The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF EPIMAB BIOTHERAPEUTICS INC., CITIC SECURITIES (HONG KONG) LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of EpimAb Biotherapeutics Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-58, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023 and 2024 and 30 September 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-58 forms an integral part of this report, which has been prepared for inclusion in the document of the Company [**REDACTED**] 2025 (the "Document") in connection with the [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and 2024 and 30 September 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the nine months ended 30 September 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which contains information about the dividend paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[**REDACTED**]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		Nine months ended 30 September	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
REVENUE	*5*	–	458,865	428,694	91,686
Cost of sales		–	(2,880)	(2,704)	(10,988)
Gross profit		–	455,985	425,990	80,698
Other income and gains	*5*	19,630	16,043	7,302	15,821
Research and development costs	*7*	(184,627)	(122,634)	(92,840)	(96,882)
Administrative expenses		(49,733)	(42,954)	(29,428)	(56,789)
Fair value (losses)/gains on convertible redeemable preferred shares		(372,296)	(232,747)	(174,082)	3,364
Other expenses	*6*	(6,636)	(14)	(2,525)	(2,862)
Finance costs	*8*	(1,162)	(965)	(744)	(395)
(LOSS)/PROFIT BEFORE TAX	*7*	(594,824)	72,714	133,673	(57,045)
Income tax expense	*11*	–	(25,027)	(21,435)	(7,873)
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD		(594,824)	47,687	112,238	(64,918)
Attributable to:					
Owners of the parent		(594,824)	47,687	112,238	(64,918)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic (RMB per share)	*13*	(5.88)	0.47	1.10	(0.64)
Diluted (RMB per share)		(5.88)	0.38	0.87	(0.64)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2023	As at 31 December 2024	As at 30 September 2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	4,869	3,537	5,967
Right-of-use assets	*15*	25,281	16,516	13,019
Other intangible assets		695	603	533
Prepayments, other receivables and other assets	*16*	41,517	22,392	23,673
Financial assets at fair value through profit and loss ("FVTPL")	*17*	–	11,107	2,653
Total non-current assets		72,362	54,155	45,845
CURRENT ASSETS				
Trade receivables	*18*	–	–	3,160
Prepayments, other receivables and other assets	*16*	16,137	32,078	22,723
Cash and cash equivalents	*19*	315,867	385,912	323,899
Financial assets at fair value through profit and loss ("FVTPL")		–	–	9,999
Total current assets		332,004	417,990	359,781
CURRENT LIABILITIES				
Trade and other payables	*20*	59,250	44,063	44,676
Contract liabilities	*21*	–	5,770	691
Convertible redeemable preferred shares	*22*	2,653,545	2,747,135	2,743,771
Amount due to a related party	*28*	271	–	–
Deferred income	*23*	400	–	–
Lease liabilities	*15*	3,739	4,812	3,355
Total current liabilities		2,717,205	2,801,780	2,792,493
NET CURRENT LIABILITIES		(2,385,201)	(2,383,790)	(2,432,712)
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,312,839)	(2,329,635)	(2,386,867)
NON-CURRENT LIABILITIES				
Lease liabilities	*15*	20,912	12,902	9,435
Other payables	*20*	–	1,792	–
Total non-current liabilities		20,912	14,694	9,435
Net liabilities		(2,333,751)	(2,344,329)	(2,396,302)
EQUITY				
Equity attributable to owners of the parent				
Share capital	*24*	62	62	62
Deficits	*25*	(2,333,813)	(2,344,391)	(2,396,364)
Total deficits		(2,333,751)	(2,344,329)	(2,396,302)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Ordinary share capital	Share premium*	Share-based payment reserve*	Other reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	61	93	61,177	–	(1,807,471)	(1,746,140)
Loss and total comprehensive loss for the year	–	–	–	–	(594,824)	(594,824)
Exercise of share options *(note 24)*	1	711	–	–	–	712
Recognition of share-based payment expenses *(note 26)*	–	–	6,501	–	–	6,501
At 31 December 2023	62	804	67,678	–	(2,402,295)	(2,333,751)

Year ended 31 December 2024

	Ordinary share capital	Share premium*	Share-based payment reserve*	Other reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	62	804	67,678	–	(2,402,295)	(2,333,751)
Profit and total comprehensive income for the year	–	–	–	–	47,687	47,687
Distribution to shareholders**	–	–	–	(65,181)	–	(65,181)
Recognition of share-based payment expenses *(note 26)*	–	–	6,916	–	–	6,916
At 31 December 2024	62	804	74,594	(65,181)	(2,354,608)	(2,344,329)

Nine months ended 30 September 2024

	Ordinary share capital	Share premium*	Share-based payment reserve*	Other reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	62	804	67,678	–	(2,402,295)	(2,333,751)
Profit and total comprehensive income for the period (unaudited)	–	–	–	–	112,238	112,238
Distribution to shareholders (unaudited)**	–	–	–	(65,181)	–	(65,181)
Recognition of share-based payment expenses *(note 26)* (unaudited)	–	–	4,855	–	–	4,855
At 30 September 2024 (unaudited)	62	804	72,533	(65,181)	(2,290,057)	(2,281,839)

Nine months ended 30 September 2025

	Ordinary share capital	Share premium*	Share-based payment reserve*	Other reserve*	Accumulated losses*	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	62	804	74,594	(65,181)	(2,354,608)	(2,344,329)
Loss and total comprehensive loss for the period	–	–	–	–	(64,918)	(64,918)
Recognition of share-based payment expenses *(note 26)*	–	–	12,945	–	–	12,945
At 30 September 2025	62	804	87,539	(65,181)	(2,419,526)	(2,396,302)

* These reserve accounts comprise the consolidated deficits of RMB2,333,813,000, RMB2,344,391,000 and RMB2,396,364,000 in the consolidated statements of financial position as at the end of each of the Relevant Periods.

** Details of distribution to shareholders are set out in note 27(a) to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		Nine months ended 30 September	
	Notes	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before tax		(594,824)	72,714	133,673	(57,045)
Adjustments for:					
Interest income	*5*	(11,269)	(9,150)	(6,153)	(7,824)
Finance costs	*8*	1,162	965	744	395
Depreciation of property, plant and equipment	*7*	6,985	1,594	1,265	769
Depreciation of right-of-use assets	*7*	9,379	5,567	4,175	3,497
Amortisation of other intangible assets	*7*	138	92	70	70
Licensing revenue recognised in exchange for the subscription for the series A preferred share of a licensee	*27*	–	(214,035)	(214,035)	–
Fair value losses/(gains) on convertible redeemable preferred shares	*7*	372,296	232,747	174,082	(3,364)
Fair value losses on convertible bonds	*6*	2,367	–	–	–
Fair value (gains)/losses on financial assets at FVTPL	*5/6*	–	(1,610)	173	(1,545)
Fair value gains on financial liabilities at FVTPL	*5*	(68)	–	–	–
Foreign exchange (gains)/losses, net	*5/6*	(2,619)	(2,098)	2,338	2,857
Loss/(gain) on disposal of property, plant and equipment	*5/6*	2,942	(217)	(217)	2
Loss on disposal of intangible assets	*6*	740	–	–	–
Loss on termination of a lease contract	*6*	587	–	–	–
Withholding tax related to licensing revenue		–	(25,027)	(21,435)	(7,873)
Share-based payment expenses	*7*	6,501	6,916	4,855	12,945
		(205,683)	68,458	79,535	(57,116)

	Notes	Year ended 31 December		Nine months ended 30 September	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Increase in trade receivables		–	–	–	(3,160)
(Increase)/decrease in prepayments, other receivables and other assets		(821)	(7,022)	(4,910)	6,042
Decrease in inventories		23,334	–	–	–
Increase/(decrease) in contract liabilities		–	5,770	–	(5,079)
Decrease in deferred income		(1,000)	(400)	(400)	–
Increase/(decrease) in trade and other payables		25,200	(12,574)	(14,704)	(1,951)
Net cash flows (used in)/from operating activities		(158,970)	54,232	59,521	(61,264)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		11,239	9,084	6,074	7,773
Purchases of items of property, plant and equipment		(1,220)	(887)	(847)	(3,096)
Disposal of items of property, plant and equipment		62,751	10,417	7,197	5,381
Disposals of items of other intangible assets		564	92	–	–
Placement of financial assets at FVTPL		–	(49,673)	–	–
Withdrawal of financial assets at FVTPL		–	49,873	–	–
Withdrawal of pledged bank deposits		11,242	–	–	–
Net cash flows from investing activities		84,576	18,906	12,424	10,058

		Year ended 31 December		Nine months ended 30 September	
	Notes	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from exercise of share options		712	–	–	–
Increase/(decrease) in amount due to a related party		271	(271)	(271)	–
Lease payments		(8,407)	(4,704)	(4,704)	(5,319)
Issue costs paid		–	–	–	(2,843)
Net cash flows used in financing activities		(7,424)	(4,975)	(4,975)	(8,162)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(81,818)	68,163	66,970	(59,368)
Cash and cash equivalents at beginning of year/period		396,383	315,867	315,867	385,912
Effect of foreign exchange rate changes, net		1,302	1,882	(2,219)	(2,645)
Cash and cash equivalents at end of year/period	*19*	315,867	385,912	380,618	323,899

