The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[DRAFT]

[To insert the firm's letterhead]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WUHAN AMMUNITION LIFE-TECH CO., LTD. AND CCB INTERNATIONAL CAPITAL LIMITED AND BOCOM INTERNATIONAL (ASIA) LIMITED

Introduction

We report on the historical financial information of Wuhan Ammunition Life-tech Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-56, which comprises the consolidated balance sheets as at December 31, 2024 and 2025, the balance sheets of the Company as at December 31, 2024 and 2025, and the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2024 and 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-56 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [document date] (the "Document") in connection with the **[REDACTED]** of the H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of 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 Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's 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 accountant's judgment, 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 accountant considers internal control relevant to the entity's preparation of 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 accountant's report, a true and fair view of the financial position of the Company as at December 31, 2024 and 2025 and the consolidated financial position of the Group as at December 31, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period 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 of Hong Kong Limited (the "Listing Rules") 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-4 have been made.

Dividends

We refer to Note 28 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

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

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("Underlying Financial Statements").

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

		Year ended December 31,	
		2024	2025
	Notes	*RMB'000*	*RMB'000*
Revenue	5	7,238	15,419
Cost of revenue	6	(3,120)	(3,384)
Gross profit		4,118	12,035
Selling and distribution expenses	6	(15,099)	(13,194)
General and administrative expenses	6	(5,771)	(20,050)
Research and development expenses	6	(15,000)	(21,297)
Net impairment losses on financial assets		(68)	(487)
Other income	8	7,435	1,920
Other gains, net	9	597	216
Operating loss		(23,788)	(40,857)
Finance income	10	45	14
Finance costs	10	(14,887)	(8,136)
Finance costs – net	10	(14,842)	(8,122)
Loss before income tax		(38,630)	(48,979)
Income tax expense	11	–	–
Loss and total comprehensive loss for the year attributable to owners of the Company		(38,630)	(48,979)
Loss per share attributable to the owners of the Company (in RMB)			
Basic and diluted loss per share	12	(7.73)	(9.80)

CONSOLIDATED BALANCE SHEETS

		As at December 31,	
		2024	**2025**
	Notes	*RMB'000*	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	13	4,296	2,995
Right-of-use assets	14	2,379	1,566
Total non-current assets		6,675	4,561
Current assets			
Inventories		573	829
Trade receivables	15	874	6,678
Prepayments and other receivables	16	27,900	6,400
Cash and cash equivalents	17	39,092	54,713
Total current assets		68,439	68,620
Total assets		75,114	73,181
EQUITY			
Attributable to owners of the Company			
Paid-in capital	18	1,469	–
Share capital	19	–	5,000
Reserves	20	55,850	164,552
Accumulated losses		(273,278)	(142,607)
Total (deficit)/equity		(215,959)	26,945

		As at December 31,	
		2024	**2025**
	Notes	*RMB'000*	*RMB'000*
LIABILITIES			
Non-current liabilities			
Lease liabilities	14	1,267	431
Redemption liabilities to financial investors	22	272,626	–
Borrowings	26	10,000	20,750
Total non-current liabilities		283,893	21,181
Current liabilities			
Trade payables	23	261	721
Other payables	24	3,071	5,901
Borrowings	26	350	14,750
Lease liabilities	14	1,142	1,175
Contract liabilities	5	2,356	2,508
Total current liabilities		7,180	25,055
Total liabilities		291,073	46,236
Total (deficit)/equity and liabilities		75,114	73,181

BALANCE SHEETS OF THE COMPANY

		As at December 31,	
		2024	2025
	Notes	*RMB'000*	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	13	4,296	2,995
Right-of-use assets	14	2,379	1,566
Total non-current assets		6,675	4,561
Current assets			
Inventories		573	829
Trade receivables	15	874	6,678
Prepayments and other receivables	16	27,900	6,400
Cash and cash equivalents	17	39,092	53,369
Total current assets		68,439	67,276
Total assets		75,114	73,837
EQUITY			
Paid-in capital	18	1,469	–
Share capital	19	–	5,000
Reserves	20	55,850	164,552
Accumulated losses		(273,173)	(142,553)
Total (deficit)/equity		(215,854)	26,999

		As at December 31,	
		2024	**2025**
	Notes	*RMB'000*	*RMB'000*
LIABILITIES			
Non-current liabilities			
Lease liabilities	14	1,267	431
Redemption liabilities to financial investors	22	272,626	–
Borrowings	25	10,000	20,750
Total non-current liabilities		283,893	21,181
Current liabilities			
Trade payables	24	259	721
Other payables	25	3,648	6,503
Interest payables on borrowings	26	350	14,750
Lease liabilities	14	1,142	1,175
Contract liabilities	5	2,356	2,508
Total current liabilities		7,755	25,657
Total liabilities		291,648	46,838
Total (deficit)/equity and liabilities		75,794	73,837

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				
	Paid-in capital	**Share capital**	**Reserves**	**Accumulated losses**	**Total (deficit)/ equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balances at January 1, 2024	1,469	–	55,850	(234,648)	(177,329)
Comprehensive loss					
Loss for the year	–	–	–	(38,630)	(38,630)
Balance at December 31, 2024	1,469	–	55,850	(273,278)	(215,959)
Comprehensive loss					
Loss for the year	–	–	–	(48,979)	(48,979)
Derecognition of redemption liabilities to financial investors *(Note 22)*	–	–	279,955	–	279,955
Conversion into a joint stock company *(Note 19)*	(1,469)	5,000	(183,181)	179,650	–
Share-based compensation expenses	–	–	11,928	–	11,928
Balances at December 31, 2025	–	5,000	164,552	(142,607)	26,945

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended December 31,	
		2024	**2025**
	Notes	*RMB'000*	*RMB'000*
Cash flows used in operating activities			
Cash used in operating activities	29(a)	(23,547)	(23,820)
Interest received		45	14
Net cash used in operating activities		(23,502)	(23,806)
Cash flows from investing activities			
Purchase of property, plant and equipment		(35)	(121)
Proceeds from disposal of property, plant and equipment		–	14
Loans to related parties	31(b)	(12,620)	–
Repayment from related parties	31(b)	10,400	17,500
Purchase of financial assets at fair value through profit or loss	3.3	(224,800)	(140,500)
Proceeds from the settlement of term deposit		15,086	–
Proceeds from the settlement of financial assets at fair value through profit or loss		240,393	140,725
Net cash generated from investing activities		28,424	17,618
Cash flows from financing activities			
Lease payments	29(b)	(1,546)	(1,544)
Proceeds from borrowings		10,000	45,500
Interest paid for borrowings		–	(1,087)
Repayment of borrowings		–	(20,000)
Payment for **[REDACTED]** expense		–	(1,058)
Net cash generated from financing activities		8,454	21,811
Net increase in cash and cash equivalents		13,376	15,623
Cash and cash equivalents at beginning of year		25,712	39,092
Effect of foreign exchange rate changes on cash and cash equivalents		4	(2)
Cash and cash equivalents at end of year		39,092	54,713

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Wuhan Ammunition Life-tech Co., Ltd. (the "Company") was incorporated in Wuhan, the People's Republic of China (the "PRC") on January 28, 2015 as a limited liability company. The address of the Company's registered office is Room 04, 1st Floor, Building B10, Phase I, Block B, Wuhan Hi-Tech Medical Device Park, No. 818 Gaoxin Avenue, East Lake High-Tech Development Zone, Wuhan, Hubei Province, PRC. The Company is ultimately controlled by Dr. Zhang Lianglu.

