
| Additions | **64** | **–** | **–** | **64** |
| Disposal | **(92)** | **–** | **–** | **(92)** |
| Exchange realignment | **38** | **–** | **–** | **38** |
| As at 31 December 2025 | **1,707** | **1,728** | **7,600** | **11,035** |
| **Amortisation** | | | | |
| As at 1 January 2025 | **(1,613)** | **(1,728)** | **–** | **(3,341)** |
| Charge for the year | **(81)** | **–** | **–** | **(81)** |
| Disposal | **92** | **–** | **–** | **92** |
| Exchange realignment | **(37)** | **–** | **–** | **(37)** |
| As at 31 December 2025 | **(1,639)** | **(1,728)** | **–** | **(3,367)** |
| **Net carrying amount** | | | | |
| As at 31 December 2025 | **68** | **–** | **7,600** | **7,668** |
| **31 December 2024** | | | | |
| **Cost** | | | | |
| As at 1 January 2024 | 1,614 | 1,728 | 7,600 | 10,942 |
| Additions | 108 | – | – | 108 |
| Exchange realignment | (25) | – | – | (25) |
| As at 31 December 2024 | 1,697 | 1,728 | 7,600 | 11,025 |
| **Amortisation** | | | | |
| As at 1 January 2024 | (1,536) | (1,728) | – | (3,264) |
| Charge for the year | (101) | – | – | (101) |
| Exchange realignment | 24 | – | – | 24 |
| As at 31 December 2024 | (1,613) | (1,728) | – | (3,341) |
| **Net carrying amount** | | | | |
| As at 31 December 2024 | 84 | – | 7,600 | 7,684 |

## 17. INTANGIBLE ASSETS (continued)

Technology licencing agreement was recognised as an intangible asset arising from the Group's acquisition of Harbour Antibodies BV and its subsidiaries ("HA Group") in 2016 for HA Group's licence agreement entered into with its licensors who exclusively licenced the technology (the "Harbour Technology") to HA Group to research, develop, manufacture, market, supply, keep or otherwise exploit antibodies in all fields of use and to sublicence the Harbour Technology. The licensors of the Harbour Technology will further develop together with the characteristic of the Harbour Mice through providing research consultancy services to HA Group.

**Impairment testing of technology licencing agreement**

As the technology licencing agreement entered into between HA Group and the licensors has no expiration date and HA Group had a long-term cooperation history with the licensors for further development of the Harbour Technology, the Group expects the technology licencing agreement with the licensors to have an indefinite useful life. The Group's management tests the technology licencing agreement with indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount.

The recoverable amount of the technology licencing agreement is determined based on the fair value less costs of disposal. The fair value of the technology licencing agreement is determined by adopting the relief from royalty method after taking into account the nature of the asset, and cash flow projections of future financial budgets. The growth rate used to extrapolate the cash flows is 2% (2024: 2%), which approximates to the long-term inflation rate. The Group's management believes that a biotechnology entity may take considerable time to use technologies to generate therapeutics and develop and market the products with substantial growth potential until reaching a perpetual growth mode. The fair value measurement hierarchy of the technology licencing agreement was Level 3. Other key assumptions to the valuation model used are as follows:

| | **2025** | 2024 |
|---|---|---|
| Discount rate | **16.0%** | 16.0% |
| Royalty rate | **6.0%** | 6.0% |

## 18. INVENTORIES

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Raw materials | **421** | 353 |
| Work in progress | **5,958** | 2,021 |
| Total | **6,379** | 2,374 |

## 19. TRADE RECEIVABLES

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Within 6 months | **4,769** | 8,603 |
| 6 to 12 months | **54** | 50 |
| Above 12 months | **1,595** | 787 |
| | **6,418** | 9,440 |
| Less: Impairment allowance | **(488)** | (461) |
| Net carrying amount | **5,930** | 8,979 |

The Group's trading terms with its customers are based on the payment schedule of the contracts with normal credit terms of 10 to 45 days from the day of billing.

The ageing of major trade receivables as at the end of the reporting period, based on the date of invoice or the date of the service rendered, is less than six months and the expected credit loss is minimal.

Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values.

Trade receivables due from the Group's related companies are repayable on credit terms similar to those offered to the major customers of the Group. Details are given in note 34.

