

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[42], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF PRIMEGENX THERAPEUTICS CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED AND CMBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of PrimeGenX Therapeutics Co., Ltd. (the “Company”) set out on pages I-[3] to I-[42], which comprises the statements of financial position of the Company as at 31 December 2024 and 2025 and 30 April 2026, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows, for each of the years ended 31 December 2024 and 2025 and the four months ended 30 April 2026 (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-[3] to I-[42] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “Document”) in connection with the initial [REDACTED] of 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 the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 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.

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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 purpose of the accountants’ report, a true and fair view of the financial position of the Company as at 31 December 2024 and 2025 and 30 April 2026 and of its financial performance and its cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Company which comprises the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the four months ended 30 April 2025 and other explanatory information (the “Stub Period Corresponding Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 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 and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

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

Dividends

We refer to Note 25(a) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants
8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

[Date]

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HISTORICAL FINANCIAL INFORMATION

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

The financial statements of the Company for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi (“RMB”))

	Note	Year ended 31 December		Four months ended 30 April	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Other net income	4	11,220	36,296	860	5,998
(Impairment losses)/reversal of impairment losses on financial assets		(172)	499	(3)	(13)
General and administrative expenses		(40,753)	(46,993)	(13,110)	(27,841)
Research and development expenses		(146,207)	(128,436)	(36,252)	(54,492)
Loss from operations		(175,912)	(138,634)	(48,505)	(76,348)
Finance costs	5(a)	(2,584)	(2,469)	(893)	(1,184)
Loss before taxation	5	(178,496)	(141,103)	(49,398)	(77,532)
Income tax	6	—	—	—	—
Loss and total comprehensive income for the year/period		<u>(178,496)</u>	<u>(141,103)</u>	<u>(49,398)</u>	<u>(77,532)</u>
Loss per share	9				
Basic and diluted (RMB)		<u>(1.02)</u>	<u>(0.73)</u>	<u>(0.26)</u>	<u>(0.40)</u>

The accompanying notes form part of the Historical Financial Information.

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STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at 31 December		As at 30 April
		2024	2025	2026
		RMB’000	RMB’000	RMB’000
Non-current assets				
Property and equipment	10	4,652	3,950	3,695
Right-of-use assets	11	1,574	16,144	17,405
Intangible assets	12	1,823	584	547
Other non-current assets	13	11,274	15,389	14,925
		<u>19,323</u>	<u>36,067</u>	<u>36,572</u>
Current assets				
Prepayments and other receivables	14	8,498	7,696	10,140
Financial assets measured at fair value through profit or loss (“FVPL”)	15	50,186	–	43,054
Financial assets measured at fair value through other comprehensive income (“FVOCI”)	16	–	–	40,204
Restricted bank deposits	17	–	10,000	–
Cash and cash equivalents	17	189,653	190,837	127,682
		<u>248,337</u>	<u>208,533</u>	<u>221,080</u>
Current liabilities				
Trade and other payables	18	27,841	50,876	41,863
Amount due to a related party	28	2,364	202	396
Bank loans	19	82,000	90,980	116,306
Lease liabilities	20	1,097	3,967	2,701
		<u>113,302</u>	<u>146,025</u>	<u>161,266</u>
Net current assets		<u>135,035</u>	<u>62,508</u>	<u>59,814</u>
Total assets less current liabilities		<u>154,358</u>	<u>98,575</u>	<u>96,386</u>
Non-current liabilities				
Bank loans	19	–	44,000	50,395
Lease liabilities	20	426	13,038	15,090
Other non-current liabilities	21	–	–	37,736
Deferred income	22	–	4,208	356
		<u>426</u>	<u>61,246</u>	<u>103,577</u>
NET ASSETS/(LIABILITIES)		<u>153,932</u>	<u>37,329</u>	<u>(7,191)</u>
CAPITAL AND RESERVES	25			
Share capital		96,085	96,085	96,085
Reserves		57,847	(58,756)	(103,276)
TOTAL EQUITY/(DEFICIT)		<u>153,932</u>	<u>37,329</u>	<u>(7,191)</u>

The accompanying notes form part of the Historical Financial Information.