Upon approval by the shareholders' general meeting held in July 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from "Wuhan Ammunition Life-tech Co., Ltd. (武漢艾米森生命科技有限公司)" to "Wuhan Ammunition Life-tech Co., Ltd. (武漢艾米森生命科技股份有限公司)" on July 28, 2025.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in developing and commercializing accurate, non-invasive test kit products for the early detection of cancer and other diseases.

2 BASIS OF PREPARATION

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards").

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The Historical Financial Information has been prepared under the historical cost convention, except that certain financial assets/liabilities are carried at fair value.

The preparation of the financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information, are disclosed in Note 4.

All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning on January 1, 2025, are consistently applied to the Group throughout the years ended December 31, 2024 and 2025 (the "Track Record Period"). These amendments did not have significant impact throughout the Track Record Period.

2.2 New or amended standards or interpretations

New and amended standards and interpretations not yet adopted

The followings are new standards, amendments to existing standards and new interpretations that have been issued but are not effective for the Track Record Period, and have not been early adopted. The Group plans to adopt these new standards, amendments to standards and new interpretations when they become effective:

	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026
Annual improvements project 'Annual improvements to IFRS Accounting Standards – volumes 11'	January 1, 2026
IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
Amendments to IAS 21 on Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 – Disclosures about Uncertainties in the Financial Statements	January 1, 2027
IFRS 10 and IAS 28 (Amendment) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive loss.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that aim to provide a comparable financial picture for similar entities and more relevant information and transparency for users.

While IFRS 18 will not affect the recognition or measurement of items in the financial statements, its impact on presentation and disclosures is expected to be significant, particularly in relation to the statement of financial performance and management-defined performance measures.

Management is assessing the detailed impact of the new standard on the Group's consolidated financial statements . Preliminary assessment has identified the following potential impacts:

Impact on statement of comprehensive loss:

- Although the adoption of IFRS 18 will have no impact on the Group's net loss, the Group expects that grouping items of income and expenses in the statement of comprehensive loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

Foreign currency differences:

Foreign exchange differences currently aggregated in the line item "other gains/(losses) -net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

Impact on consolidated balance sheets:

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

Impact on disclosures:

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

  For the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information will be restated in accordance with IFRS 18.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's risk management is predominantly controlled by the treasury department under policy approved by the Board of Directors of the Company (the "Board of Directors"). The Group's treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3.1.1 Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Company and its primary subsidiaries were incorporated in the PRC and considered RMB as their functional currency.

The Group has no significant exposure to foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

As at 31 December 2024 and 2025, except for cash and cash equivalents (Note 17), the Group has no significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

Redemption liabilities to financial investors (Note 22) and borrowings (Note 26) of the Group carried at fixed rate expose the Group to fair value interest risk.

3.1.2 Credit risk

Credit risk arises from the Group's cash and cash equivalents, and trade receivables as well as other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk, cash and cash equivalents, restricted cash are mainly deposited with state-owned or reputable financial institutions in the PRC. There has been no recent history of default in relation to these financial institutions.

(i) Trade receivables

For trade receivables, management applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Although trade receivables are subject to credit risk, the Group manages this exposure through regular credit reviews, and timely collection procedures.

Impairment losses on trade receivables are presented as credit loss allowance within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item. Movements on the Group's credit loss allowance for trade receivables are as follows:

	As at December 31,	
	2024	2025
	RMB'000	*RMB'000*
Loss allowance		
At beginning of the year	80	136
Increase in loss allowance recognised in the consolidated statements of profit or loss	56	696
At end of the year	136	832

For further details, please refer to Note 15.

(ii) Other receivables

Other receivables that are not credit-impaired on initial recognition are classified in stage 1 and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to 'stage 2' but is not yet deemed to be credit impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'stage 3' and the expected credit loss is measured as lifetime expected credit loss.

As at December 31, 2024 and 2025, the individually assessed other receivables from related parties which classified as Stage 1 are disclosed below:

	Expected loss rate	Gross Carrying amount	Loss allowance
		RMB'000	*RMB'000*
Amounts due from related parties			
As at December 31, 2024	0.91%	26,842	(244)
As at December 31, 2025	0.90%	3,903	(35)

Other receivables comprising advance to employees, deposits and others are classified as Stage 1 with ECL rate set at zero based on historical loss experience and insignificant forward-looking factor adjustment.

For further details, please refer to Note 16.

3.1.3 Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents or have available facility through an adequate amount of available financing to meet its daily operating working capital.

The table below analyzes the Group's non-derivative financial liabilities that will be settled into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The following table presents the Group's contractual maturities of financial liabilities at December 31, 2024:

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings (including interest payables)	700	10,700	–	11,400
Trade payables	261	–	–	261
Other payables (excluding salaries and welfare payables and VAT and other taxes payables)	580	–	–	580
Redemption liabilities to financial investors	–	317,169	–	317,169
Lease liabilities	1,206	866	433	2,505
	2,747	328,735	433	331,915

The following table presents the Group's contractual maturities of financial liabilities at December 31, 2025:

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Borrowings (including interest payables)	15,671	16,495	5,131	37,297
Trade payables	721	–	–	721
Other payables (excluding salaries and welfare payables and VAT and other taxes payables)	3,425	–	–	3,425
Lease liabilities	1,206	433	–	1,639
	21,023	16,928	5,131	43,082

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amounts of return capital to equity holders, issue new shares, repurchase the Company's shares or raise additional financing from existing or potential investors. The Group's net liabilities as at December 31, 2024 mainly included redemption liabilities to financial investors disclosed in Note 22, which were irrevocably terminated pursuant to a termination agreement dated May 8, 2025.

As at December 31, 2024 and 2025, the liability-to-asset ratios were as follows:

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Total liabilities	291,073	46,236
Total assets	75,114	73,181
Liability-to-asset ratios	N/A	63%

3.3 Fair value estimation

Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group's finance team manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the relevant instruments on a case-by-case basis. At least once a year, the team uses valuation techniques to determine the fair value of the Group's level 3 instruments. External valuers will be involved when necessary.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended December 31, 2024 and 2025:

	Financial assets at FVPL
	RMB'000
As at January 1, 2024	15,000
Acquisitions	224,800
Settlements	(240,393)
Realised fair value gains *(Note 9)*	593
As at December 31, 2024	–
As at January 1, 2025	–
Acquisitions	140,500
Settlements	(140,725)
Realised fair value gains *(Note 9)*	225
As at December 31, 2025	–

On 31 August 2023, the Company entered into an investment cooperation agreement to subscribe 51% capital contribution of Linyi Amison Early Screening Life Technology Co., Ltd. ("Linyi Amison"), amounting to RMB306,000. The Company has not made any capital contribution into Linyi Amison. On 13 November 2025, the Company entered into an equity transfer agreement to reduce its subscribed capital contribution of Linyi Amison from RMB306,000 to RMB48,000, representing 8% subscribed capital contribution of Linyi Amison. Pursuant to the investment cooperation agreement, the Company has neither control or significant influence over Linyi Amison. Accordingly, Linyi Amison is classified as level 3 financial assets measured at fair value through profit or loss. As at 1 January 2024, 31 December 2024 and 31 December 2025, the fair value of the investment in Linyi Amison approximated to nil.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Deferred taxation

The Group recognises deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilised. The recognition of deferred income tax assets involves management's judgments and estimations about the timing and the amount of taxable profits of the companies which has tax losses.