## 19. TRADE RECEIVABLES (continued)

Movements in the provision for impairment of trade receivables are as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| At beginning of year | 461 | – |
| Impairment losses, net (note 7) | 25 | 462 |
| Exchange realignment | 2 | (1) |
| At end of year | 488 | 461 |

The Group applies simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing of bills for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

| | Expected credit loss rate | Gross carrying amount USD'000 | Expected credit losses USD'000 | Net carrying amount USD'000 |
|---|---|---|---|---|
| Provision on collective basis | | | | |
| Aged less than 6 months | 0% | 4,769 | – | 4,769 |
| Aged 6 to 12 months | 0% | 54 | – | 54 |
| Aged above 12 months | 30.60% | 1,595 | (488) | 1,107 |
| Total | 7.60% | 6,418 | (488) | 5,930 |

## 20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Other receivables | **20,072** | 9,867 |
| Prepayments (i) | **10,160** | 2,972 |
| Loans provided to an associate | **3,402** | 2,782 |
| Value-added tax and corporate income tax recoverable | **7,849** | 1,537 |
| Deposits | **579** | 399 |
| | **42,062** | 17,557 |
| Less: Impairment allowance | **505** | 494 |
| Total | **41,557** | 17,063 |
| Less: Non-current portion (i) | **12,220** | 23 |
| Current portion | **29,337** | 17,040 |

(i) Prepayments primarily consist of prepayments made in connection with the purchase of reagents and research and development related devices and services, equipment and other prepaid expenses.

The financial assets included in prepayments, other receivables and other assets included in the above balances are non-interest-bearing, unsecured and repayable on demand.

Prepayments, other receivables and other assets due from related parties included above are disclosed in note 34 to the financial statements.

## 20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

Movements in the provision for impairment of other receivables are as follows:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| At beginning of year | 494 | 501 |
| Exchange realignment | 11 | (7) |
| At end of year | 505 | 494 |

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

## 21. OTHER FINANCIAL ASSETS

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | |
| Listed equity investments, at fair value (a) | 3,755 | – |
| Unlisted equity investments, at fair value | 18,422 | 7,626 |
| Total | 22,177 | 7,626 |

(a) The listed equity investments represent shares of investees listing on the Nasdaq Stock Exchange.

## 22. CASH AND CASH EQUIVALENTS

| | 2025<br>USD'000 | 2024<br>USD'000 |
|---|---|---|
| Cash and cash balances | **228,014** | 167,702 |
| Time deposits with original maturity of more than three months but less than one year when acquired | **176,200** | – |
| Subtotal | **404,214** | 167,702 |
| Less: | | |
| Restricted bank balances (a) | **1,158** | 881 |
| Cash and cash equivalents | **403,056** | 166,821 |
| Denominated in: | | |
| USD | **329,829** | 148,492 |
| RMB | **13,190** | 16,836 |
| Others | **60,037** | 1,493 |
| Total | **403,056** | 166,821 |

(a) As at 31 December 2025, cash in bank amounting to USD1,158,000 (31 December 2024: USD881,000) was restricted.

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Chinese mainland is subject to exchange restrictions imposed by the PRC government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between seven days and twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

## 23. TRADE PAYABLES

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

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Within 1 month | **6,865** | 2,288 |
| 1 to 3 months | **1,402** | 934 |
| 3 to 6 months | **27** | 385 |
| 6 to 12 months | **84** | 1,469 |
| Above 12 months | **667** | 178 |
| Total | **9,045** | 5,254 |

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 3 months.

## 24. OTHER PAYABLES AND ACCRUALS

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Other payables | **9,891** | 1,740 |
| Payroll and welfare | **4,826** | 3,122 |
| Other accrued expenses | **2,300** | 598 |
| Other tax payables | **75** | 557 |
| Total | **17,092** | 6,017 |

Other payables are non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables approximate to their fair values.

## 25. CONTRACT LIABILITIES

| | 31 December 2025 USD'000 | 31 December 2024 USD'000 | 1 January 2024 USD'000 |
|---|---|---|---|
| Amounts received in advance for molecule licence fee | **17,379** | 14,202 | 14,209 |
| Amounts received in advance for the technology licence fee | **4,492** | 292 | 610 |
| Amounts received in advance for research service fee | **562** | 1,306 | 506 |
| Total | **22,433** | 15,800 | 15,325 |
| Less: Non-current portion | **20,609** | 14,250 | 14,079 |
| Current portion | **1,824** | 1,550 | 1,246 |

## 26. INTEREST-BEARING BANK BORROWINGS

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Effective interest rate (%)** | **Maturity (year)** | **USD'000** | Effective interest rate (%) | Maturity (year) | USD'000 |
| **Current** | | | | | | |
| Bank loans – unsecured | **1.4-2.8** | **2026** | **56,005** | 1.4-4 | 2025 | 55,584 |
| **Non-current** | | | | | | |
| Bank loans – unsecured | **2.35-2.8** | **2028** | **17,480** | 2.6-4 | 2027 | 3,862 |
| Total | | | **73,485** | | | 59,446 |

| | **2025 USD'000** | 2024 USD'000 |
|---|---|---|
| Bank borrowings – unsecured | **73,485** | 59,446 |
| Analysed into: | | |
| On demand or within one year | **56,005** | 55,584 |
| More than one year, but not exceeding five years | **17,480** | 3,862 |
| Total | **73,485** | 59,446 |

The Company's directors estimate that the carrying amounts of the Group's current and non-current borrowings approximate to their fair values.