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		As at 30 September
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Financial assets at FVTPL	17	–	11,107	2,653
Investments in subsidiaries	1	1,448,777	1,457,485	1,474,341
Total non-current assets		1,448,777	1,468,592	1,476,994
CURRENT ASSETS				
Prepayments, other receivables and other assets		70	58	3,455
Amounts due from subsidiaries	28	6,664	6,771	7,435
Cash and cash equivalents	19	13,793	12,691	7,947
Financial assets at FVTPL		–	–	9,999
Total current assets		20,527	19,520	28,836
CURRENT LIABILITIES				
Other payables	20	97	189	8,631
Convertible redeemable preferred shares	22	2,653,545	2,747,135	2,743,771
Amounts due to subsidiaries	28	4,801	220,525	233,886
Total current liabilities		2,658,443	2,967,849	2,986,288
NET CURRENT LIABILITIES		(2,637,916)	(2,948,329)	(2,957,452)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,189,139)	(1,479,737)	(1,480,458)
NON-CURRENT LIABILITY				
Other payables	20	–	1,792	–
Total non-current liability		–	1,792	–
Net liabilities		(1,189,139)	(1,481,529)	(1,480,458)
EQUITY				
Share capital	24	62	62	62
Deficits	25	(1,189,201)	(1,481,591)	(1,480,520)
Total deficits		(1,189,139)	(1,481,529)	(1,480,458)

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

EpimAb Biotherapeutics Inc. (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 26 February 2015. The registered office address of the Company is P.O. Box 472, Harbour Place, 2nd Floor, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in the development of bispecific antibody therapeutics for broad cancer and autoimmune diseases, and the development of T-cell engagers globally in terms of clinical validation.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are as follows:

Name	Place and date of incorporation/registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
EpimAb Biotherapeutics (HK) Limited ("EpimAb HK") *(note a)*	Hong Kong 24 March 2015	USD194,923,200	100%	–	Investment holding
EpimAb Holdings Limited ("EpimAb Holdings")	Cayman Islands 3 November 2021	USD50,000	100%	–	Investment holding
Shanghai EpimAb Biotherapeutics Co., Ltd. ("EpimAb Shanghai")*上海岸邁生物科技有限公司 *(note b)*	PRC/Mainland China 18 February 2016	USD210,000,000	–	100%	Research and development, business development, and operations
EpimAb Biotherapeutics (Suzhou) Co., Ltd.* ("EpimAb Suzhou") 岸邁生物科技(蘇州)有限公司 *(note b)*	PRC/Mainland China 12 January 2018	RMB150,000,000	–	100%	Research and development and business development
EpimAb Biotherapeutics (Beijing) Co., Ltd.* 岸邁生物科技(北京)有限公司 *(note c)*	PRC/Mainland China 1 April 2021	RMB5,000,000	–	100%	Research and development
EpimAb USA LLC ("EpimAb US") *(note c)*	United States 31 December 2021	USD1,000	–	100%	Business development and commercial cooperation

Notes:

a. The financial statements of this entity for the year ended 31 December 2023 and 2024 prepared in accordance with the Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for PE") issued by the Hong Kong Institute of Certified Public Accountants were audited by Walton CPA & Co., certified public accountants registered in Hong Kong.

b. The statutory financial statements of these entities for the year ended 31 December 2023 and 2024 prepared in accordance with Accounting Standards for Business Enterprises were audited by PricewaterhouseCoopers Zhong Tian LLP and Shanghai Zhiwei Certified Public Accountants LLP, respectively, certified public accountants registered in the People's Republic of China ("PRC").

c. No audited financial statements have been prepared for these entities for the years ended 31 December 2023 and 2024 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company to directly translate their Chinese names as they did not register any official English names.

The Company

The carrying amounts of the Company's investments in subsidiaries are as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investments, at cost	1,381,100	1,381,100	1,381,100
Deemed investments arising from share-based payments and other long-term employee benefits	67,677	76,385	93,241
Total	1,448,777	1,457,485	1,474,341

Management assessed that no impairment indicator was identified for the investments in subsidiaries during the Relevant Periods. Since the subsidiaries are the main operating entities within the Group, the valuation of the Group is mainly derived from the subsidiaries, which is larger than the investments in subsidiaries. The subsidiaries are principally engaged in research and development activities. Their continuing losses are consistent with the Group's expected results for pre revenue R&D stage and the main project progress remains in line with expectations. There were no significant adverse changes in the operating environment, management or governance structure of the subsidiaries. The subsidiaries continued to undertake R&D, which constitutes the Group's main operations, with no plans for discontinuation, restructuring or disposal.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared on a going concern basis notwithstanding that, as at 30 September 2025, the Group's current liabilities exceeded its current assets by RMB2,432,712,000 and had net liabilities of RMB2,396,302,000 , primarily due to the significant amount of the convertible redeemable preferred shares of RMB2,743,771,000. Pursuant to a supplemental agreement entered into by the Company with, among others, the then shareholders of the Company dated 6 June 2025, the redemption rights shall terminate and be of no further force and effect on the date of the submission of application for an [**REDACTED**] on the Main Board of the Hong Kong Stock Exchange (the "[**REDACTED**]") and shall be automatically and retroactively restored in all respects upon the earliest occurrence of (i) the Company serving a written notice of withdrawal of the application to the Hong Kong Stock Exchange; (ii) the receipt by the Company of a written rejection by the Hong Kong Stock Exchange of the application; and (iii) the lapse of the application and the application having not been renewed within three (3) months after the lapse. In this regard, the directors of the Company are of the opinion that the Company is not probable to settle the convertible redeemable preferred shares in next twelve months from 30 September 2025.

The directors have reviewed the Group's cash flow projections, which cover a period of at least twelve months from 30 September 2025. The directors are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next 12 months from 30 September 2025.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods. A subsidiary is an 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.

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised 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 Hyperinflation 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

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. IFRS 18 introduce new requirements on presentation within profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information. The new standard is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements. Other than IFRS 18, so far, the Group considers that IFRS 19 and the revised IFRS Accounting Standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its certain financial instruments at fair value at the end of the 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.

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the 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 financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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

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

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

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

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

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

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

(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.

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

Machinery and equipment	9.5% to 20%
Office and electronic equipment	19% to 33%
Motor vehicles	23.75% to 25%
Leasehold improvements	Over the shorter of the remaining lease term and 20%

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

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

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.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

Research and development costs

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

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

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

(a) *Right-of-use assets*

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

Office premises	5 years

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

(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.

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.

The Group's lease liabilities are presented in a separate line on the consolidated statements of financial position.

(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 and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus in the case of a financial asset not at FVTPL, transaction costs.

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at FVTPL

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

This category includes equity investments which are measured at fair value with changes in fair value recognised in 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.

Impairment of financial assets

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

General approach

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

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

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

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

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.

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 financial liabilities at FVTPL or as payables, as appropriate.

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

The Group's financial liabilities mainly include trade and other payables and convertible redeemable preferred shares.

Subsequent measurement

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL include convertible redeemable preferred shares which are designated upon initial recognition as at FVTPL.

Financial liabilities designated upon initial recognition as at FVTPL 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 FVTPL are recognised in 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 profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables)

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

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

Derecognition of financial liabilities

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

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

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.

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.

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 the 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 the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

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

Government grants

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

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.

(a) Licensing arrangement

The Group's licensing revenue may contain more than one performance obligation, including grants of licenses to the intellectual property rights, agreement to provide research and development services and other deliverables. As part of the accounting for these arrangements, the Group must develop assumptions that require judgement to determine the stand-alone selling price for each performance obligation identified in the contract. In developing the stand-alone selling price for a performance obligation, the Group considers competitor pricing for a similar or identical product, market awareness of and perception of the product, expected product life and current market trends. In general, the consideration allocated to each performance obligation is recognised when the obligation is satisfied on acceptance of a good, limited to the consideration that is not constrained. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as contract liabilities.

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

Milestone payments: At the inception of each arrangement that includes development milestone payments, the Group evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to the development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. The Group will assess whether the variable consideration is fully constrained in each reporting period based on the facts and circumstances surrounding the clinical trials. Upon changes to the constraint associated with the developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognised is not expected to occur and allocated to the separate performance obligations. Regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved due to the inherent uncertainty of the approval process. Regulatory milestones are included in the transaction price in the period in which regulatory approval is obtained.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Group recognises revenue at the later of (i) when the related sales occur, and (ii) when the performance obligations to which some or all of the royalties have been allocated have been satisfied (or partially satisfied).

(b) Provision of research and development service

The Group earns research and development service revenue under the licensing arrangement, and the Group charges to the customers at a fixed rate per employee, known as full-time-equivalent method or FTE method. The Group recognise this revenue overtime as customer therefore simultaneously receives and consumes benefits provided by the Group's performances.

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).

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 26 to the Historical Financial Information.

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 the reporting period, until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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

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

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.

Other employee benefits

Pension scheme

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

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.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group uses RMB as its functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Research and development costs

All research costs are charged to profit or loss as incurred. Costs incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development costs in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make judgments on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax 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 level of future taxable profits, together with future tax planning strategies.