5 SEGMENT AND REVENUE INFORMATION

(a) Description of segments and principal activities

During the Track Record Period, the Group is engaged in developing and commercializing accurate, non-invasive test kit products for the early detection of cancer and other diseases. The board of directors of the Company review the operating results of the business as one operating segment to make strategic decisions and allocated resources. Therefore, the Group regards that there is only one business segment which is used to make strategic decisions.

Geographical information

All of the Group's business and operations are conducted in Mainland China and currently, the Group's principal market, majority of revenue, operating loss and non-current assets are derived from/located in the PRC. Accordingly, no geographical segment information is presented.

(b) Description of segments and principal activities

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Type of revenue		
Sales of products	7,157	15,308
Others	81	111
	7,238	15,419
Timing of revenue recognition		
At a point in time	7,238	15,419

(c) Liabilities related to contracts with customers

The Group and the Company have recognised the following liabilities related to contracts with customers:

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Contract liabilities	2,356	2,508

During the Track Record Period, revenue recognised in relation to contract liabilities that was included in the contract liabilities at the beginning of the year/period is as follows:

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities at beginning of the year	121	1,403

(d) Information about major customers

For the years ended December 31, 2024 and 2025, revenue derived from customers who accounted for more than 10% of total revenue were set out below:

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Customer 1	N/A	25.32%
Customer 2	52.14%	17.22%
Customer 3	N/A	16.40%
Customer 4	N/A	11.71%

N/A: The customer contributed less than 10% of total revenue for the corresponding year.

(e) Accounting policy of revenue recognition

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.

At contract inception, the Group assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct.

The Group considers the terms of the contracts to determine the transaction price. For the consideration in a contract, 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.

The Group recognised revenue only when it satisfies a performance obligation by transferring control of the promised goods or services. The transfer of control occurs at a point in time when the products were delivered and accepted by customers.

6 EXPENSES BY NATURE

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Changes in inventories of finished goods and work in progress	(20)	(135)
Materials and consumables	1,596	1,923
Employee benefit expenses *(Note 7)*	22,713	35,533
Business promotion fee	177	555
Conference fee	2,780	1,294
[REDACTED] expenses	–	8,521
Testing and clinical expenses	1,856	2,253
Traveling expenses	2,214	1,656
Depreciation of property, plant and equipment *(Note 13)*	2,329	1,401
Depreciation of right-of-use assets	1,484	1,483
Professional services expenses	1,217	732
Short term lease and low value lease expenses	397	169
Auditors' remuneration	14	285
Office expenses	373	227
Other expenses	1,860	2,028
	38,990	57,925

7 Employee benefit expenses

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Share-based compensation expenses *(Note 21)*	–	17,612
Wages, salaries and bonus	19,864	15,582
Pension obligations, housing funds, medical insurances and other social insurance (a)	2,649	2,239
Other welfare for employees	200	100
	22,713	35,533

(a) Pension obligations, housing funds, medical insurances and other social insurance

The employees of the Company and its subsidiaries participate in various government-sponsored defined contribution pension plans and various government supervised housing funds, medical insurance and other employee social insurance plan under which these subsidiaries are required to make monthly contributions to these plans calculated as a percentage of certain basis acceptable by relevant government authorities subject to certain ceilings. During the years ended December 31, 2024 and 2025, the Company and its subsidiaries had no forfeited contributions under these plans which may be utilized by the Company and its subsidiaries to reduce its contributions for the current year. The Company and its subsidiaries have no other material obligation for the payment of retirement benefit associated with these schemes beyond the annual contribution described above.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 3 directors for the years ended December 31, 2024 and 2025, whose emoluments are reflected in the analysis shown in Note 32. The emoluments payables to the remaining individuals during the years are as follows:

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Wages, salaries and bonus	1,290	1,296
Share-based compensation expenses	–	1,165
Social insurance	63	71
Other employee benefits	113	–
	1,466	2,532

The emoluments fell within the following bands:

	Year ended December 31,	
	2024	**2025**
HKD nil–HKD1,000,000	1	–
HKD1,000,001–HKD1,500,000	1	2
	2	2

8 OTHER INCOME

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Government grants	6,558	1,389
Interest income from related party borrowings	723	518
Interest income from deposits	86	–
Others	68	13
	7,435	1,920

During the years ended December 31, 2024 and 2025, the government grants mainly include financial subsidies from local government authorities. There are no unfulfilled conditions or other contingencies attaching to the grants recognised.

9 OTHER GAINS, NET

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Net fair value gains on financial assets at fair value through profit or loss	593	225
Net losses on disposals of property, plant and equipment	–	(7)
Net foreign exchange gains/(losses)	4	(2)
	597	216

10 FINANCE COSTS, NET

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Finance income:		
Interest income from cash and cash equivalents	45	14
Finance costs:		
Interest on redemption liabilities to financial investors *(Note 22)*	(14,467)	(7,329)
Interest expenses on borrowings	(350)	(737)
Interest expenses on lease liabilities	(70)	(70)
	(14,887)	(8,136)
Finance costs – net	(14,842)	(8,122)

11 INCOME TAX EXPENSE

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Current income tax expense	–	–
Deferred income tax expense	–	–
	–	–

Income tax on profits assessable has been calculated at the rates of tax prevailing in the jurisdictions in which relevant entities operate.

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to loss of the consolidated entities as follows:

	Year ended December 31,	
	2024	2025
	RMB'000	*RMB'000*
Loss before income tax	(38,630)	(48,979)
Income tax credit calculated at applicable tax rate (a)	(9,658)	(12,245)
Tax effects of preferential tax rate (b)	3,881	4,892
Expenses not deductible for tax purposes	167	4,078
Super deduction for research and development expense (c)	(1,937)	(1,618)
Tax losses for which no deferred tax asset was recognised	5,377	4,024
Temporary differences for which no deferred tax asset was recognised	2,170	869
Income tax expense	–	–

The Group principally conducted its business in Mainland China, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expiries of unused tax losses of National High-Tech Enterprise ("NHTE") issued in August 2018, the expiry period of the accumulated unexpired tax losses of the Company, which is qualified as NHTE, from 2023 had been extended from 5 years to 10 years.

	Year ended December 31,	
	2024	2025
	RMB'000	*RMB'000*
2028	3,919	3,919
2029	10,748	10,748
2030	13,075	13,075
2031	32,269	32,269
2032	60,897	60,897
2033	62,664	62,664
2034	35,964	35,964
2035	–	26,837
	219,536	246,373

(a) PRC corporate income tax ("PRC CIT")

The Company and its subsidiaries in the PRC are subject to PRC CIT which is calculated based on the applicable tax rate of 25% on the assessable profits of the subsidiaries in accordance with PRC tax laws and regulations for the Track Record Period, except for disclosed below.

(b) Preferential CIT Rate

The Company obtained its NHTE status in year 2023 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing November 2023.

During the years ended December 31, 2024 and 2025, certain subsidiaries in mainland China qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC and enjoyed a preferential income tax rate of 20%. In this case, Suzhou Ammunition Biotechnology Co., Ltd. and Shenzhen Ammunition Life-tech Co., Ltd. incorporated in the PRC, as small and micro enterprises, can enjoy a 20% Corporate Income Tax rate on 25% of the taxable income amount for the proportion of taxable income not exceeding RMB3 million. Inner Mongolia Ammunition Biotechnology Co., Ltd. incorporated in the PRC, as a small and micro enterprise, can enjoy a 20% Corporate Income Tax rate on 25% of the taxable income amount for the proportion of taxable income not exceeding RMB3 million. Moreover, according to local income tax preferential policy, for the portion of taxable income not exceeding RMB1 million, Inner Mongolia Ammunition Biotechnology Co., Ltd. can enjoy an exemption of 40% corporate income tax, resulting in an actual applicable tax rate of 3%.