## 27. DEFERRED TAX

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

| | Fair value adjustments arising from acquisition of subsidiaries and a financial asset USD'000 |
|---|---|
| **31 December 2025** | |
| As at 1 January 2025 | **2,552** |
| Charged for the year (note 12) | **116** |
| Exchange realignment | **17** |
| As at 31 December 2025 | **2,685** |
| **31 December 2024** | |
| As at 1 January 2024 | 2,064 |
| Charged for the year (note 12) | 488 |
| As at 31 December 2024 | 2,552 |

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

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Tax losses | **276,194** | 360,934 |
| Deductible temporary differences | **5,920** | 5,826 |
| Total | **282,114** | 366,760 |

## 27. DEFERRED TAX (continued)

The following table shows the tax losses information based on the locations of subsidiaries:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Chinese mainland (tax losses with expiration from one to ten years) | **238,976** | 329,693 |
| United States (tax losses with no expiration) | **19,933** | 12,705 |
| Netherlands (tax losses with no expiration) | **17,285** | 18,536 |
| Total | **276,194** | 360,934 |

Deferred tax assets have not been recognised in respect of these losses and other deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

## 28. SHARE CAPITAL AND TREASURY SHARES

| | Authorised | | Issued and fully paid | |
|---|---|---|---|---|
| | Number of shares | Share capital USD'000 | Number of shares | Share capital USD'000 |
| Ordinary shares of USD0.000025 each | | | | |
| On 31 December 2025 | **20,000,000,000** | **500** | **894,118,522** | **22** |
| On 31 December 2024 | 20,000,000,000 | 500 | 764,766,410 | 19 |

## 28. SHARE CAPITAL AND TREASURY SHARES (continued)

Movements in the share capital and treasury shares were as follows:

| | Number of shares in issue | | | | |
|---|---|---|---|---|---|
| | Ordinary shares | Treasury shares | Total | Share capital USD'000 | Treasury shares USD'000 |
| At 1 January 2024 | 734,414,550 | 34,014,360 | 768,428,910 | 19 | (9,223) |
| Issue of share under share-based payments scheme (a) | 2,207,500 | – | 2,207,500 | – | |
| Repurchase of ordinary shares (b) | (4,120,000) | 4,120,000 | – | – | (644) |
| Cancellation of ordinary shares | – | (5,870,000) | (5,870,000) | – | 998 |
| At 31 December 2024 and 1 January 2025 | 732,502,050 | 32,264,360 | 764,766,410 | 19 | (8,869) |
| Ordinary share issued (c) | **121,293,762** | **–** | **121,293,762** | **3** | **–** |
| Issue of share under share-based payments scheme (d) | **8,058,350** | **–** | **8,058,350** | **1** | **–** |
| Repurchase of ordinary shares (e) | **(25,843,000)** | **25,843,000** | **–** | **(1)** | **(25,082)** |
| At 31 December 2025 | **836,011,162** | **58,107,360** | **894,118,522** | **22** | **(33,951)** |

Notes:

(a) The subscription rights attaching to 396,000 options were exercised at the subscription price of HK$1.362 per ordinary share and 1,811,500 restricted share units, resulting in the total of issue of 2,207,500 shares.

(b) The Company repurchased its ordinary shares of 4,120,000 from open market at an aggregate consideration of HK$4,996,000, (equivalent to USD644,000).

(c) According to the share subscription agreement entered into between the Company and AstraZeneca Holdings B.V. on 21 March 2025, 76,271,762 ordinary shares of the Company were issued at USD1.38 per share. On 29 August 2025, 45,022,000 ordinary shares of the Company were issued at HKD11.50 per share to certain investors. The difference between the subscription price and the par value of the shares, net of share issue expense, amounting to USD170,168,000 was credited to the share premium account.

(d) The subscription rights attaching to 6,732,600.00 options were exercised at the subscription price ranging from HK$1.362 to HK$6.2 per share and 1,325,750 restricted share units, resulting in the total of issue of 8,058,350 shares. In this connection, amount of USD670,000 was transferred from the capital reserve to share premium upon the exercise.

(e) As at 31 December 2025, the Company repurchased its own ordinary shares of 25,843,000 from open market at an aggregate consideration of HK$195,203,000 (equivalent to USD25,082,000).

## 29. RESERVES

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

**Share premium**

The share premium represents the difference between the par value of the shares issued and the consideration received.

**Capital reserve**

The capital reserve represents the share-based payment compensation arising from the granting of the share options and restricted share units by the Group. The amount previously recognized in capital reserve is transferred to share premium when the share options are exercised or expired.

## 30. SHARE-BASED PAYMENTS

**2016 Equity Incentive Plan**

On 11 November 2016, the Company adopted the 2016 equity incentive plan (the "2016 Plan") for the purpose of providing incentives and rewards to eligible participants who had contributed or would contribute to the Group.