Estimation uncertainty

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

Accrual of research and development expenses

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

Impairment of non-financial assets

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

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

Notwithstanding that the Group recorded a loss for the year end 31 December 2023 and the nine months ended 30 September 2025, no indicators of the impairment for non-financial assets are identified as of 31 December 2023 and 30 September 2025, since (i) the assets' value have not declined significantly, (ii) the assets are not obsolete or physically damaged; and (iii) the actual loss of the Group for the year ended 31 December 2023 and the period ended 30 September 2025, is narrower than the estimated loss.

Fair value of convertible redeemable preferred shares

The fair value of the convertible redeemable preferred shares measured at FVTPL is determined using valuation techniques, including the discounted cash flow method. Such valuation requires the Group to make estimates of the key assumptions including the risk-free interest rate, discount for lack of marketability ("DLOM") and volatility, which are subject to uncertainty.

Fair value of share-based payment transactions

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

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

Fair value measurement for unlisted investments

The unlisted investments of the Company are accounted for as financial assets at FVTPL. The fair values of those investments are determined using valuation techniques and the Company uses its judgment to select a method and makes assumptions that is mainly based on market conditions existing at the end of each reporting period. Further details are included in note 30. Should any of the estimates and assumptions changed, it may lead to a material change in the respective fair values of the financial assets.

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which engages in the development of multispecific antibodies and the generation of pipeline of transformative preclinical and clinical assets. 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

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
United States of America	–	428,694	428,694	84,485
European Union	–	–	–	7,201
Total	–	428,694	428,694	91,686

The revenue information above is based on the locations of the customers.

(b) Non-current assets

During the Relevant Periods, nearly all of the Group's non-current assets were located in Mainland China, and therefore no geographical information is presented in accordance with IFRS 8 *Operation Segments*.

Information about major customers

Revenue derived from sales to a major customer, which amounted to more than 10% of the Group's revenue during the Relevant Periods and the nine months ended 30 September 2024, is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Customer A	–	428,694	428,694	–
Customer B	–	–	–	71,534
Customer C	–	–	–	12,951
Total	–	428,694	428,694	84,485

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue from contracts with customers				
Provision of research and development service – over time	–	711	–	12,951
Licensing revenue – at a point in time	–	458,154	428,694	78,735
Total	–	458,865	428,694	91,686

There was no revenue recognised from performance obligations satisfied in previous periods. Under the practical expedient allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligation.

The following table shows the amounts of revenue recognised during the Relevant Periods and the nine months ended 30 September 2024 that were including the contract liabilities at the beginning of the Relevant Periods and the nine months ended 30 September 2024:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the Relevant Periods and the nine months ended 30 September 2024:				
Provision of research and development service – over time	–	–	–	5,079

Performance obligations

Licensing arrangements

During the Relevant Periods, the Group entered into out-licensing agreements for the developing, manufacturing, and commercialising certain innovative therapies developed by the Group in certain territories. In general, the consideration allocated to each performance obligation is recognised when the obligation is satisfied on acceptance of a good or a service. The Group usually receives non-refundable upfront payments in accordance with license agreements and is eligible to receive milestone payments and tiered royalty payments based on net sales in the territories.

An analysis of other income and gains is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Other income and gains				
Government grants*	4,683	2,781	772	6,330
Interest income	11,269	9,150	6,153	7,824
Foreign exchange gains, net	2,619	2,098	–	–
Gain on disposal of items of property, plant and equipment, net	–	217	217	–
Fair value gains on financial assets at FVTPL	–	1,610	–	1,545
Fair value gains on financial liabilities at FVTPL	68	–	–	–
Others	991	187	160	122
Total other income and gains	19,630	16,043	7,302	15,821

* The government grants have been received from the PRC local government authorities to support certain subsidiaries' operating activities. There are no unfulfilled conditions relating to these government grants.

6. OTHER EXPENSES

	Year ended 31 December		Nine months ended 30 September	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Loss on disposal of items of property, plant and equipment, net	2,942	–	–	2
Loss on disposal of intangible assets	740	–	–	–
Loss on termination of a lease contract	587	–	–	–
Fair value losses on convertible bonds	2,367	–	–	–
Foreign exchange losses, net	–	–	2,338	2,857
Fair value losses on financial assets at FVTPL	–	–	173	–
Others	–	14	14	3
Total	6,636	14	2,525	2,862

7. (LOSS)/PROFIT BEFORE TAX

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

		Year ended 31 December		Nine months ended 30 September	
	Notes	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Research and development costs		184,627	122,634	92,840	96,882
Depreciation of property, plant and equipment	*14*	6,985	1,594	1,265	769
Depreciation of right-of-use assets	*15*	9,379	5,567	4,175	3,497
Amortisation of other intangible assets		138	92	70	70
Loss/(gain) on disposal of items of property, plant and equipment	*5/6*	2,942	(217)	(217)	2
Loss on disposal of intangible assets	*6*	740	–	–	–
Loss on termination of a lease contract, net	*6*	587	–	–	–
Government grants	*5*	(4,683)	(2,781)	(772)	(6,330)
Fair value (gains)/losses on financial assets at FVTPL	*5*	–	(1,610)	173	(1,545)
Fair value gains on financial liabilities at FVTPL	*5*	(68)	–	–	–
Fair value losses on convertible bonds	*6*	2,367	–	–	–
Fair value losses/(gains) on convertible redeemable preferred shares		372,296	232,747	174,082	(3,364)
Foreign exchange differences, net	*5/6*	(2,619)	(2,098)	2,338	2,857
[**REDACTED**]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Staff costs (including directors' emoluments):					
– Salaries, bonuses, allowances and benefits in kind		50,841	42,961	32,214	31,519
– Discretionary bonuses		5,691	10,019	6,324	12,136
– Pension scheme contributions		6,716	6,468	4,880	4,756
– Share-based payment expenses		6,501	6,916	4,855	12,945
Total		69,749	66,364	48,273	61,356
Auditors' remuneration		475	192	120	23
Lease payments not included in the measurement of lease liabilities	*15(c)*	169	16	12	8

8. FINANCE COSTS

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	1,162	965	744	395

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Fees	–	–	–	–
Other emoluments:				
Salaries, allowances and benefits in kind	4,654	4,654	3,219	3,192
Discretionary bonuses	–	1,695	1,145	2,748
Pension scheme contributions	–	–	–	–
Share-based payment expenses	1,907	643	537	150
Total	6,561	6,992	4,901	6,090

(a) Executive director, non-executive directors and the chief executive

	Salaries, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023				
Executive director and chief executive officer:				
Dr. Chengbin Wu *(note (i))*	4,654	–	1,907	6,561
Non-executive directors:				
Kamen Robert Irwin *(note (ii))*	–	–	–	–
Xu Yajun *(note (ii))*	–	–	–	–
Xiangmin Cui *(note (iii))*	–	–	–	–
Sungwon Song *(note (iv))*	–	–	–	–
Li Dongfang *(note (v))*	–	–	–	–
Cheng Xing *(note (v))*	–	–	–	–
Qun Zhao *(note (vi))*	–	–	–	–
Junan Lu *(note (vii))*	–	–	–	–
Total	4,654	–	1,907	6,561

	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024					
Executive director and chief executive officer:					
Dr. Chengbin Wu *(note (i))*	4,654	1,695	–	643	6,992
Non-executive directors:					
Kamen Robert Irwin *(note (ii))*	–	–	–	–	–
Xu Yajun *(note (ii))*	–	–	–	–	–
Xiangmin Cui *(note (iii))*	–	–	–	–	–
Sungwon Song *(note (iv))*	–	–	–	–	–
Li Dongfang *(note (v))*	–	–	–	–	–
Cheng Xing *(note (v))*	–	–	–	–	–
Qun Zhao *(note (vi))*	–	–	–	–	–
Junan Lu *(note (vii))*	–	–	–	–	–
Zhenrui Chen *(note (vii))*	–	–	–	–	–
Total	4,654	1,695	–	643	6,992

	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Nine months ended 30 September 2024					
Executive director and chief executive officer:					
Dr. Chengbin Wu *(note (i))*	3,219	1,145	–	537	4,901
Non-executive directors:					
Kamen Robert Irwin *(note (ii))*	–	–	–	–	–
Xu Yajun *(note (ii))*	–	–	–	–	–
Xiangmin Cui *(note (iii))*	–	–	–	–	–
Sungwon Song *(note (iv))*	–	–	–	–	–
Li Dongfang *(note (v))*	–	–	–	–	–
Cheng Xing *(note (v))*	–	–	–	–	–
Qun Zhao *(note (vi))*	–	–	–	–	–
Junan Lu *(note (vii))*	–	–	–	–	–
Zhenrui Chen *(note (vii))*	–	–	–	–	–
Total	3,219	1,145	–	537	4,901

	Salaries, allowances and benefits in kind	Discretionary bonuses	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Nine months ended 30 September 2025					
Executive director and chief executive officer:					
Dr. Chengbin Wu *(note (i))*	3,192	2,748	–	150	6,090
Non-executive directors:					
Kamen Robert Irwin *(note (ii))*	–	–	–	–	–
Xu Yajun *(note (ii))*	–	–	–	–	–
Xiangmin Cui *(note (iii))*	–	–	–	–	–
Sungwon Song *(note (iv))*	–	–	–	–	–
Li Dongfang *(note (v))*	–	–	–	–	–
Cheng Xing *(note (v))*	–	–	–	–	–
Qun Zhao *(note (vi))*	–	–	–	–	–
Zhenrui Chen *(note (vii))*	–	–	–	–	–
Total	3,192	2,748	–	150	6,090

Notes:

(i) Dr. Chengbin Wu was appointed as a director of the Company with effect from 26 February 2015 and re-designated as the executive director of the Company with effect from 28 May 2025. Dr. Chengbin Wu was 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.