(c) Super Deduction for research and development expenses

According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2018 onwards, enterprises engaged in R&D activities are entitled to claim an additional tax deduction amounting to 75% of the qualified R&D expenses incurred in determining its tax assessable profits for that year ("Super-Deduction"). The additional deduction ratio was increased to 100% for the Company starting from March 2021.

(d) Pillar Two income tax

The Company and its subsidiaries operated solely in PRC during the Track Record Period where Pillar Two rules have not been enacted or substantially enacted.

12 LOSS PER SHARE

On 28 July 2025, the Company was converted into a joint stock company with limited liability. 5,000,000 ordinary shares at RMB1.0 each were issued and allotted to the then owners of the Company in proportion to their holding of registered capital of the Company on that day. The capitalisation issue of share capital is applied retrospectively for the purpose of calculating basic loss per share, and the weighted average number of ordinary shares was adjusted taking into account the timing of the respective capital injections by the then owners of the Company during the respective year of the Track Record Period.

(a) Basic loss per share

Basic loss per share for the years ended December 31, 2024 and 2025 are calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period.

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Loss attributable to owners of the Company	(38,630)	(48,979)
Weighted average number of ordinary shares in issue ('000')	5,000	5,000
Basic loss per share (expressed in RMB per share)	(7.73)	(9.80)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group incurred losses for the years ended December 31, 2024 and 2025, these potential ordinary shares, i.e. shares with redemption rights, were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2024 and 2025 were the same as basic loss per share of the respective years.

13 PROPERTY, PLANT AND EQUIPMENT

Group and Company

	Laboratory and manufacturing equipment	Computer and electronic equipment	Other equipment	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024					
Cost	7,126	3,661	702	3,391	14,880
Accumulated depreciation	(2,917)	(2,497)	(442)	(2,434)	(8,290)
Net book amount	4,209	1,164	260	957	6,590
Year ended December 31, 2024					
Opening net book amount	4,209	1,164	260	957	6,590
Additions	–	7	28	–	35
Depreciation charge	(922)	(550)	(112)	(745)	(2,329)
Closing net book amount	3,287	621	176	212	4,296
At December 31, 2024					
Cost	7,126	3,668	730	3,391	14,915
Accumulated depreciation	(3,839)	(3,047)	(554)	(3,179)	(10,619)
Net book amount	3,287	621	176	212	4,296

	Laboratory and manufacturing equipment	Computer and electronic equipment	Other equipment	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2025					
Opening net book amount	3,287	621	176	212	4,296
Additions	6	3	112	–	121
Disposals	–	(10)	(11)	–	(21)
Depreciation charge	(891)	(315)	(107)	(88)	(1,401)
Closing net book amount	2,402	299	170	124	2,995
At December 31, 2025					
Cost	7,132	3,671	842	3,391	15,036
Accumulated depreciation	(4,730)	(3,372)	(672)	(3,267)	(12,041)
Net book amount	2,402	299	170	124	2,995

Depreciation of the Group charged to the consolidated statements of comprehensive loss is analysed as follows:

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Cost of sales	167	149
Selling and distribution expenses	67	20
General and administrative expenses	688	174
Research and development expense	1,407	1,058
	2,329	1,401

Accounting policy for property, plant and equipment

(i) Recognition and subsequent measurement

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	Estimated useful lives
Laboratory and manufacturing equipment	3–10 years
Computer and electronic equipment	3–5 years
Other equipment	4–5 years
Leasehold improvement	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statements of comprehensive loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(ii) Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

14 LEASES

Group and Company

(i) Amounts recognised in the consolidated balance sheets

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Right-of-use assets		
Offices and laboratory	2,379	1,566
Lease liabilities		
Current	1,142	1,175
Non-current	1,267	431
	2,409	1,606

Additions to the right-of-use assets during the years ended December 31, 2024 and 2025 were approximately RMB2,461,000 and RMB671,000 respectively.

(ii) Amounts recognised in the consolidated statements of comprehensive loss

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Depreciation charge of right-to-use assets	1,484	1,483
Interest expenses on lease liabilities	70	70
Expenses relating to short-term leases (included in administrative expenses and research and development expenses)	397	169

The total cash outflow for leases during the years ended December 31, 2024 and 2025 were RMB1,942,000 and RMB1,713,000 respectively.

15 TRADE RECEIVABLES

Group and Company

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Trade receivables		
– due from related parties	90	526
– due from third parties	920	6,984
Less: credit loss allowance	(136)	(832)
Trade receivables – net	874	6,678

As at December 31, 2024 and 2025, the aging analysis of trade receivables based on invoices date is as follows:

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Up to 1 year	899	7,005
1 to 2 years	60	410
Over 2 years	51	95
	1,010	7,510

The carrying amounts of the Group's trade receivables are denominated in RMB and approximate their fair values as at the balance sheet date.

The credit loss allowance as at December 31, 2024 and 2025 was determined as follows for trade receivables:

	As at December 31, 2024		
	Gross amount	**Expected credit loss rate**	**Loss allowance**
	RMB'000	%	*RMB'000*
Up to 1 year	899	2.8%	25
1 to 2 years	60	100%	60
Over 2 years	51	100%	51
	1010		136

	As at December 31, 2025		
	Gross amount	**Expected credit loss rate**	**Loss allowance**
	RMB'000	%	*RMB'000*
Up to 1 year	7,005	4.7%	327
1 to 2 years	410	100%	410
Over 2 years	95	100%	95
	7,510		832

Impairment losses on trade receivables are presented as credit loss allowance within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item. Movements on the Group's credit loss allowance for trade receivables refer to Note 3.1.2.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payment.

16 PREPAYMENTS AND OTHER RECEIVABLES

Group

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Other receivables		
– Amounts due from related parties *(Note 31)*	26,842	3,903
– Deposits	497	464
– Others	27	44
	27,366	4,411
Less: provision for impairment	(244)	(35)
	27,122	4,376
Prepayments to suppliers		
– Products and services procurement	305	143
Other current assets	–	1,058
Value-added tax recoverable	473	823
	27,900	6,400

Company

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Other receivables		
– Amounts due from related parties *(Note 31)*	26,842	3,903
– Amounts due from subsidiaries	35	–
– Deposits	494	464
– Others	25	44
	27,396	4,411
Less: provision for impairment	(244)	(35)
	27,152	4,376
Prepayments to suppliers		
– Products and services procurement	303	143
Other current assets	–	1,058
Value-added tax recoverable	473	823
	27,928	6,400

17 CASH AND BANK BALANCES

Group

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Cash and cash equivalents	39,092	54,713

The cash and bank balances are denominated in the following currencies.

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
RMB	38,756	54,643
USD	336	70
	39,092	54,713

Company

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Cash and cash equivalents	37,694	53,369

18 PAID-IN CAPITAL

Group and Company

	Paid-in capital
	RMB'000
As at January 1, 2024 and December 31, 2024	1,469
Conversion into a joint stock limited company *(Note 19)*	(1,469)
As at December 31, 2025	–

In July 2025, the Company was converted into a joint stock company with limited liability under the Company law of the PRC, with approximately 5,000,000 ordinary shares at RMB1 each.

19 SHARE CAPITAL

Group and Company

A summary of movements in the Company's authorized, issued and fully paid share capital is as follows:

	Number of shares	Share capital
	'000	*RMB'000*
As at January 1, 2024 and December 31, 2024	–	–
Conversion into a joint stock company	5,000	5,000
As at December 31, 2025	5,000	5,000

20 RESERVES

The following table shows a breakdown of the balance sheet line items "capital reserve", "share-based payment reserve" and "other reserve" and their movements during the respective year/period.