The following table illustrates the number of the outstanding restricted share units under the 2016 Plan during the year:

| | **2025** | 2024 |
|---|---|---|
| **Restricted share units:** | | |
| At the beginning of the year | **120,832** | 3,251,456 |
| Forfeited during the year | **(120,832)** | (3,040,000) |
| Vested during the year | **–** | (90,624) |
| At the end of the year | **–** | 120,832 |

The Group reversed share-based payment expenses of USD18,000 in 2025 (2024:reversed USD356,000) in relation to the restricted share units under the 2016 Plan.

## 30. SHARE-BASED PAYMENTS (continued)

**2020 Post-IPO Share Award Scheme**

On 23 November 2020, the Company adopted a share award scheme by a resolution passed by its shareholders ("2020 Post-IPO Share Award Scheme") for the purpose of providing incentives and shares rewards ("Award Shares") to eligible participants within the Group who contribute to the success of the Group's operation. The 2020 Post-IPO Share Award Scheme became effective for the period of 10 years commencing on the Listing Date (after which no further options shall be offered or granted).

Movements in the number of Award Shares under the 2020 Share Award Schemes for the years ended 31 December 2025 and 2024 are as follows:

| | **2025** | 2024 |
|---|---|---|
| At the beginning of the year | **3,122,500** | 1,964,000 |
| Granted during the year | **3,349,000** | 4,655,000 |
| Forfeited during the year | **(72,750)** | (842,500) |
| Vested during the year | **(2,168,250)** | (2,654,000) |
| At the end of the year | **4,230,500** | 3,122,500 |

The fair values of the Award Shares granted were determined by the market share price on the date of grant.

The weighted average fair value of Award Shares granted during the year ended 31 December 2025 was HKD16.10 per share (equivalent to approximately USD2.04 per share) (2024: HKD1.36 per share (equivalent to approximately USD0.18 per share)).

The outstanding Award Shares as of 31 December 2025 were divided into five tranches as at their grant dates, and each tranches is exercisable immediately after vesting.

The Group recognised share-based payment expenses of USD1,646,000 in 2025 (2024: USD426,000) in relation to the Award Shares under the 2020 Post-IPO Share Award Scheme.

## 30. SHARE-BASED PAYMENTS (continued)

**2020 Post-IPO Share Option Scheme**

On 23 November 2020, the Company adopted a share option scheme ("2020 Post-IPO Share Option Scheme") and became effective for the period of 10 years commencing on 10 December 2020. The share option scheme became effective for the period of 10 years commencing on the Listing Date (the date on which the Company's shares are listed on the Stock Exchange of Hong Kong Limited).

Movements in the number of share options outstanding are as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **Weighted average exercise price HKD** | **Number of options** | Weighted average exercise price HKD | Number of options |
| At the beginning of the year | **2.66** | **22,516,000** | 2.92 | 28,880,200 |
| Granted during the year | **9.47** | **9,693,000** | 1.41 | 9,605,000 |
| Forfeited during the year | **2.60** | **(967,500)** | 2.15 | (4,390,700) |
| Vested during the year | **2.56** | **(9,741,450)** | 2.46 | (11,578,500) |
| At the end of the year | **5.78** | **21,500,050** | 2.66 | 22,516,000 |
| Exercised as at 31 December | **2.30** | **6,732,600** | – | – |
| Exercisable as at 31 December | | **40,433,100** | 2.73 | 38,710,600 |

The outstanding share options as of 31 December 2025 were divided into eight tranches at their grant dates, and each tranches is exercisable upon certain terms and conditions to be fulfilled from the grant date.

The Company used the Binomial Model to determine the fair value of the options as at the respective grant dates, which was to be expensed over the relevant vesting period. The weighted average fair value of options granted during the year ended 31 December 2025 was HKD4.87 per share (equivalent to USD0.62 per share) (2024: HKD0.44 per share (equivalent to USD0.05 per share)).

Other than binomial model mentioned above, other significant judgements on parameters are summarized below:

| | |
|---|---|
| Expected volatility | 41% – 49.6% |
| Risk-free interest rate | 2.53% – 3.80% |
| Expected life of options (year) | 10 |

The Group recognised share-based payment expenses of USD1,599,000 for the year ended 31 December 2025 (2024: USD1,122,000) in relation to the options under the 2020 Post-IPO Share Option Scheme.

## 31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of USD7,996,000 (2024: USD1,490,000) and USD7,996,000 (2024: USD1,490,000), respectively, in respect of lease agreements for its office and laboratory use.