(ii) Kamen Robert Irwin and Xu Yajun were appointed as directors of the Company with effect from 25 August 2015 and resigned as director of the Company with effect from 12 June 2025.

(iii) Xiangmin Cui was appointed as director of the Company with effect from 21 April 2017 and resigned as director of the Company with effect from 12 June 2025.

(iv) Sungwon Song was appointed as director of the Company with effective from 4 January 2021 and resigned as director of the Company with effect from 12 June 2025.

(v) Li Dongfang and Cheng Xing were appointed as directors of the Company with effective from 16 May 2019. Cheng Xing resigned as director of the Company with effect from 12 June 2025.

(vi) Qun Zhao was appointed as director of the Company with effective from 4 June 2021 and resigned as director of the Company with effect from 12 June 2025.

(vii) Junan Lu was appointed as director of the Company with effective from 17 August 2022 and resigned as director of the Company with effect from 12 September 2024. Zhenrui Chen was appointed as director of the Company with effective from 12 September 2024 and resigned as director of the Company with effect from 12 June 2025.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and the nine months ended 30 September 2024.

In prior years, one director was granted share options, in respect of his services to the Group under the equity incentive plan of the Company, further details of which are set out in note 26 to the Historical Financial Information. The fair value of such share options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the nine months ended 30 September 2024 are included in the above directors' and chief executive's remuneration disclosures.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the nine months ended 30 September 2024 included one director who is also the chief executive, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining four highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	8,217	7,938	5,882	5,868
Discretionary bonuses	200	3,059	2,064	4,690
Pension scheme contributions	312	451	366	395
Share-based payment expenses	4,331	7,703	5,904	5,754
Total	13,060	19,151	14,216	16,707

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

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	No. of employees	*No. of employees*	*No. of employees* *(Unaudited)*	*No. of employees*
HKD1,000,001 to HKD1,500,000	–	–	1	1
HKD1,500,001 to HKD2,000,000	1	1	–	–
HKD2,500,001 to HKD3,000,000	–	–	1	–
HKD3,000,001 to HKD3,500,000	1	–	1	–
HKD3,500,001 to HKD4,000,000	–	1	–	–
HKD4,000,001 to HKD4,500,000	1	–	–	–
HKD4,500,001 to HKD5,000,000	–	1	–	2
HKD5,000,001 to HKD5,500,000	1	–	–	–
HKD7,000,001 to HKD7,500,000	–	–	–	1
HKD7,500,001 to HKD8,000,000	–	–	1	–
HKD10,000,001 to HKD10,500,000	–	1	–	–
Total	4	4	4	4

During the Relevant Periods and the nine months ended 30 September 2024, share options were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 26 to the Historical Financial Information. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the nine months ended 30 September 2024 are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

During the Relevant Periods and the nine months ended 30 September 2024, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX/DEFERRED TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Cayman Islands

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

Hong Kong

The subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the Relevant Periods. No Hong Kong profits tax was provided for as the Group did not generate any assessable profits arising in Hong Kong during the Relevant Periods.

Mainland China

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations (the "CIT Law"), the subsidiaries which operate in Mainland China were subject to corporate income tax at a rate of 25% on the taxable income during the Relevant Periods.

Pursuant to the relevant CIT Law, EpimAb Shanghai, EpimAb Suzhou and EpimAb Beijing were entitled to claim 200% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits for the Relevant Periods.

The income tax expense of the Group for the Relevant Periods and the nine months ended 30 September 2024 is analysed as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current income tax	–	25,027	21,435	7,873
Deferred income tax	–	–	–	–
Total	–	25,027	21,435	7,873

A reconciliation of the tax (credit)/expense applicable to (loss)/profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
(Loss)/profit before tax	(594,824)	72,714	133,673	(57,045)
Tax at the statutory tax rate (25%)	(148,706)	18,179	33,418	(14,261)
Tax effect of expenses not deductible for tax purposes	93,305	58,751	44,087	3,241
Additional deductible allowance for research and development expenses	(20,520)	(15,287)	(11,057)	(10,798)
Tax effect of tax losses not recognised and deductible temporary differences not recognised	75,921	2,599	116	21,818

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Tax losses utilised from previous periods	–	(64,242)	(66,564)	–
Withholding tax *(note)*	–	25,027	21,435	7,873
Income tax expense recognised in profit or loss	–	25,027	21,435	7,873

Note: The withholding tax was arising from the license fee in cash under the licensing arrangements received during the year ended 31 December 2024, the period ended 30 September 2024 and the period ended 30 September 2025.

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	3,976
Deferred tax charged to profit or loss during the year	2,344
Gross deferred tax liabilities at 31 December 2023	6,320
Deferred tax credited to profit or loss during the year	(2,191)
Gross deferred tax liabilities at 31 December 2024	4,129
Deferred tax credited to profit or loss during the period	(874)
Gross deferred tax liabilities at 30 September 2025	3,255

Deferred tax assets

	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	3,891	85	3,976
Deferred tax credited to profit or loss during the year	2,272	72	2,344
Gross deferred tax assets at 31 December 2023	6,163	157	6,320
Deferred tax charged to profit or loss during the year	(2,034)	(157)	(2,191)
Gross deferred tax assets at 31 December 2024	4,129	–	4,129
Deferred tax charged to profit or loss during the period	(931)	57	(874)
Gross deferred tax assets at 30 September 2025	3,198	57	3,255

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position . .	–	–	–
Net deferred tax liabilities recognised in the consolidated statement of financial position . .	–	–	–

The Group has accumulated tax losses in Mainland China of RMB1,570,256,000, RMB1,331,811,000 and RMB1,397,859,000 as at the end of each of the Relevant Periods that would expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose.

The Group has unrecognised deductible temporary differences of RMB152,180,000, RMB144,666,000 and RMB154,394,000 as at the end of each of the Relevant Periods. The unrecognised deductible temporary differences are mainly related to accrued expenses.

Deferred tax assets have not been recognised in respect of these losses and temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

12. DIVIDEND

Pursuant to the resolution of the board of directors of the Company dated 28 June 2024, a special non-cash dividend of USD9,136,000 (equivalent to RMB65,181,000) was declared and settled by distributing the series A preferred shares of a licensee to the ordinary shareholders of the Company.

No dividend was paid or declared by the Company for the year ended 31 December 2023 and the nine months ended 30 September 2025.

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during each of the Relevant Periods and the nine months ended 30 September 2024.

The calculation of the diluted earnings per share amount for the year ended 31 December 2024 is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the fair value loss on series C convertible redeemable preferred shares. 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 of share options under the equity incentive plan and conversion of the series C convertible redeemable preferred shares into ordinary shares. The series seed convertible redeemable preferred shares, series seed plus convertible redeemable preferred shares, series A convertible redeemable preferred shares and series B convertible redeemable preferred shares had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share.

The calculation of the diluted earnings per share amount for the nine months ended 30 September 2024 is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the fair value loss on the series seed convertible redeemable preferred shares, series seed plus convertible redeemable preferred shares, series A convertible redeemable preferred shares, series B convertible redeemable preferred shares and series C convertible redeemable preferred shares. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, 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 of share options under the equity incentive plan and conversion of the series seed convertible redeemable preferred shares, series seed plus convertible redeemable preferred shares, series A convertible redeemable preferred shares, series B convertible redeemable preferred shares and series C convertible redeemable preferred shares into ordinary shares.