Group and Company

	Reserves			
	Capital reserve	Share-based payment reserve (a)	Other reserve (b)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024 and December 31, 2024	237,626	42,090	(223,866)	55,850
Derecognition of redemption liabilities to financial investors *(Note 22) (b)*	56,089	–	223,866	279,955
Conversion into a joint stock company *(Note 19)*	(183,181)	–	–	(183,181)
Share-based compensation expenses	–	11,928	–	11,928
As at December 31, 2025	110,534	54,018	–	164,552

(a) Details of share-based payment reserve refer to Note 21.

(b) The Group recorded other reserve to reflect the carrying amount of the redemption liabilities to financial investors.

On May 8, 2025, upon termination of the preferred rights of the Series Seed Investors, Series Pre-A Investors, Series A Investors and Series B Investors and Series C Investors, all the other reserve was derecognised and the difference between the balance of the redemption liabilities to financial investors and the balance of other reserve was credited to the capital reserves. Further details are described in Note 22.

21 SHARE-BASED COMPENSATION

(i) Share award schemes

From 2019 to 2022, total of 272,040 shares of the registered capital of RMB1.00 each of the Company were granted to Dr. Zhang Lianglu and Dr. Dong Lanlan, shareholder and directors of the Company, through three partnership platforms, namely Wuhan Weiai Fangxing Medical Consulting Service Partnership Enterprise(Limited Partnership) ("Wuhan Weiai"), Wuhan Aiminisen Medical Consulting Services Partnership (Limited Partnership) ("Wuhan Aiminisen") or Wuhan Changsheng Medical Consulting Service Partnership (Limited Partnership) ("Wuhan Changsheng"), at considerations totalling RMB5,956,000, and with no further service and performance conditions imposed. Share-based payment expense amounting to RMB42,090,000 was recognised prior to the Track Record Period and correspondingly credited to share-based payment reserve (Note 20).

During the Track Record Period, the Company received RMB272,040 from the partnership platforms, and the remaining balance of receivables from the partnership platforms amounted to RMB5,684,000 (Note 31) up to June 30, 2025. On August 26, 2025, the shareholders passed a resolution and approved a modification of the considerations of the shares issued to the partnership platforms to RMB1.00 per share for all the 272,040 shares issued to the partnership platforms. As a result, an additional share-based payment expense of RMB5,684,000 was recognised by the Company in August 2025.

In September 2025, pursuant to the first employee incentive scheme in 2025, Dr. Zhang Lianglu transferred part of his interests in Wuhan Weiai, one of the three above mentioned partnership platforms, to certain directors, senior management and employees (the "Eligible Participants"). The Eligible Participants then hold 128,296 ordinary shares of the Company through holding the interests in Wuhan Weiai, at a consideration of RMB24.08 per share. These awarded shares will be vested in tranches on the conditions that the Eligible Participants remain in service and upon fulfilment of certain non-market performance targets. If the conditions are not fulfilled, the Eligible Participant shall transfer the interests in Wuhan Weiai to Dr. Zhang Lianglu or through a person designated Dr. Zhang Lianglu at the initial price. The fair value of these awarded shares on the grant date was RMB279 per share, which was determined based on the fair value of ordinary shares on the grant date adopted discounted cash flow method.

In December 2025, pursuant to the second employee incentive scheme in 2025, Dr. Zhang Lianglu transferred part of his interests in Wuhan Aiminisen Medical Consulting Services Partnership (Limited Partnership) ("Wuhan Aiminisen"), one of the three above mentioned partnership platforms, to Dr. Dong Lanlan. Dr. Dong Lanlan then additionally holds 20,000 ordinary shares of the Company through holding the interests in Wuhan Aiminisen, at a consideration of RMB24.08 per share. These awarded shares do not contain service period condition or other performance conditions. The Company recognised share-based compensation expenses of RMB8,318,000 approximately in December 2025. The fair value of these awarded shares on the grant date was RMB440 per share, which was determined based on the fair value of ordinary shares on the grant date considering the most recent transaction price.

(ii) Set out below is the movement in the number of all awarded shares:

	Number of shares	Weighted average fair value per awarded share at grant date	Consideration per share
		RMB	*RMB*
As at 1 January 2024 and 31 December 2024	–	N/A	N/A
Granted	148,296	301	24.08
Vested	(20,000)	440	24.08
As at 31 December 2025	128,296	279	24.08

(iii) Expenses arising from share-based payment transactions

Expenses for the share-based compensation have been charged to the consolidated statements of comprehensive loss as follows:

	Year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
Research and development expenses	–	10,326
General and administrative expenses	–	6,445
Selling and distribution expenses	–	841
	–	17,612

Accounting policy for share-based compensation

Certain equity-settled share awards schemes are established under which the Group receives services from directors and employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; (for example, the requirement for employees to serve)
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

22 REDEMPTION LIABILITIES TO FINANCIAL INVESTORS

Group and Company

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Redemption liabilities to financial investors	272,626	–

The movements of redemption liabilities to financial investors for the years ended December 31, 2024 and 2025 were as follows:

	Redemption liabilities to financial investors
	RMB'000
As at January 1, 2024	(258,159)
Charged to finance costs	(14,467)
As at December 31,, 2024	(272,626)
As at January 1, 2025	(272,626)
Charged to finance costs	(7,329)
Derecognition	279,955
As at December 31, 2025	–

Since its incorporation in 2015, the Company has completed several rounds of financing including Series Seed, Series Pre-A, Series A, Series B and Series C (the "Financial Investors") before the Track Record Period. The Company issued registered capital to the Financial Investors, and entered into separate agreements with each round of the Financial Investors granting them redemption rights, liquidation rights, anti-dilution rights, and other rights. At each round of financing, the terms of the previous Financial Investors were modified to certain extent in order to align with the terms of the latest Financial Investors. The terms of all series of investors were aligned to the terms of the agreements with the final round of investors, being the Serious C Financial Investors. The Company recognised the obligations under such redemption rights and liquidation right as financial liabilities in total of RMB223,866,000, and recognised finance costs in the statement of comprehensive loss using the effective interest rate method.

Series	**Subscription year**	**Subscribed registered capital**	**Consideration per unit of registered capital**	**Total consideration**	**Present value of expected redemption amount**
		RMB'000	*RMB*	*RMB'000*	*RMB'000*
Series Seed (i)	2016	66.66	30	2,000	5,866
Series Pre-A	2018	158.58	88	14,000	14,000
Series A	2020	161.16	186	30,000	30,000
Series B	2021	183.94	380	70,000	70,000
Series C	2022	126.92	819	104,000	104,000

(i) Investment from Series Seed is recognised as redemption liabilities together with Series Pre-A investors who entered in 2018 due to the most-Favoured-Nation treatment agreed in its Share Purchase Agreement.

In accordance with Series Seed, Series Pre-A, Series A, Series B and Series C investment agreements, Financial Investors were granted certain preferred rights upon capital contribution. These preferred rights mainly include the followings:

Redemption rights

The Financial Investors had rights to require the Company to redeem their investments if:

(a) The Company fails to achieve a Qualified **[REDACTED]** (the Company's shares be **[REDACTED]** on an internationally recognised regional or national securities exchange that is approved by the shareholders and Board of Directors in accordance with the shareholders' agreement) before December 31, 2025. If the Company has submitted its **[REDACTED]** ("**[REDACTED]**") application proof or been already in the **[REDACTED]** process as at December 31, 2025, the repurchase period shall be automatically extended to December 31, 2026.