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

*2025*

| | Interest-bearing bank borrowings USD'000 | Lease liabilities USD'000 |
|---|---|---|
| At 1 January 2025 | **59,446** | **1,893** |
| Changes from financing cash flows | **14,039** | **(1,402)** |
| New leases | **–** | **7,996** |
| Interest expenses | **–** | **102** |
| Exchange differences | **–** | **103** |
| Termination | **–** | **(408)** |
| At 31 December 2025 | **73,485** | **8,284** |

*2024*

| | Interest-bearing bank borrowings USD'000 | Lease liabilities USD'000 |
|---|---|---|
| At 1 January 2024 | 64,407 | 1,605 |
| Changes from financing cash flows | (4,961) | (1,174) |
| New leases | – | 1,490 |
| Interest during the year | – | 66 |
| Exchange differences | – | (18) |
| Termination | – | (76) |
| At 31 December 2024 | 59,446 | 1,893 |

## 32. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as of 31 December 2025 and 31 December 2024.

## 33. COMMITMENTS

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

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Contracted, but not provided for: | | |
| Plant and machinery | **1,735** | 601 |

## 34. RELATED PARTY TRANSACTIONS

**(a) The Group had the following transactions with related parties during the year:**

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Service provided to an associate (i) | **55** | 61 |
| Loan provided to an associate | **548** | – |
| Key management personnel service fees paid by the Company | | |
| Dr. Robert Irwin Kamen (ii) | **24** | 50 |

i) Transactions with related parties are negotiated and agreed mutually by the parties.

ii) The fee was paid for the services in relation to the scientific advisory board of the Group provided by Dr. Robert Irwin Kamen.

**(b) Outstanding balances with related parties**

The Group had the following balances with related parties:

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Trade receivables: (trade related) | | |
| Associate | **454** | 416 |
| Other receivables: (non-trade related) | | |
| Associate | **3,402** | 2,782 |

The above balance arose from the aforementioned transactions. These balances were unsecured, interest-free and had no fixed repayment terms.

## 34. RELATED PARTY TRANSACTIONS (continued)

**(c) Compensation of key management personnel of the Group**

| | 2025 USD'000 | 2024 USD'000 |
|---|---|---|
| Short term employee benefits | **1,878** | 3,234 |
| Contributions to the pension scheme | **53** | 67 |
| Share-based payment expenses | **224** | 226 |
| Total | **2,155** | 3,527 |

Further details of directors' and the chief executive's remuneration are included in note 10 to the financial statements.

## 35. FINANCIAL INSTRUMENTS BY CATEGORY

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

**2025**

*Financial assets*

| | Financial assets at fair value through profit or loss USD'000 | Financial assets at amortised cost USD'000 | Total USD'000 |
|---|---|---|---|
| Other financial assets | **22,177** | **–** | **22,177** |
| Trade receivables | **–** | **5,930** | **5,930** |
| Financial assets included in prepayments, other receivables and other assets | **–** | **22,969** | **22,969** |
| Restricted bank balances | **–** | **1,158** | **1,158** |
| Cash and cash equivalents | **–** | **403,056** | **403,056** |
| Total | **22,177** | **433,113** | **455,290** |

## 35. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

*Financial liabilities*

| | Financial liabilities at amortised cost USD'000 | Total USD'000 |
|---|---|---|
| Trade payables | **9,045** | **9,045** |
| Financial liabilities included in other payables and accruals | **9,321** | **9,321** |
| Interest-bearing bank borrowings | **73,485** | **73,485** |
| Total | **91,851** | **91,851** |

**2024**

*Financial assets*

| | Financial assets at fair value through profit or loss USD'000 | Financial assets at amortised cost USD'000 | Total USD'000 |
|---|---|---|---|
| Other financial assets | 7,626 | – | 7,626 |
| Trade receivables | – | 8,979 | 8,979 |
| Financial assets included in prepayments, other receivables and other assets | – | 12,115 | 12,115 |
| Restricted bank balances | – | 881 | 881 |
| Cash and cash equivalents | – | 166,821 | 166,821 |
| Total | 7,626 | 188,796 | 196,422 |

## 35. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

*Financial liabilities*

| | Financial liabilities at amortised cost USD'000 | Total USD'000 |
|---|---|---|
| Trade payables | 5,254 | 5,254 |
| Financial liabilities included in other payables and accruals | 1,865 | 1,865 |
| Interest-bearing bank borrowings | 59,446 | 59,446 |
| Total | 66,565 | 66,565 |

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| | **Carrying amount USD'000** | **Fair value USD'000** | Carrying amount USD'000 | Fair value USD'000 |
| Financial assets: | | | | |
| Other financial assets | **22,177** | **22,177** | 7,626 | 7,626 |

Management has assessed that the fair values of cash and cash equivalents, restricted bank balances, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, and current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

## 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each year, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of investments in time deposit have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

The fair values of unlisted equity investments have been estimated based on the comparable companies' analysis in terms of a series key ratios. The Group's management believes that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values as at 31 December 2025.

The fair values of listed equity investments are based on quoted market prices.

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2025 were assessed to be insignificant. The fair value of the liability portion of the convertible bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar bond with consideration of the Group's own non-performance risk.