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2023 and the nine months ended 30 September 2025 in respect of a dilution as the impact of the convertible redeemable preferred shares outstanding and the impact of share options under the equity incentive plan had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted (loss)/earnings per share are based on:

	As at 31 December		As at 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
(Loss)/earnings				
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation	(594,824)	47,687	112,238	(64,918)
Fair value loss on convertible redeemable preferred shares	–	28,257	174,082	–
(Loss)/profit attributable to ordinary equity holders of the parent before the impact of convertible redeemable preferred shares	(594,824)	75,944	286,320	(64,918)

	Number of shares			
	As at 31 December		As at 30 September	
	2023	2024	2024	2025
			(Unaudited)	
Shares				
Weighted average number of ordinary shares outstanding during the year used in the basic (loss)/earnings per share calculation	101,176,027	101,631,250	101,631,250	101,631,250
Effect of dilution – weighted average number of ordinary shares:				
Share options	–	10,655,595	10,411,185	–
Convertible redeemable preferred shares	–	85,769,119	216,978,033	–
Total	101,176,027	198,055,964	329,020,468	101,631,250

14. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	Office and electronic equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023					
At 1 January 2023:					
Cost	131,127	5,779	1,429	68,288	206,623
Accumulated depreciation and impairment	(45,309)	(3,947)	(824)	(49,246)	(99,326)
Net carrying amount	85,818	1,832	605	19,042	107,297

	Machinery and equipment	Office and electronic equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023, net of accumulated depreciation	85,818	1,832	605	19,042	107,297
Additions	170	37	–	–	207
Disposals	(78,440)	(767)	(131)	(16,312)	(95,650)
Depreciation provided during the year	(3,458)	(617)	(180)	(2,730)	(6,985)
At 31 December 2023, net of accumulated depreciation	4,090	485	294	–	4,869
At 31 December 2023:					
Cost	17,809	3,904	1,037	–	22,750
Accumulated depreciation	(13,719)	(3,419)	(743)	–	(17,881)
Net carrying amount	4,090	485	294	–	4,869

	Machinery and equipment	Office and electronic equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024					
At 1 January 2024:					
Cost	17,809	3,904	1,037	–	22,750
Accumulated depreciation	(13,719)	(3,419)	(743)	–	(17,881)
Net carrying amount	4,090	485	294	–	4,869
At 1 January 2024, net of accumulated depreciation	4,090	485	294	–	4,869
Additions	220	61	–	–	281
Disposals	–	(3)	(16)	–	(19)
Depreciation provided during the year	(1,090)	(328)	(176)	–	(1,594)
At 31 December 2024, net of accumulated depreciation	3,220	215	102	–	3,537
At 31 December 2024:					
Cost	18,029	3,803	854	–	22,686
Accumulated depreciation	(14,809)	(3,588)	(752)	–	(19,149)
Net carrying amount	3,220	215	102	–	3,537
As at 30 September 2025					
At 1 January 2025:					
Cost	18,029	3,803	854	–	22,686
Accumulated depreciation	(14,809)	(3,588)	(752)	–	(19,149)
Net carrying amount	3,220	215	102	–	3,537

	Machinery and equipment	Office and electronic equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025, net of accumulated depreciation	3,220	215	102	–	3,537
Additions	2,800	429	–	–	3,229
Disposals	(30)	–	–	–	(30)
Depreciation provided during the period	(637)	(78)	(54)	–	(769)
At 30 September 2025, net of accumulated depreciation	5,353	566	48	–	5,967
At 30 September 2025:					
Cost	20,799	4,232	854	–	25,885
Accumulated depreciation	(15,446)	(3,666)	(806)	–	(19,918)
Net carrying amount	5,353	566	48	–	5,967

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises used in its operations. Leases of office premises generally have a lease term of 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	Office premises
	RMB'000
As at 1 January 2023	15,904
Additions	27,832
Depreciation charge	(9,379)
Termination of a lease contract	(9,076)
As at 31 December 2023 and 1 January 2024	25,281
Depreciation charge	(5,567)
Modification of a lease contract	(3,198)
As at 31 December 2024 and 1 January 2025	16,516
Depreciation charge	(3,497)
As at 30 September 2025	13,019

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	15,562	24,651	17,714
New leases	27,480	–	–
Accretion of interest recognised during the year/period	1,162	965	395
Payments	(8,407)	(4,704)	(5,319)
Termination of a lease contract	(11,146)	–	–
Modification of a lease contract	–	(3,198)	–
Carrying amount at the end of the year/period	24,651	17,714	12,790
Analysed into:			
Current portion	3,739	4,812	3,355
Non-current portion	20,912	12,902	9,435
Within one year	3,739	4,812	3,355
In the second year	5,239	4,968	5,078
In the third to fifth years, inclusive	15,673	7,934	4,357

The maturity analysis of lease liabilities is disclosed in note 31 to the Historical Financial Statement.

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

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	1,162	965	744	395
Depreciation charge of right-of-use assets	9,379	5,567	4,175	3,497
Loss on termination of a lease contract, net*	587	–	–	–
Expenses relating to short-term leases	169	16	12	8
Total amount recognised in profit or loss	11,297	6,548	4,931	3,900

* Included a loss of a rental deposit of RMB2,657,000.

(d) The total cash outflow for leases is disclosed in note 27(c) to the Historical Financial Information.

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Deposits	1,835	1,638	1,690
Other receivables *(note)*	34,061	20,754	21,983
Value-added tax recoverable	5,621	–	–
Total	41,517	22,392	23,673
Current:			
Prepayments	3,146	4,902	5,574
Other receivables *(note)*	12,991	17,664	9,912
Value-added tax recoverable	–	9,512	3,999
Deferred issue costs	–	–	3,238
Total	16,137	32,078	22,723

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	70	58	207
Deferred issue costs	–	–	3,238
Total	70	58	3,445

Note: The balances of other receivables mainly represented the amount due from a third party. In January 2023, EpimAb Suzhou entered into an agreement with a third party to dispose of its non-current assets and consumables at a total consideration of RMB120,000,000 (excluding taxes), of which the first instalment of RMB65,000,000 was paid upon delivery and the remaining will be paid within four years.

The financial assets included in the above balances relate to receivables for which there were no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are not secured with collateral.

17. FINANCIAL ASSETS AT FVTPL

The Group and the Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Unlisted investments, at fair value	–	11,107	6,872
Current:			
Unlisted investments, at fair value	–	–	5,780

The unlisted investments at fair value represented a total of 1,359,238 series A preferred shares of a licensee held by the Company, of which 1,074,221 were granted to a director and senior management members of the Group with certain conditions.

18. TRADE RECEIVABLES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	–	3,160
Impairment	–	–	–
Net carrying amount	–	–	3,160

The Group's trading terms with its customers are mainly on credit. The credit periods mainly range from 0 days to 90 days. The Group seeks to maintain a strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current to 90 days	–	–	3,160

The Group has established a provision matrix that is based on its historical credit loss experience, or making reference to the credit loss experience of similar companies in the market where the Group has not had sufficient credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The directors of the Company are of the opinion that the ECLs in respect of trade receivables are minimal.

19. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	315,867	227,767	107,181
Time deposits with original maturity of less than three months	–	158,145	216,718
Cash and cash equivalents	315,867	385,912	323,899
Denominated in			
RMB	224,672	145,326	55,687
EUR	362	191	43
USD	90,833	240,395	268,169

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank balances	13,793	12,691	7,947
Denominated in			
RMB	2	2	2
EUR	5	–	–
USD	13,786	12,689	7,945

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

20. TRADE AND OTHER PAYABLES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Bonus payables	–	1,792	–
Current:			
Trade payables	5,852	1,691	–
Accrued expenses for research and development services	35,738	23,958	21,582
Payables for purchase of items of property, plant and equipment	716	110	243
Other payables	6,405	6,000	5,265
Salary and bonus payables	8,404	11,143	14,094
Other taxes payable	2,135	1,161	641
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	59,250	44,063	44,676

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Bonus payables	–	1,792	–
Current:			
Other payables	97	189	–
Bonus payables	–	–	5,780
Accrued [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	97	189	8,631

The non-current bonus payables of the Group as at 31 December 2024 amounted to 1,792,000 and the current bonus payables of the Group as at 30 September 2025 amounted to 5,780,000 represented discretionary bonuses in relation to 1,074,221 preferred shares granted to director and senior management members, which are measured at fair value.

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

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	5,852	1,691	–

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

21. CONTRACT LIABILITIES

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts received in advance for research and development service	–	5,770	691

The balance of contract liabilities as at 1 January 2023 was nil. The balance decreased in 2025 due to the completion of research and development services.

22. CONVERTIBLE REDEEMABLE PREFERRED SHARES

In July 2015, the Company entered into a purchase agreement of series seed convertible redeemable preferred shares with a group of investors, pursuant to which the Company issued 16,666,669 series seed convertible redeemable preferred shares with a par value of USD0.0001 each ("Series Seed Convertible Redeemable Preferred Shares") at a price of USD0.09 per share for the total consideration of USD1,500,000.21.

In December 2015, the Company entered into a purchase agreement of series seed plus convertible redeemable preferred shares with an investor, pursuant to which the Company issued 3,608,248 series seed plus convertible redeemable preferred shares with a par value of USD0.0001 each ("Series Seed Plus Convertible Redeemable Preferred Shares") at a price of USD0.2771 per share for the total consideration of USD999,845.39.

In February 2017, the Company entered into a purchase agreement of series A convertible redeemable preferred shares with an investor, pursuant to which the Company issued 3,578,516 series A convertible redeemable preferred shares with a par value of USD0.0001 each ("Series A Convertible Redeemable Preferred Shares") at a price of USD0.55889 per share for the total consideration of USD2,000,000.

Meanwhile, EpimAb Shanghai, the subsidiary of EpimAb HK, issued 15% ordinary shares to onshore investors for a total consideration of USD15,000,000. Upon the equity investment, the Company also granted the onshore investors or their designated affiliates with a share purchase option, pursuant to which, when the onshore investors choose to dispose of their equity interests in EpimAb Shanghai to EpimAb HK for a consideration of the original investment amount, the onshore investors should subscribe 26,838,870 Series A Convertible Redeemable Preferred Shares of the Company at the same consideration received form EpimAb HK. In September 2018, EpimAb HK acquired the 15% equity interest in EpimAb Shanghai from onshore investors at a total purchase price of USD15,000,000. Then, the Company issued a total of 26,838,870 Series A Convertible Redeemable Preferred Shares to onshore investors or their designated affiliates at a price of USD0.55889 per share for the total consideration of USD15,000,000.