(b) The Company and/or the controlling shareholder are found to have committed material acts of dishonesty, particularly if the invested company has off-the-book cash sales revenue unknown to the Financial Investors;

(c) The de facto controller abandons the operation of the Company for any reason, or more than two-thirds of the key personnel (referring to directors, supervisors, general manager, deputy general manager, financial controller, and head of the technology department nominated by the founding shareholders of the Company) leave their positions within two years;

(d) The controlling shareholder violate the signed non-compete agreement or engage in businesses similar to or competing with the invested company's main business, or establish companies/entities outside the invested company that operate businesses similar to or competing with the invested company's main business, or engage in such competing activities;

(e) After completion of this investment, the controlling shareholder and/or Wuhan Weiai, Wuhan Aiminisen Medical Consulting Services Partnership (Limited Partnership) ("Wuhan Aiminisen") or Wuhan Changsheng Medical Consulting Service Partnership (Limited Partnership) ("Wuhan Changsheng") transfer their equity without the consent of the investors, resulting in a change of the Company's de facto controller;

(f) The Company or the controlling shareholder materially breach or refuse to perform the relevant agreements in the transaction documents, making the transaction purpose unachievable, or commit material illegal or non-compliant acts that substantially affect the Company's future **[REDACTED]**.

The redemption amounts were the sum of the invested principal plus an annual simple interest rate of 8%, minus any dividends or distributions already received by the Financial Investors;

According to the terms of the investment agreements, the redemption liabilities to the Financial **[REDACTED]** were all be due for redemption on December 31, 2025, and in the event of the commencement of an **[REDACTED]**, the redemption due date would be extended for one year to December 31, 2026. In December 2024, the Company's shareholders passed the resolution to commence the Hong Kong **[REDACTED]** and consequently, the carrying amounts of the redemption liabilities were adjusted down to reflect the revised estimated cash outflows and the totaling RMB5,877,000 was adjusted in interest on redemption liabilities to financial investors (Note 10) for the year ended December 31, 2024.

Liquidation rights

In the event of any liquidation, dissolution or winding up of the Company, either voluntarily or involuntarily, the holders of these shares shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of ordinary shares.

The liquidation price shall be equal to 100% of the consideration paid by the holders of these shares and all declared but undistributed dividends on the shares held by the holders of these shares, besides, some holders of these shares as agreed in the contract shall be also entitled to interest income calculated at a rate. For series Seed, series Pre-A, series A and Series B investors, the interest rate is 10% and for series C investors, the interest rate is 8%.

If the Company still has surplus property after the holders of these shares have obtained their liquidation preference amount in full, all shareholders of the Company (including the Financial Investors) shall have the right to participate in the distribution of the remaining property of the Company in accordance with the relative proportion of the registered capital of the Company paid in accordance with their respective payments.

A liquidation event means: (a) bankruptcy, dissolution or liquidation of the Company; (b) the investment period of the Company has expired, and the shareholders' meeting has not yet made a resolution to extend the investment period of the investee company; (c) the Company needs to be dissolved due to a merger or division; (d) the Company has ceased operations or is unable to continue its ongoing main business; (e) the Company undergoes liquidation due to bankruptcy, dissolution, cessation of business, suspension of its business license, or similar circumstances; (f) other events specified in the Company's articles of association.

Anti-dilution rights

Should the Company subsequently issue equity interests to incoming investors at a price lower than the initial investments paid by the existing investors, the existing investors have the right to require the controlling shareholder to adjust the equity ratio by issuing additional registered capital at the lowest price permitted by law according to the unit price of the new issuance, so that the initial subscription unit price paid by the existing investors is not higher than the unit price of the new issuance.

Termination

On May 8, 2025, pursuant to the termination agreements entered into between the Company and all of the Financial Investors all the preferred rights, including, among others, the redemption rights, liquidation rights and anti-dilution rights were irrevocably terminated. The Company did not provide any guarantee in respect of above rights and there is no side agreement in this regard. Accordingly, the financial liabilities were derecognised upon the termination of the terms and recorded in equity.

Accounting policy for redemption liabilities

A contract that contains an obligation to repurchase the Company's own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the Company's obligations to purchase is conditional on the counterparty exercising a right to redeem. The Group recognised such redemption liabilities as financial liabilities considering that triggering events for the redemption rights and deemed liquidation right that could be exercised by the investors, are out of the control of the Company and these financial instruments do not meet the definition of equity for the Company. The financial liabilities are initially measured at present value of the amount expected to be paid to the investors upon redemption which is assumed at the dates of issuance of the financial instruments and subsequently measured at amortised cost. Interests from the financial instruments are charged to finance cost.

The Group derecognised redemption liabilities to financial investors when, and only when, the redemption rights are discharged, cancelled or expired. The carry amount of the redemption liabilities to financial investors is reclassified into equity, if the contract expires without delivery.

23 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

Financial Assets		**As at December 31,**	
		2024	**2025**
	Notes	*RMB'000*	*RMB'000*
Financial assets at amortised cost:			
– Trade receivables	15	874	6,678
– Other receivables	16	27,122	4,376
Cash and cash equivalents		39,092	54,713
		67,088	65,767

Financial Liabilities		**As at December 31,**	
		2024	**2025**
	Notes	*RMB'000*	*RMB'000*
Financial assets at amortised cost:			
– Trade payables	24	261	721
– Other payables (excluding payroll and welfare payables, other tax payables and warranty provision)	25	580	3,425
Borrowings	26	10,350	35,500
Redemption liabilities to financial investors	22	272,626	–
Lease liabilities	14	2,409	1,606
		286,226	41,252

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at end of the Track Record Period is the carrying amount of each class of financial assets mentioned above.

24 TRADE PAYABLES

Group

As at December 31, 2024 and 2025, the aging analysis of trade payables based on invoice date is as follows:

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Within 6 months	138	710
6 months to 12 months	51	11
1 to 2 years	58	–
Over 2 years	14	–
	261	721

Company

As at December 31, 2024 and 2025, the aging analysis of trade payables based on invoice date is as follows:

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Within 6 months	136	710
6 months to 12 months	51	11
1 to 2 years	58	–
Over 2 years	14	–
	259	721

25 OTHER PAYABLES

Group

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Staff salaries and welfare payables	2,046	2,011
Deposits	116	2,300
Accrued expenses	284	864
Other taxes payable	139	101
Others	486	625
	3,071	5,901

Company

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Deposits	116	2,300
Staff salaries and welfare payables	2,025	2,011
Amount due to subsidiaries	600	600
Accrued expenses	284	864
Other taxes payable	139	101
Others	484	627
	3,648	6,503

26 Borrowings

Group and Company

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Borrowings included in non-current liabilities		
Borrowings – secured and guaranteed (a)	10,000	–
Borrowings – unsecured and unguaranteed (b)	–	32,500
Less: long-term borrowings due within one year	–	(11,750)
	10,000	20,750
Borrowings included in current liabilities		
Long-term borrowings due within one year-unsecured and unguaranteed (b)	–	11,750
Borrowings – unsecured and unguaranteed (c)	–	3,000
Interests payables	350	–
	350	14,750

(a) As at December 31, 2024, the long-term borrowings due to a third party of RMB10,000,000 at an annualized interest rate of 7% per annum, which will mature in July 2026, were guaranteed by another third party and secured by certain patents of the Group as the collateral.