## 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

**Fair value hierarchy**

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

As at 31 December 2025

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | **Quoted prices in active markets (Level 1) USD'000** | **Significant observable inputs (Level 2) USD'000** | **Significant unobservable inputs (Level 3) USD'000** | **Total USD'000** |
| **Financial assets:** | | | | |
| Other financial assets | | | | |
| – Listed equity investments | **3,755** | **–** | **–** | **3,755** |
| – Unlisted equity investments | **–** | **–** | **18,422** | **18,422** |
| Total | **3,755** | **–** | **18,422** | **22,177** |

As at 31 December 2024

| | Fair value measurement using | | | |
|---|---|---|---|---|
| | Quoted prices in active markets (Level 1) USD'000 | Significant observable inputs (Level 2) USD'000 | Significant unobservable inputs (Level 3) USD'000 | Total USD'000 |
| Financial assets: | | | | |
| Other financial assets | | | | |
| – Unlisted equity investments | – | – | 7,626 | 7,626 |

## 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

**Fair value hierarchy** (continued)

*Financial instruments in Level 3*

The movements in fair value measurements within Level 3 during the year are as follows:

| | **2025 USD'000** | 2024 USD'000 |
|---|---|---|
| At 1 January | **7,626** | 5,747 |
| Addition | **10,000** | – |
| Total gain recognised in the statement of profit or loss | **796** | 1,879 |
| At year end | **18,422** | 7,626 |

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025:

| | **Valuation technique** | **Significant unobservable input** | **Range** | **Sensitivity of fair value to the input** |
|---|---|---|---|---|
| Investment in unlisted equity investment | back-solve method | Risk-free interest rate | 1.36%-3.83% | 1% increase/(decrease) in risk-free interest rate would result in increase/(decrease) in fair value by USD17,000/(USD28,000) |
| | | Volatility | 68.01%-74.81% | 1% increase/(decrease) in volatility would result in (decrease)/increase in fair value by (USD4,000)/USD4,000 |
| | | Discount of lack of marketability | 20.59%-30.01% | 1% increase/(decrease) in discount of lack of marketability would result in (decrease)/increase in fair value by (USD140,000)/USD140,000 |

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted bank balances, other financial assets, lease liabilities and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors of the Company review and agree the policies for managing each of these risks which are summarised below.

**Interest rate risk**

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's bank balances and bank borrowings with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. Management considers the Group's exposure of the short-term bank deposits to interest rate risk is not significant as interest-bearing bank balances are within a short maturity period.

The sensitivity analysis below has been determined based on the exposure to interest rates for floating interest-bearing bank borrowings at the end of the reporting period assuming the stipulated changes had taken place at the beginning of the reporting period and were held constant throughout the reporting period.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Interest rate risk** (continued)

2025

| | Increase/ (decrease) in basis points | Increase/ (decrease) in profit before tax USD'000 | Increase/ (decrease) in equity* USD'000 |
|---|---|---|---|
| If interest rates increase | **100** | **(256)** | **(256)** |
| If interest rates decrease | **(100)** | **256** | **256** |

2024

| | Increase/ (decrease) in basis points | Increase/ (decrease) in profit before tax USD'000 | Increase/ (decrease) in equity* USD'000 |
|---|---|---|---|
| If interest rates increase | 100 | (241) | (241) |
| If interest rates decrease | (100) | 241 | 241 |

* Excluding retained profits

**Foreign currency risk**

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates.

The Group's financial assets and liabilities are subject to foreign currency risk as a result of certain bank deposits, trade and other receivables and trade and other payables denominated in non-functional currency. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect the Group's results of operations. The Group does not enter into any hedging transactions to manage the potential fluctuations in foreign currencies.

The following table demonstrates the sensitivity at the end of each year to a reasonably possible change in the USD exchange rates, with all other variables held constant, of the Group's profit before tax (arising from EUR and RMB denominated financial instruments) and equity (due to changes in foreign currency exchange reserve).

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Foreign currency risk** (continued)

2025

| | Increase/ (decrease) in EUR/RMB rate % | Increase/ (decrease) in profit before tax USD'000 | Increase/ (decrease) in equity* USD'000 |
|---|---|---|---|
| If USD weakens against EUR | **5** | **(2,177)** | **2,177** |
| If USD strengthens against EUR | **(5)** | **2,177** | **(2,177)** |
| If USD weakens against RMB | **5** | **(8,881)** | **(5,834)** |
| If USD strengthens against RMB | **(5)** | **8,881** | **5,834** |

2024

| | Increase/ (decrease) in EUR/RMB rate % | Increase/ (decrease) in profit before tax USD'000 | Increase/ (decrease) in equity* USD'000 |
|---|---|---|---|
| If USD weakens against EUR | 5 | (64) | (64) |
| If USD strengthens against EUR | (5) | 64 | 64 |
| If USD weakens against RMB | 5 | (3,171) | (687) |
| If USD strengthens against RMB | (5) | 3,171 | 687 |

* Excluding retained profits

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Credit risk**

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, restricted bank balances, financial assets included in prepayments, other receivables and other assets and trade receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. As at 31 December 2025 the Group had certain concentrations of credit risk as 54% (2024: 73%) of the Group's trade receivables were due from the customers with five largest balances.