In April 2017, the Company entered into another purchase agreement of Series A Convertible Redeemable Preferred Shares with an investor, pursuant to which the Company issued 14,314,064 Series A Convertible Redeemable Preferred Shares at a price of USD0.55889 per share for the total consideration of USD8,000,000.

In December 2018, the Company entered into a purchase agreement of series B convertible redeemable preferred shares with a group of investors, pursuant to which the Company issued 66,202,547 series B convertible redeemable preferred shares with a par value of USD0.0001 each ("Series B Convertible Redeemable Preferred Shares") at a price of USD1.1177818 per share for the total consideration of USD74,000,002.

In December 2020, the Company entered into a purchase agreement of series C convertible redeemable preferred shares with a group of investors, pursuant to which the Company issued 77,408,953 series C convertible redeemable preferred shares with a par value of USD0.0001 each ("Series C Convertible Redeemable Preferred Shares") at a price of USD1.5502083 per share for the total consideration of USD120,000,001.

In April 2022, the Company entered into a convertible promissory note purchase agreement with two investors, pursuant to which the Company issued two convertible notes with a total principal amount of USD12,000,000 and interest payable at the rate of 8% per annum. Unless converted into equity securities of the Company on or prior to 25 April 2023, the principal amount and all unpaid accrued interest shall become fully due and payable on 25 April 2023. In April 2023, upon the conversion of the convertible notes, the Company issued 8,360,166 Series C Convertible Redeemable Preferred Shares to the holders of the convertible notes by converting the aggregate outstanding balance and unpaid accrued interest of USD12,960,000 at a conversion price of USD1.5502083 per share.

Presentation and classification

The Group designated Series Seed Convertible Redeemable Preferred Shares, Series Seed Plus Convertible Redeemable Preferred, Series A Convertible Redeemable Preferred Shares, Series B Convertible Redeemable Preferred Shares and Series C Convertible Redeemable Preferred Shares as whole as financial liabilities measured at FVTPL and presented them as convertible redeemable preferred shares in the statements of financial position. The changes in fair value of the convertible redeemable preferred shares are recognised in 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 profit or loss.

According to sixth amended and restated articles of association of the Company (the "Articles"), the key terms of the Series Seed Convertible Redeemable Preferred Shares, Series Seed Plus Convertible Redeemable Preferred Shares, Series A Convertible Redeemable Preferred Shares, Series B Convertible Redeemable Preferred Shares and Series C Convertible Redeemable Preferred Shares (collectively, the "Preferred Shares") are as follows:

Liquidation preference

Upon any liquidation, dissolution, or winding up of the Company or any Liquidation Event (as defined below), whether voluntary or involuntary, holders of the Preferred Shares shall be entitled to receive an amount per share equal to the applicable original issue price of such Preferred Shares plus any dividends declared but unpaid thereon in the sequence as follows: (1) Series C Convertible Redeemable Preferred Shares, (2) Series B Convertible Redeemable Preferred Shares, (3) Series A Convertible Redeemable Preferred Shares, and (4) Series Seed Convertible Redeemable Preferred Shares and Series Seed Plus Convertible Redeemable Preferred Shares.

Liquidation Event means (i) any consolidation, amalgamation or merger of the Company and/or its subsidiaries or shareholders of the subsidiaries with or into any person, or any other corporate reorganisation, including a sale or acquisition of Company or shareholders of the subsidiaries immediately before such transaction owns less than fifty percent (50%) of the voting power of the surviving company immediately after such transaction (excluding any transaction that is effected solely for capital raising or tax purposes or change of the Company's domicile), or (ii) any sale, lease, transfer, exclusive licensing or disposition (whether by merger or otherwise) of all or substantially all of the Group assets (including intellectual property assets) taken as a whole (including, without limitation, the sale or disposition of one or more subsidiaries if substantially all of the assets of the Group taken as a whole are held by such subsidiary, except where such sale, lease, transfer, exclusive licensing or other disposition is to a wholly owned subsidiary of the Group).

Conversion

(a) Right to convert Preferred Shares

Unless converted earlier pursuant to section (b) below, each Preferred Share shall be convertible, at the option of the holder thereof, at any time into such number of fully-paid and non-assessable ordinary shares as determined by dividing the respective issue price by the respective conversion price. The conversion price shall initially be the respective original issue price for each applicable Preferred Share and the initial conversion ratio for the applicable Preferred Shares to ordinary shares is 1:1, subject to adjustment from time to time, including but not limited to share splits and combinations, share dividends and distributions, reorganizations, mergers, consolidations, reclassifications, exchanges and substitutions, and adjustment upon issuance of new securities for a consideration per share less than the conversion prices.

(b) Automatic conversion

The Preferred Shares shall automatically be converted into ordinary shares upon the earlier of (A) closing of a firm commitment [**REDACTED**] of ordinary shares of the Company with gross [**REDACTED**] to the Company of at least USD75 million, and the [**REDACTED**] of such ordinary shares on the New York Stock Exchange, the Nasdaq Global Market System, or any other reputable international exchange or quotation system, (B) with respect to the Series Seed Convertible Redeemable Preferred Shares and Series Seed Plus Convertible Redeemable Preferred Shares, the respective written election of the majority holders of Series Seed Convertible Redeemable Preferred Shares and Series Seed Plus Convertible Redeemable Preferred Shares, (C) with respect to the Series A Convertible Redeemable Preferred Shares, the written election of the supermajority holders of Series A Convertible Redeemable Preferred Shares, or (D) with respect to the Series B Convertible Redeemable Preferred Shares and Series C Convertible Redeemable Preferred Shares, the respective written election of the certain directors nominated by certain investors.

Redemption

The Series C Convertible Redeemable Preferred Shares and the Series B Convertible Redeemable Preferred Shares shall be redeemable (i) at any time after 30 September 2025, or (ii) upon the occurrence of any of the following events: (a) that the principal business of the Group is materially changed, or (b) that Dr. Chengbin Wu ceases to be a director and an employee of the Group or loses the control of the Group. Then, any holder of the Series C Convertible Redeemable Preferred Shares or the Series B Convertible Redeemable Preferred Shares may require that the Company redeem all or any lesser portion of the Series C Convertible Redeemable Preferred Shares or the Series B Convertible Redeemable Preferred Shares, as applicable requested to be redeemable by giving a written notice (the "Redemption Notice") to the Company of its intention.

The Series A Convertible Redeemable Preferred Shares shall be redeemable at any time after 30 September 2025. Then, any holder of Series A Convertible Redeemable Preferred Shares may require that the Company redeem all or any lesser portion of the Series A Convertible Redeemable Preferred Shares requested to be redeemable by giving a Redemption Notice to the Company of its intention.

The redemption price for each redeeming share redeemed shall be equal to (i) one hundred percent (100%) of the applicable original issue price, plus (ii) any accrued or declared but unpaid dividend in accordance with the revised articles of association of the Company, plus (iii) accrued interest at an interest rate of twelve percent (12%) per annum based on the applicable original issue price compounded annually on the basis of a 365-day year for the actual number of days elapsed commencing from the date on which the redeeming shares were issued, until the date of receipt by the redeeming holder and/or the participant redeeming holder thereof at the full redemption price.

The movements of convertible redeemable preferred shares of the Group and the Company are set out below:

	Convertible redeemable preferred shares	
	Number of shares	*RMB'000*
As at 1 January 2023	208,617,867	2,176,468
Issuance of preferred shares upon the conversion of convertible notes	8,360,166	104,781
Changes in fair value	–	372,296
As at 31 December 2023 and 1 January 2024	216,978,033	2,653,545
Distribution to preferred shareholders	–	(139,157)
Changes in fair value	–	232,747
As at 31 December 2024 and 1 January 2025	216,978,033	2,747,135
Changes in fair value	–	(3,364)
As at 30 September 2025	216,978,033	2,743,771

The Group has used the discounted cash flow method to determine the underlying equity value of the Company and adopted the equity allocation model to determine the fair value of the convertible redeemable preferred shares. Key assumptions are set out below:

	As at 31 December		As at 30 September
	2023	2024	2025
Risk-free interest rate	5.28%	4.20%	3.83%
DLOM	11%	10%	11%
Volatility	74%	51%	71%

The Group estimated the risk-free interest rate based on the yield of the United States Government Bond with maturity close to the expected exit timing as at the valuation date. The DLOM was estimated based on the option-pricing method. Under the option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualised standard deviation of daily return of shares price of comparable companies for a period from the valuation date and with a similar span as time to expiration.

Set out below is a summary of significant unobservable inputs to the valuation of financial liabilities categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods.