(b) As at December 31, 2025, the effective fixed interest rate of the long-term unsecured and unguaranteed borrowings from PRC banks with the amount of RMB32,500,000 ranged from 2.50% to 3.15% per annum. Borrowings of RMB11,750,000 will be due within one year.

(c) As at 31 December 2025, the effective fixed interest rate of the unsecured and unguaranteed borrowings from PRC banks with the amount of RMB3,000,000 was 2.55%.

As at December 31, 2024 and December 31, 2025, the Group was not in breach of any financial covenants contained within the respective borrowing arrangements.

27 DEFERRED INCOME TAXES

Group and Company

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Total deferred income tax assets:	357	235
Set-off of deferred tax liabilities pursuant to set-off provisions (a)	(357)	(235)
Net deferred income tax assets	–	–
Deferred income tax assets:		
– to be recovered within 1 year	172	176
– to be recovered more than 1 year	185	59
	357	235
Total deferred income tax liabilities	357	235
Set-off of deferred tax assets pursuant to set-off provisions (a)	(357)	(235)
Net deferred income tax liabilities	–	–
Deferred income tax liabilities:		
– to be recovered within 1 year	172	176
– to be recovered more than 1 year	185	59
	357	235

(a) The Group offset deferred tax assets and deferred tax liabilities for presentation purposes only if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on same tax payee.

The movement in deferred income tax assets are as follows:

Deferred income tax assets	**Lease liabilities**
	RMB'000
As at January 1, 2024	210
Credit to profit or loss	147
As at December 31, 2024	357
As at January 1, 2025	357
Credit to profit or loss	(122)
As at December 31, 2025	235

Deferred income tax liabilities	**Right-of-use assets**
	RMB'000
As at January 1, 2024	210
Debit to profit or loss	147
As at December 31, 2024	357
As at January 1, 2025	357
Debit to profit or loss	(122)
As at December 31, 2025	235

28 DIVIDENDS

No dividend has been paid or declared by the Company or the companies now comprising the Group during each of the years ended December 31, 2024 and 2025.

29 CASH FLOW INFORMATION

(a) Reconciliation of loss for the year to net cash used in operations

	Year ended December 31,	
	2024	2025
	RMB'000	*RMB'000*
Loss before income tax	(38,630)	(13,906)
Loss before income tax	(38,630)	(48,979)
Adjustments for:		
– Depreciation of property, plant and equipment	2,329	1,401
– Depreciation of right-of-use assets	1,484	1,483
– Losses of disposal of long-term assets	–	7
– Credit loss allowances on financial assets	68	487
– Finance costs – net	14,842	8,122
– Net foreign exchange (gains)/losses	(4)	2
– Share-based compensation	–	17,612
– Fair value gains on financial assets at fair value through profit or loss	(593)	(225)
Changes in working capital:		
– Decrease/(increase) in inventories	69	(256)
– Increase in trade, other receivables and prepayments	(3,075)	(7,975)
– Increase in contract liabilities	1,638	152
– (Decrease)/Increase in trade payables	(261)	460
– (Decrease)/Increase in other payables	(1,414)	3,889
Cash used in operating activities	(23,547)	(23,820)

(b) Reconciliation of liabilities arising from financing activities

	Borrowings	Lease liabilities	Redemption liabilities to financial investors	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net debt as at January 1, 2024	–	(1,424)	(258,159)	(259,583)
Cash flows	(10,000)	1,546	–	(8,454)
Acquisition-leases	–	(2,461)	–	(2,461)
Interest expenses	(350)	(70)	(14,467)	(14,887)
Net debt as at December 31, 2024	(10,350)	(2,409)	(272,626)	(285,385)
Cash flows	(24,413)	1,544	–	(22,869)
Acquisition-leases	–	(671)	–	(671)
Interest expenses	(737)	(70)	(7,329)	(8,136)
Derecognition (Note 22)	–	–	279,955	279,955
Net debt as at December 31, 2025	(35,500)	(1,606)	–	(37,106)

(c) Major non-cash transaction

Except for the addition to right-of-use assets (note 14) and termination of redemption liabilities to financial investors (note 22), there were no other material non-cash transactions in financing activities during the Track Record Period.

30 COMMITMENTS

As at December 31, 2024 and 2025, the Group did not have any material capital and investment commitments.

31 RELATED PARTY TRANSACTIONS

Parties are considered to be related when one party has the ability, directly or indirectly, to control the other part or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The table set forth below summaries the names of the related parties and nature of their relationship with the Group.

Name of related party	Relationship with the Group
Dr. Zhang Lianglu	Controlling shareholder
Wuhan Ainuo Medical Testing Laboratory Co., Ltd.	Wholly-owned by Dr. Zhang Lianglu
Wuhan Weiai	Beneficially owned by Dr. Zhang Lianglu and Dr. Dong Lanlan
Wuhan Aiminisen	Beneficially owned by Dr. Zhang Lianglu and Dr. Dong Lanlan
Wuhan Changsheng	Beneficially owned by Dr. Zhang Lianglu and Dr. Dong Lanlan
Wuhan High Tech Medical Device Enterprise Incubation Co., Ltd.	Non-controlling shareholder of the Company
Guangdong Hybribio Biotechnology Co., Ltd. and its subsidiaries	Non-controlling shareholder of the Company

(b) Transactions with related parties

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
(i) Sales and services to related parties		
Wuhan Ainuo Medical Testing Laboratory Co., Ltd.	3,774	2,656
Guangdong Hybribio Biotechnology Co., Ltd. and its subsidiaries	375	359
	4,149	3,015
(ii) Loans to related parties		
Dr. Zhang Lianglu	12,620	–
(iii) Repayment of loans from related parties		
Dr. Zhang Lianglu	10,400	17,500

(c) Balances with related parties

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
(i) Receivables from related parties		
Trade		
Wuhan Ainuo Medical Testing Laboratory Co., Ltd.	–	526
Guangdong Hybribio Biotechnology Co., Ltd. and its subsidiaries	90	–
Credit loss allowance	(3)	(2)
	87	524

Trade balance referred to receivables arising from the sales of goods to related parties. The balances were unsecured, interest free and repayable on demand.

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Non-Trade		
Dr. Zhang Lianglu (a)	20,886	3,903
Wuhan Weiai (b)	81	–
Wuhan Aiminisen (b)	675	–
Wuhan Changsheng (b)	5,200	–
	26,842	3,903
Credit loss allowance	(244)	(35)
	26,598	3,868

(a) Non-trade balances due from Dr. Zhang Lianglu represents the principal of loans from the Company and the interests with interest rates at 3% to 4% accrued thereon. As at December 31, 2024 and 2025, all the balances were repayable on demand. The loans were mainly used for his wholly-owned company, Wuhan Ainuo Medical Testing Laboratory Co., Ltd.'s daily operation. Subsequent to December 31, 2025, Dr. Zhang Lianglu has repaid RMB3,903,000 in aggregate in March 2026.

(b) As at 31 December 2024, Wuhan Weiai was beneficially held as to 69% by Dr. Zhang Lianglu and 31% by Dr. Dong Lanlan. Wuhan Aiminisen was beneficially held as to 90% by Dr. Zhang Lianglu and 10% by Dr. Dong Lanlan. Wuhan Changsheng was beneficially held as to 94% by Dr. Zhang Lianglu and 6% by Dr. Dong Lanlan. Non-trade receivables from Wuhan Weiai, Wuhan Aiminisen and Wuhan Changsheng, amounting to RMB5,684,000 aggregately, were waived on 26 August 2025 as a modification of share award scheme approved by the shareholders (Note 21).