*Maximum exposure and year-end staging*

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 USD'000 | Stage 2 USD'000 | Stage 3 USD'000 | Simplified approach USD'000 | Total USD'000 |
| Trade receivables | – | – | – | 6,418 | 6,418 |
| Financial assets included in prepayments, other receivables and other assets – Normal* | 23,474 | – | – | – | 23,474 |
| Restricted bank balances | | | | | |
| Not yet past due | 1,158 | – | – | – | 1,158 |
| Cash and cash equivalents | | | | | |
| – Not yet past due | 403,056 | – | – | – | 403,056 |
| Total | 427,688 | – | – | 6,418 | 434,106 |

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Credit risk** (continued)

*Maximum exposure and year-end staging* (continued)

As at 31 December 2024

| | 12-month ECLs | Lifetime ECLs | | | |
|---|---|---|---|---|---|
| | Stage 1 USD'000 | Stage 2 USD'000 | Stage 3 USD'000 | Simplified approach USD'000 | Total USD'000 |
| Trade receivables | – | – | – | 8,979 | 8,979 |
| Financial assets included in prepayments, other receivables and other assets – Normal* | 12,115 | – | – | – | 12,115 |
| Restricted bank balances | | | | | |
| Not yet past due | 881 | – | – | – | 881 |
| Cash and cash equivalents | | | | | |
| – Not yet past due | 166,821 | – | – | – | 166,821 |
| Total | 179,817 | – | – | 8,979 | 188,796 |

* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is "doubtful".

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group monitors its risk to a shortage of funds by considering the maturities of both its financial liabilities and financial assets.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group aims to maintain sufficient cash and cash equivalents to meet its liquidity requirements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

| | **31 December 2025** | | | |
|---|---|---|---|---|
| | **On demand or less than 12 months USD'000** | **1 to 5 years USD'000** | **More than 5 years USD'000** | **Total USD'000** |
| Interest-bearing bank borrowings | **57,211** | **17,974** | **–** | **75,185** |
| Trade payables | **8,378** | **667** | **–** | **9,045** |
| Financial liabilities in other payables and accruals | **9,321** | **–** | **–** | **9,321** |
| Total contractual undiscounted payments | **74,910** | **18,641** | **–** | **93,551** |
| Total expected undiscounted payments | **74,910** | **18,641** | **–** | **93,551** |

| | 31 December 2024 | | | |
|---|---|---|---|---|
| | On demand or less than 12 months USD'000 | 1 to 5 years USD'000 | More than 5 years USD'000 | Total USD'000 |
| Interest-bearing bank borrowings | 56,470 | 3,947 | – | 60,417 |
| Trade payables | 5,254 | – | – | 5,254 |
| Financial liabilities in other payables and accruals | 1,865 | – | – | 1,865 |
| Total contractual undiscounted payments | 63,589 | 3,947 | – | 67,536 |
| Total | 63,589 | 3,947 | – | 67,536 |

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank borrowings, lease liabilities, trade payables and financial liabilities included in other payables and accruals, less cash and cash equivalents and restricted bank balances. The gearing ratios as at the end of the reporting periods were as follows:

| | **2025** | 2024 |
|---|---|---|
| | **USD'000** | USD'000 |
| Interest-bearing bank borrowings | **73,485** | 59,446 |
| Trade payables | **9,045** | 5,254 |
| Financial liabilities included in other payables and accruals | **9,321** | 1,865 |
| Less: Cash and cash equivalents | **(403,056)** | (166,821) |
| Restricted bank balances | **(1,158)** | (881) |
| Net debt | **(312,363)** | (101,137) |
| Equity attributable to owners of the parent | **367,125** | 124,447 |
| Adjusted capital and net debt | **54,762** | 23,310 |
| Gearing ratio* | **Not applicable** | Not applicable |

* As at 31 December 2025 and 2024, the Group's cash and cash balances exceeded the financial liabilities. and the Group had no gearing ratio presented.

## 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

| | 2025<br>USD'000 | 2024<br>USD'000 |
|---|---|---|
| **NON-CURRENT ASSETS** | | |
| Investments in subsidiaries | **23,110** | 23,110 |
| **Total non-current assets** | **23,110** | 23,110 |
| **CURRENT ASSETS** | | |
| Prepayments, other receivables and other assets | **6,784** | 994 |
| Amounts due from subsidiaries | **443,246** | 441,414 |
| Cash and cash equivalents | **163,576** | 17,802 |
| **Total current assets** | **613,606** | 460,210 |
| **CURRENT LIABILITIES** | | |
| Trade payables | **31** | – |
| Other payables and accruals | **102** | 62 |
| Amount due to subsidiaries | **3,293** | 436 |
| **Total current liabilities** | **3,426** | 498 |
| **NET CURRENT ASSETS** | **610,180** | 459,712 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | **633,290** | 482,822 |
| **Net assets** | **633,290** | 482,822 |
| **EQUITY** | | |
| Share capital | **22** | 19 |
| Treasury shares | **(33,950)** | (8,869) |
| Reserves | **667,218** | 491,672 |
| **Total equity** | **633,290** | 482,822 |