		(Decrease)/increase in the fair value		
Significant unobservable inputs	Increase/(decrease) in the inputs	As at 31 December 2023	As at 31 December 2024	As at 30 September 2025
		RMB'000	*RMB'000*	*RMB'000*
DLOM	5%/(5%)	(13,595)/13,595	(12,347)/12,347	(14,669)/14,669
Volatility	5%/(5%)	(591)/320	(1,552)/1,455	(1,659)/1,579
Risk-free interest rate	5%/(5%)	(717)/481	(1,021)/537	(347)/348

23. DEFERRED INCOME

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Income-related government grants	400	–	–
Analysed into:			
Current portion	400	–	–
Non-current portion	–	–	–

Movements of income-related government grants:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	1,400	400	–
Government grants received during the year/period	3,683	2,381	6,330
Credited to profit or loss	(4,683)	(2,781)	(6,330)
At 31 December/30 September	400	–	–

24. SHARE CAPITAL

The Company was incorporated in the Cayman Islands on 26 February 2015 with initial authorised share capital of USD50,000 divided into 50,000 shares with a par value of USD1.00 each. On 26 February 2015, the authorised share capital of the Company was subdivided to 500,000,000 shares with a par value of USD0.0001 each. On 14 December 2020, the authorised share capital of the Company was increased to USD60,000 and subdivided to 600,000,000 shares with a par value of USD0.0001 each.

Authorised

	As at 31 December 2023 and 2024 30 September 2025
	Number of shares authorised
Ordinary shares of USD0.0001 each	383,021,967
Series Seed Convertible Redeemable Preferred Shares of USD0.0001 each	16,666,669
Series Seed Plus Convertible Redeemable Preferred Shares of USD0.0001 each	3,608,248
Series A Convertible Redeemable Preferred Shares of USD0.0001 each	44,731,450
Series B Convertible Redeemable Preferred Shares of USD0.0001 each	66,202,547
Series C Convertible Redeemable Preferred Shares of USD0.0001 each	85,769,119
Total	600,000,000

Issued and fully paid

	Number of ordinary shares in issue	Share capital
		RMB'000
As at 1 January 2023	100,600,000	61
Exercise of share options*	1,031,250	1
As at 31 December 2023, 1 January 2024 and 31 December 2024, 1 January 2025 and 30 September 2025	101,631,250	62

* During the year ended 31 December 2023, one director and one employee exercised 1,031,250 share options at a total consideration of RMB712,000.

25. DEFICITS

The Group

The amounts of the Group's reserves and the movement therein are presented in the consolidated statements of change in equity on page I-6 of the Historical Financial Information.

Share premium

The share premium of the Group represents the difference between the issue price and the par value of the shares issued.

Share-based payment reserve

Share-based payment reserve represents the share-based compensation reserve as equity-settled share option scheme, details of which are set out in note 26 to the Historical Financial Information.

The Company

	Share premium	Share-based payment reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	93	61,177	(885,882)	(824,612)
Loss and total comprehensive loss for the year	–	–	(371,801)	(371,801)
Exercise of share options	711	–	–	711
Recognition of share-based payment expenses	–	6,501	–	6,501
At 31 December 2023	804	67,678	(1,257,683)	(1,189,201)

	Share premium	Share-based payment reserve	Accumulated losses	Other reserves	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	804	67,678	(1,257,683)	–	(1,189,201)
Loss and total comprehensive loss for the year	–	–	(234,125)	–	(234,125)
Distribution to shareholders	–	–	–	(65,181)	(65,181)
Recognition of share-based payment expenses	–	6,916	–	–	6,916
At 31 December 2024	804	74,594	(1,491,808)	(65,181)	(1,481,591)

	Share premium	Share-based payment reserve	Accumulated losses	Other reserves	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	804	67,678	(1,257,683)	–	(1,189,201)
Loss and total comprehensive loss for the period (unaudited)	–	–	(175,318)	–	(175,318)
Distribution to shareholders	–	–	–	(65,181)	(65,181)
Recognition of share-based payment expenses (unaudited)	–	4,855	–	–	4,855
At 30 September 2024 (unaudited)	804	72,533	(1,433,001)	(65,181)	(1,424,845)

	Share premium	Share-based payment reserve	Accumulated losses	Other reserves	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	804	74,594	(1,491,808)	(65,181)	(1,481,591)
Loss and total comprehensive loss for the period	–	–	(11,874)	–	(11,874)
Recognition of share-based payment expenses	–	12,945	–	–	12,945
At 30 September 2025	804	87,539	(1,503,682)	(65,181)	(1,480,520)

26. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

The Company operates a 2016 equity incentive plan and a 2020 equity incentive plan (collectively, the "Schemes"), which were adopted pursuant to board resolutions passed on 15 July 2016 and 14 December 2020, respectively, for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Schemes include any employees, directors and consultants of the Group.

Under the Schemes, 18,835,000 and 11,915,000 options were granted to directors of the Company and eligible employees of the Group to subscribe for shares in the Company, which will expire in 10 years.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Schemes as equity-settled plans.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The 2016 equity incentive plan has a service condition that shall vest over a four-year period, with 25% vest on the first anniversary of the vesting commencement date and the remaining vest in a series of 36 successive equal monthly instalments measured from the first anniversary of the vesting commencement date, provided that the option holder continues to provide continuous services to the Company as of any such vesting date.

The 2020 equity incentive plan has a service condition that shall vest in a series of 48 successive equal monthly instalments commencing from the vesting commencement date, provided that the option holder continues to provide continuous services to the Company as of any such vesting date. Another service condition is the same as the 2016 equity incentive plan.

The exercise price of share options is determinable by the directors.

The fair values of equity-settled share options granted during the Relevant Periods were estimated as at the dates of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2023	2024	2025
Volatility (%)	72.49	52.14	73.27
Risk-free interest rate (%)	3.81	4.22	4.33
Exercise multiple	2.8	2.2	2.2-2.8

The following table discloses details of the movements of the outstanding options granted under the Schemes during the Relevant Periods:

	2023		2024		2025	
	Weighted average exercise price USD per share	*Number of outstanding options '000*	*Weighted average exercise price USD per share*	*Number of outstanding options '000*	*Weighted average exercise price USD per share*	*Number of outstanding options '000*
At 1 January	0.27	18,923	0.28	17,361	0.28	15,001
Granted during the year/period	0.34	2,000	0.34	130	0.34	7,070
Exercise during the year/period	0.09	(1,000)	–	–	–	–
Forfeited during the year/period	0.23	(2,562)	0.30	(2,490)	0.25	(590)
At 31 December/ 30 September	0.28	17,361	0.28	15,001	0.30	21,481

The exercise price and exercise period of the share options outstanding as at the end of each of the Relevant Periods are as follows:

2023

Number of options	Exercise price	Exercise period
'000	*USD per share*	
17,361	0.28	1 July 2019 to 29 June 2033

2024

Number of options	Exercise price	Exercise period
'000	*USD per share*	
15,001	0.28	1 July 2019 to 21 March 2034

2025

Number of options	Exercise price	Exercise period
'000	*USD per share*	
21,481	0.30	1 July 2019 to 15 August 2035

The Group recognised the total expenses of RMB6,501,000, RMB6,916,000, RMB12,945,000 and RMB4,855,000 (unaudited) during the Relevant Periods and the nine months ended 30 September 2024 in relation to share options granted by the Company.

As at 30 September 2025, the Company had 21,480,626 share options outstanding under the Schemes. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 21,480,626 additional ordinary shares of the Company and additional share capital of USD2,148 (equivalent to RMB15,263) and reserve of RMB45,547,000 (before issue expense).

At the date of approval of this Historical Financial Information, the Company had 21,480,626 share options outstanding under the Scheme, which represented approximately 21% of the Company's shares in issue as at that date.

27. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

(1) During the Relevant Periods and the nine months ended 30 September 2024, the Group had non-cash additions to right-of-use assets of RMB27,480,000, RMB nil, RMB nil, RMB nil (unaudited) and non-cash additions to lease liabilities of RMB27,480,000, RMB nil, RMB nil, RMB nil (unaudited), respectively, in respect of lease arrangements for office premises.

(2) During the year ended 31 December 2024, the Group recognised licensing revenue of USD30,000,000 (equivalent to RMB214,035,000) in exchange for the subscription for 30,000,000 series A preferred shares of a licensee, of which 19,504,818 preferred shares with fair value of RMB139,157,000 and 9,135,944 preferred shares with fair value of RMB65,181,000 were then distributed to the preferred shareholders and ordinary shareholders of the Company, respectively. 1,074,221 preferred shares were granted to director and senior management members of the Group as discretionary bonuses of employee with certain conditions and during the Relevant Periods and the nine months ended 30 September 2024, employee benefit expense of RMB nil, RMB1,792,000, RMB3,989,000, RMB588,000 (unaudited) was charged to the profit or loss.