(ii) Contract liabilities from related parties

Wuhan Ainuo Medical Testing Laboratory Co., Ltd.	1,264	–

(d) Key management compensation

Compensations for key management including those for directors whose emoluments are disclosed in Note 32 is set out below.

	Year ended December 31,	
	2024	**2025**
	RMB'000	*RMB'000*
Share-based compensation expenses	–	16,602
Wages, salaries and bonus	2,015	2,769
Pension obligations, housing funds, medical insurances and other social insurances	224	285
	2,239	19,656

32 Directors' benefits and interests

(a) Directors' and senior management's emoluments

Directors and chief executives' emoluments for the years ended December 31, 2024 and 2025 are set out as follows:

	Salary	**Discretionary bonus**	**Pension obligations, housing funds, medical insurances and other social insurance**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024				
Executive directors				
Dr. Dong Lanlan	568	47	57	672
Dr. Zhang Lianglu	542	45	57	644
Mr. Wu Zhicheng	420	42	57	519
Ms. Guo Hong	324	27	53	404
Non-executive directors				
Mr. Guan Yuwei (i)	–	–	–	–
Mr. Chen Jianping (ii)	–	–	–	–
Mr. Wang Zhifei	–	–	–	–
	1,854	161	224	2,239

	Salary	Discretionary bonus	Pension obligations, housing funds, medical insurances and other social insurance	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025					
Executive directors					
Dr. Dong Lanlan	568	76	57	8,993	9,694
Dr. Zhang Lianglu	542	72	57	5,319	5,990
Mr. Wu Zhicheng	420	62	57	595	1,134
Ms. Guo Hong	323	43	53	306	725
Non-executive directors					
Mr. Chen Jianping (ii)	–	–	–		–
Mr. Wang Zhifei	–	–	–		–
	1,853	253	224	15,213	17,543

(i) Mr. Guan Yuwei resigned from the position of a non-executive director in December 2024.

(ii) Mr. Chen Jianping was appointed as a non-executive director in December 2024.

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the years ended December 31, 2024 and 2025.

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the years ended December 31, 2024 and 2025.

(d) Consideration provided to third parties for making available directors' services

During the years ended December 31, 2024 and 2025, the Company did not pay consideration to any third parties for making available directors' services.

(e) Information about loans, quasi-loans and other dealings in favor of directors, bodies corporate controlled by or entities connected with directors

Save as disclosed in Note 21 and Note 31, there were no other loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the years ended December 31, 2024 and 2025.

(f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 21 and 31, no significant transactions, arrangements and contracts in relation to the Group 's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years ended December 31, 2024 and 2025.

33 SUBSIDIARIES

(a) Subsidiaries of the Company

The details of the subsidiaries of the Group are set out below:

Name	Place and date of incorporation	Principal activities	Registered capital As at December 31, 2024	Registered capital As at December 31, 2025	Percentage of attributable equity interest to the Company As at December 31, 2024	Percentage of attributable equity interest to the Company As at December 31, 2025
			(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Suzhou Ammunition Biotechnology Co., Ltd. (i)(ii)	PRC, July 14, 2020	Pharmaceuticals research, development and production	5,000	N/A	100%	N/A
Shenzhen Ammunition Life-tech Co., Ltd. (i)	PRC, July 29, 2021	Pharmaceuticals research, development and production	5,000	5,000	100%	100%
Inner Mongolia Ammunition Biotechnology Co., Ltd. (i)	PRC, October 27, 2023	Pharmaceuticals research, development and production	1,000	1,000	100%	100%

(i) No audited financial statements have been issued for these companies for the years ended December 31, 2024 and 2025 as there is no statutory requirement.

(ii) Suzhou Ammunition Biotechnology Co., Ltd. was deregistered on July 18, 2025.

(b) Investment in subsidiaries – the Company

	As at December 31, 2024	As at December 31, 2025
	RMB'000	*RMB'000*
Investment in subsidiaries	2,050	2,000

34 SUBSEQUENT EVENTS

On January 27, 2026, pursuant to the investment agreement entered into between Jiaxing Danlu Equity Investment Partnership Enterprise (Limited Partnership) ("Jiaxing Danlu") and the Company, Jiaxing Danlu subscribed for additional 45,455 ordinary shares of the Company, at a total consideration of RMB20 million, which was fully settled on 28 January 2026.

35 SUMMARY OF OTHER ACCOUNTING POLICIES

35.1 Principles of consolidation and equity accounting

35.1.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive loss of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

35.2 Foreign currency translation

35.2.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is RMB. As the major operations of the Group are within the PRC, the Group determined to present its Historical Financial Information in RMB (unless otherwise stated).

35.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in consolidated statements of comprehensive loss in the period in which they arise.

Monetary assets and liabilities denominated in foreign currencies at the year end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

All foreign exchange gains and losses are presented in the consolidated statements of comprehensive loss within "Other gains/losses – net".

35.2.3 Group companies

The results and balance sheet of all the Group entities have a functional currency consistent with the presentation currency.

35.3 Prepayments and other receivables

Prepayments mainly represent upfront cash payments made to testing companies. Prepayments to testing companies will be subsequently recorded as research and development expenses in accordance with the applicable performance requirements.

Prepayments are generally due for settlement within one year or less and therefore are all classified as current assets.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

35.4 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

35.5 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

35.6 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/losses, net", together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statements of comprehensive loss within other gains/losses, net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statements of comprehensive loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis for the expected credit losses on financial assets (including trade receivables, other receivables, term bank deposits, restricted cash and cash and cash equivalents), which is subject to impairment under IFRS 9. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, please refer to Note 3.1.2 for details.

For others, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

35.7 Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

35.8 Employee benefits

35.8.1 Pension obligations

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to certain ceiling. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group's contributions to these plans are expensed as incurred.

35.8.2 Housing funds, medical insurances and other social insurances

The PRC employees of the Group are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period.

35.8.3 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

35.8.4 Employee leave entitlement

Employee entitlement to annual leave are recognised when they have accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employees entitlement to sick leave and maternity leave are not recognised until the time of leave.

35.8.5 Bonus plan

The expected cost of bonus is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

35.9 Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of fair value gain or loss associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

35.10 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to costs are deferred and recognised in consolidated statements of comprehensive loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to consolidated statements of comprehensive loss over the estimated useful lives of the related assets using the straight-line method.

35.11 Leases as lessee

The Group leases various properties. Rental contracts are typically made for fixed periods of 1 to 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statements of comprehensive loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- the lease payments are discounted using the interest rate implied in the lease, if that rate can be determined, or the respective incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- payments associated with short-term leases are recognised on a straight-line basis as an expense in consolidated statements of comprehensive loss. Short-term leases are leases with a lease term of 12 months or less.

35.12 Research and development expenditure

Research expenditure is recognised as an expense as incurred. Development cost is capitalized only if all of the following criteria are satisfied:

- It is technically feasible to complete the research and development project so that it will be available for use;
- Management intends to complete the research and development project and use or sell it;
- There is an ability to use or sell the research and development project;
- It can be demonstrated how the research and development project will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- The expenditure attributable to the research and development project during its development can be reliably measured.

The Group's research and development expenditure incurred during the Track Record Period that did not meet these criteria were recognised as an expense.

35.13 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, please refer to Note 9 above. Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, please refer to Note 10 below. Any other interest income is included in "other income".

35.14 Paid-in capital/share capital

Ordinary shares are classified as equity. Redemption liabilities at amortised cost described in Note 22 are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

35.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.

35.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

Ⅲ SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of the companies comprising the Group in respect of any period subsequent to December 31, 2025 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025.