## 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

A summary of the Company's reserves is as follows:

| | Share premium USD'000 | Capital reserve USD'000 | Accumulated losses USD'000 | Total USD'000 |
|---|---|---|---|---|
| **At 1 January 2024** | 826,960 | 11,764 | (345,472) | 493,252 |
| Loss for the year | – | – | (2,581) | (2,581) |
| Share-based payments | – | 1,999 | – | 1,999 |
| Cancellation of shares | – | (998) | – | (998) |
| **At 31 December 2024 and 1 January 2025** | **826,960** | **12,765** | **(348,053)** | **491,672** |
| Profit for the year | **–** | **–** | **227** | **227** |
| Ordinary share issued | **170,168** | **–** | **–** | **170,168** |
| Share-based payments | **–** | **3,227** | **–** | **3,227** |
| Issue of share under share-based payments scheme | **3,388** | **(1,464)** | **–** | **1,924** |
| **At 31 December 2025** | **1,000,516** | **14,528** | **(347,826)** | **667,218** |

## 39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2026.

# Definitions

| | |
|---|---|
| "Articles" or "Articles of Association" | the seventh amended and restated articles of association of our Company adopted with effect from 8 June 2022 |
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Audit Committee" | the audit committee of the Board |
| "AGM" | Annual General Meeting |
| "Board" | the board of Directors of the Company |
| "business day" | any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business |
| "BLA" | Biologics License Application |
| "Companies Act" | the Companies Act (Revised), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor |
| "China" or "the PRC" | the People's Republic of China |
| "China/PRC NMPA" or "NMPA" | National Medical Products Administration of the People's Republic of China |
| "CRO" | Contract Research Organization |
| "CDMO" | Contract Development and Manufacturing Organization |
| "Companies Ordinance" | Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company", "our Company", or "the Company" | HBM Holdings Limited (和鉑醫藥控股有限公司), a company with limited liability incorporated in the Cayman Islands on 20 July 2016 |
| "connected transaction(s)" | has the meaning ascribed to it under the Listing Rules |
| "Director(s)" | the director(s) of our Company |
| "Dr. Wang" | Dr. Jingsong Wang, M.D., Ph.D. (王勁松), an executive Director, the chief executive officer and chairman of the Board |

| | |
|---|---|
| "Global Offering" | the Hong Kong Public Offering and the International Offering |
| "Governmental Authority" | any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organisation, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational |
| "Group", "our Group", "the Group", "we", "us", or "our" | the Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time |
| "GxP" | an umbrella term referring to the integrated set of harmonized global quality assurance guidelines and regulatory good practices governing the entire life cycle of pharmaceutical products |
| "Harbour Antibodies" | Harbour Antibodies B.V., a limited liability company incorporated in the Netherlands on 27 December 2006 and a direct wholly-owned subsidiary of the Company |
| "HK" or "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Hong Kong dollars" or "HK dollars" or "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "IFRS" | International Financial Reporting Standards, as issued and amended from time to time by the International Accounting Standards Board |
| "Latest Practicable Date" | April 16, 2026 |
| "Laws" | all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, or rulings of any Governmental Authority (including the Stock Exchange and the Securities and Futures Commission of Hong Kong) of all relevant jurisdictions |

| | |
|---|---|
| "Listing Date" | 10 December 2020, the date on which the Shares were listed on the Stock Exchange |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time |
| "Main Board" | the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange |
| "Nona Biosciences" | Nona Biosciences (Suzhou) Co., Ltd, a subsidiary wholly-owned by the Company |
| "Nomination Committee" | the nomination committee of the Board |
| "Post-IPO Share Award Scheme" | the post-IPO share award scheme adopted by the Company on 23 November 2020 |
| "Post-IPO Share Option Scheme" | the post-IPO share option scheme adopted by the Company on 23 November 2020 |
| "Pre-IPO Equity Plan" | the share incentive plan approved and adopted by our Company on 11 November 2016, as amended on 26 October 2017, 6 August 2018, 19 September 2019 and 24 June 2020 |
| "RMB" or "Renminbi" | Renminbi, the lawful currency of China |
| "Remuneration Committee" | the remuneration committee of the Board |
| "Reporting Period" | from 1 January 2025 to 31 December 2025 |
| "SFO" | Securities and Futures Ordinance |
| "Share(s)" | ordinary share(s) in the share capital of the Company with a par value of US$0.000025 each |
| "Stock Exchange" or "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited |

# Definitions

| | |
|---|---|
| "subsidiary" or "subsidiaries" | has the meaning ascribed to it in section 15 of the Companies Ordinance |
| "substantial shareholder(s)" | has the meaning ascribed to it in the Listing Rules |
| "U.S. FDA" | U.S. Food and Drug Administration |
| "United States", "U.S." or "US" | United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| "US dollars", "U.S. dollars", "US$" or "USD" | United States dollars, the lawful currency of the United States |
| "%" | per cent |