(b) Changes in liabilities arising from financing activities

	Accrued [REDACTED] included in other payables	Lease liabilities	Convertible redeemable preferred shares	Amount due to a related party	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	–	15,562	2,176,468	–	2,192,030
Changes from financing cash flows	–	(8,407)	–	271	(8,136)
Accretion of interest recognised	–	1,162	–	–	1,162
New leases	–	27,480	–	–	27,480
Termination of a lease contract	–	(11,146)	–	–	(11,146)
Changes in fair value	–	–	372,296	–	372,296
Issue of preferred shares upon the conversion of convertible bonds	–	–	104,781	–	104,781
At 31 December 2023 and 1 January 2024	–	24,651	2,653,545	271	2,678,467
Changes from financing cash flows	–	(4,704)	–	(271)	(4,975)
Accretion of interest recognised	–	965	–	–	965
Modification of a lease contract	–	(3,198)	–	–	(3,198)
Changes in fair value	–	–	232,747	–	232,747
Distribution to preferred shareholders	–	–	(139,157)	–	(139,157)
At 31 December 2024 and 1 January 2025	–	17,714	2,747,135	–	2,764,849
Changes from financing cash flows	(2,843)	(5,319)	–	–	(8,162)
Changes from operating cash flows	(16,197)	–	–	–	(16,197)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred issue costs	3,238	–	–	–	3,238
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Accretion of interest recognised	–	395	–	–	395
Changes in fair value	–	–	(3,364)	–	(3,364)
At 30 September 2025	2,851	12,790	2,743,771	–	2,759,412

	Accrued [REDACTED] included in other payables	Lease liabilities	Convertible redeemable preferred shares	Amount due to a related party	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	–	24,651	2,653,545	271	2,678,467
Changes from financing cash flows (unaudited)	–	(4,704)	–	(271)	(4,975)
Accretion of interest recognized (unaudited)	–	744	–	–	744
Changes in fair value (unaudited)	–	–	174,082	–	174,082
Distribution to preferred shareholders (unaudited)	–	–	(139,157)	–	(139,157)
At 30 September 2024 (unaudited)	–	20,691	2,688,470	–	2,709,161

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Within operating activities	169	16	12	8
Within financing activities	8,407	4,704	4,704	5,319
Total	8,576	4,720	4,716	5,327

28. RELATED PARTY TRANSACTIONS

(a) Outstanding balance with a related party:

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amount due to a related party:			
Non-trade nature:			
Dr. Chengbin Wu	271	–	–

The Group made the repayment of the non-trade balance due to Dr. Chengbin Wu in March 2024.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from subsidiaries			
Non-trade nature:			
EpimAb HK	354	359	1,066
EpimAb Shanghai	1,774	1,801	1,780
EpimAb Holdings	185	195	224
EpimAb US	4,351	4,416	4,365
Total	6,664	6,771	7,435
Amounts due to subsidiaries			
Non-trade nature:			
EpimAb Shanghai	4,764	220,488	233,260
EpimAb HK	–	–	589
EpimAb US	37	37	37
Total	4,801	220,525	233,886

Both amounts due to subsidiaries and amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

(b) Compensation of key management personnel of the Group

	As at 31 December		As at 30 September	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	10,607	11,557	8,325	8,923
Discretionary bonuses	200	4,461	3,408	7,682
Pension scheme contributions	312	337	280	370
Share based payment expenses	4,763	8,282	6,389	5,800
Total	15,882	24,637	18,402	22,775

Further details of directors' and the chief executive's emoluments are included in note 9 to the Historical Financial Information.

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 31 December 2023

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in prepayments, other receivables and other assets	48,887
Cash and cash equivalents	315,867
Total	364,754

Financial liabilities

	Financial liabilities at FVTPL		
	Designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities included in trade and other payables	–	48,711	48,711
Amount due to a related party	–	271	271
Convertible redeemable preferred shares	2,653,545	–	2,653,545
Total	2,653,545	48,982	2,702,527

As at 31 December 2024

Financial assets

	Financial assets at FVTPL		
	Mandatorily designated as such	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets	–	40,056	40,056
Cash and cash equivalents	–	385,912	385,912
Financial assets at FVTPL	11,107	–	11,107
Total	11,107	425,968	437,075

Financial liabilities

	Financial liabilities at FVTPL		
	Designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities included in trade and other payables	–	31,759	31,759
Convertible redeemable preferred shares	2,747,135	–	2,747,135
Total	2,747,135	31,759	2,778,894

As at 30 September 2025

Financial assets

	Financial assets at FVTPL		
	Mandatorily designated as such	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	3,160	3,160
Financial assets included in prepayments, other receivables and other assets	–	33,585	33,585
Cash and cash equivalents	–	323,899	323,899
Financial assets at FVTPL	12,652	–	12,652
Total	12,652	360,644	373,296

Financial liabilities

	Financial liabilities at FVTPL		
	Designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities included in trade and other payables	–	29,941	29,941
Convertible redeemable preferred shares	2,743,771	–	2,743,771
Total	2,743,771	29,941	2,773,712

30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, financial assets included in prepayments, other receivables and other assets (in the current portion) and financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of financial assets included in prepayments, other receivables and other assets 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 of unlisted investments designated at FVTPL have been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates. The directors believe 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 at the end of the reporting period.

The fair value of the convertible redeemable preferred shares measured at FVTPL is determined using the valuation techniques, including discounted cash flow method, and is within Level 3 fair value measurement. Further details are set out in note 22 to the Historical Financial Information.

Below is a summary of significant unobservable inputs to the valuation of financial assets which are measured at fair value as at 30 September 2025:

Financial assets	Valuation techniques	Significant unobservable inputs	Inputs rate	Sensitivity of fair value to the input
Unlisted investments at FVTPL	Back-solve method	Risk-free interest rate	3.71%	5% increase/(decrease) in risk-free interest rate would result in increase/(decrease) in fair value by RMB1,000/ (RMB1,000)
		DLOM	16.00%	5% increase/(decrease) in DLOM would result in (decrease)/increase in fair value by (RMB111,000)/ RMB111,000
		Volatility	78%	5% increase/(decrease) in volatility would result in increase/(decrease) in fair value by RMB13,000/ (RMB15,000)

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL.	–	–	11,107	11,107

As at 30 September 2025

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTPL.	–	–	12,652	12,652

The movements in fair value measurements within Level 3 during the year are as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVTPL			
At 1 January	–	–	11,107
Acquisition	–	214,035	–
Distribution	–	(204,338)	–
Total gains recognised in the statement of profit or loss included in other income and gains	–	1,410	1,545
At 31 December/30 September	–	11,107	12,652

Liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	2,653,545	2,653,545

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	2,747,135	2,747,135

As at 30 September 2025

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible redeemable preferred shares	–	–	2,743,771	2,743,771

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, financial assets at FVTPL and convertible redeemable preferred shares. 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 financial assets included in prepayments, other receivables and other assets and financial liabilities included in trade and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from changes in exchange rates.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in exchange rates of United States dollar "USD", with all other variables held constant, of the Group's (loss)/profit before tax (arising from USD denominated financial instruments) and the Group's equity. For the purpose of internal foreign exchange rate risk management, the effect of foreign exchange on convertible redeemable preferred shares is excluded.

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in (loss)/profit before tax	Increase/(decrease) in equity
	%	*RMB'000*	*RMB'000*
31 December 2023			
If RMB weakens against USD	5	(4,023)	4,023
If RMB strengthens against USD	(5)	4,023	(4,023)
31 December 2024			
If RMB weakens against USD	5	(12,044)	12,044
If RMB strengthens against USD	(5)	12,044	(12,044)
30 September 2025			
If RMB weakens against USD	5	(13,408)	13,408
If RMB strengthens against USD	(5)	13,408	(13,408)

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 financial assets, which comprise cash and cash equivalents and financial assets included in trade receivables, prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets – normal*	48,887	–	–	–	48,887
Cash and cash equivalents – not yet past due	315,867	–	–	–	315,867
Total	364,754	–	–	–	364,754

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets included in prepayments, other receivables and other assets – normal*	40,056	–	–	–	40,056
Cash and cash equivalents – not yet past due	385,912	–	–	–	385,912
Total	425,968	–	–	–	425,968

As at 30 September 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	–	–	–	3,160	3,160
Financial assets included in prepayments, other receivables and other assets – normal*	33,585	–	–	–	33,585
Cash and cash equivalents – not yet past due	323,899	–	–	–	323,899
Total	357,484	–	–	3,160	360,644

* 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 considered to be "doubtful".

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There is concentration in credit risks as the balances are with a few counterparties. Except for cash and cash equivalents, the other balances are not material.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2023		
	Less than 1 year or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities included in trade and other payables	48,711	–	48,711
Lease liabilities	4,704	22,509	27,213
Amount due to a related party	271	–	271
Convertible redeemable preferred shares	–	2,506,449	2,506,449
Total	53,686	2,528,958	2,582,644

	As at 31 December 2024		
	Less than 1 year or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities included in trade and other payables	31,759	–	31,759
Lease liabilities	5,319	13,461	18,780
Convertible redeemable preferred shares	2,847,839	–	2,847,839
Total	2,884,917	13,461	2,898,378

	As at 30 September 2025		
	Less than 1 year or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities included in trade and other payables	29,941	–	29,941
Lease liabilities	3,746	9,715	13,461
Convertible redeemable preferred shares	3,062,438	–	3,062,438
Total	3,096,125	9,715	3,105,840

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

32. EVENT AFTER THE RELEVANT PERIODS

There were [no] significant events occurred after the reporting period.

33. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 September 2025.