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STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Share capital	Capital reserve	Other reserve	Accumulated losses	Total equity / (deficit)
	RMB'000 (Note 25(b))	RMB'000 (Note 25(c)(i))	RMB'000 (Note 25(c)(ii))	RMB'000	RMB'000
Balance at 1 January 2024	84,596	225,798	36,233	(245,978)	100,649
Changes in equity for 2024:					
Loss and total comprehensive income for the year	—	—	—	(178,496)	(178,496)
Issuance of shares	11,489	204,511	—	—	216,000
Equity settled share-based payments (Note 23)	—	—	15,779	—	15,779
Balance at 31 December 2024 and 1 January 2025	96,085	430,309	52,012	(424,474)	153,932
Changes in equity for 2025:					
Loss and total comprehensive income for the year	—	—	—	(141,103)	(141,103)
Equity settled share-based payments (Note 23)	—	—	24,500	—	24,500
Balance at 31 December 2025 and 1 January 2026	96,085	430,309	76,512	(565,577)	37,329
Changes in equity for the four months ended 30 April 2026:					
Loss and total comprehensive income for the period	—	—	—	(77,532)	(77,532)
Equity settled share-based payments (Note 23)	—	—	33,012	—	33,012
Balance at 30 April 2026	<u>96,085</u>	<u>430,309</u>	<u>109,524</u>	<u>(643,109)</u>	<u>(7,191)</u>
	Share capital	Capital reserve	Other reserve	Accumulated losses	Total equity
	RMB'000 (Note 25(b))	RMB'000 (Note 25(c)(i))	RMB'000 (Note 25(c)(ii))	RMB'000	RMB'000
Balance at 1 January 2025	96,085	430,309	52,012	(424,474)	153,932
Changes in equity for the four months ended 30 April 2025 (unaudited):					
Loss and total comprehensive income for the period	—	—	—	(49,398)	(49,398)
Equity settled share-based payments (Note 23)	—	—	8,298	—	8,298
Balance at 30 April 2025 (unaudited)	<u>96,085</u>	<u>430,309</u>	<u>60,310</u>	<u>(473,872)</u>	<u>112,832</u>

The accompanying notes form part of the Historical Financial Information.

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STATEMENTS OF CASH FLOWS

(Expressed in RMB)

	Note	Year ended 31 December		Four months ended 30 April	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities					
Loss before taxation		(178,496)	(141,103)	(49,398)	(77,532)
Adjustments for:					
Finance costs	5(a)	2,584	2,469	893	1,184
Interest income	4	(429)	(381)	(102)	(169)
Depreciation and amortisation	5(c)	4,362	5,983	1,630	1,594
Share-based payment expenses	23	15,779	24,500	8,298	33,012
Fair value gains on financial assets measured at FVPL	4	(811)	(307)	(107)	(454)
Loss on disposal of property and equipment		1	2	2	–
Gain on early termination of lease		–	–	–	(1,371)
Impairment losses/(reversal of impairment losses) on financial assets		172	(499)	3	13
Changes in working capital:					
Changes in prepayments and other receivables		(2,949)	2,635	1,859	(1,168)
Changes of other non-current liabilities		–	–	–	37,736
Changes in trade and other payables		4,331	24,565	9,272	(8,860)
Changes in deferred income		–	4,208	–	(3,852)
Changes in amount due to a related party		1,616	(2,162)	(299)	194
Changes of restricted bank deposits		–	(10,000)	–	10,000
Changes in other non-current assets		(5,678)	(4,115)	(855)	464
Net cash used in operating activities		<u>(159,518)</u>	<u>(94,205)</u>	<u>(28,804)</u>	<u>(9,209)</u>
Investing activities					
Payments for purchase of property and equipment		(437)	(1,157)	(163)	(81)
Proceeds from sale of property and equipment		1	–	–	–
Payments for purchase of intangible assets		(827)	(1,132)	(791)	–
Payment for purchase of financial assets measured at FVOCI		–	–	–	(40,080)
Payments for purchase of financial assets measured at FVPL		(228,000)	(175,000)	(30,000)	(369,500)
Proceeds from redemptions of financial assets measured at FVPL		188,680	225,493	80,293	326,900
Interest received		<u>429</u>	<u>381</u>	<u>102</u>	<u>45</u>
Net cash (used in)/generated from investing activities		<u>(40,154)</u>	<u>48,585</u>	<u>49,441</u>	<u>(82,716)</u>

The accompanying notes form part of the Historical Financial Information.

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	Note	Year ended 31 December		Four months ended 30 April	
		2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Financing activities					
Proceeds from bank loans	17(b)	157,000	136,980	–	56,900
Repayment of bank loans	17(b)	(108,596)	(84,000)	(20,000)	(25,500)
Interest paid for bank loans	17(b)	(2,464)	(2,117)	(750)	(731)
Principal elements of lease payments . .	17(b)	(2,199)	(2,518)	(984)	(333)
Interest elements of lease payments . .	17(b)	(120)	(352)	(14)	(132)
Payments for [REDACTED] expenses		–	(1,189)	–	(1,434)
Capital injection received from equity shareholders		216,000	–	–	–
Net cash generated from/(used in) financing activities		<u>259,621</u>	<u>46,804</u>	<u>(21,748)</u>	<u>28,770</u>
Net increase/(decrease) in cash and cash equivalents		59,949	1,184	(1,111)	(63,155)
Cash and cash equivalents at 1 January	17(a)	<u>129,704</u>	<u>189,653</u>	<u>189,653</u>	<u>190,837</u>
Cash and cash equivalents at 31 December/30 April	17(a)	<u><u>189,653</u></u>	<u><u>190,837</u></u>	<u><u>188,542</u></u>	<u><u>127,682</u></u>

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

PrimeGenX Therapeutics Co., Ltd. (the “Company”) was established in Beijing on 26 September 2016. The Company is principally engaged in the research, development and commercialisation of topical drugs that focus on the immunology and inflammation in the People’s Republic of China (“PRC”). The Company’s subsidiary, PrimeGenX Therapeutics Technology Co., Ltd. (北京普祺醫藥技術有限公司), was established in Beijing on 9 May 2026, which is wholly owned by the Company.

The statutory financial statements of the Company for year ended 31 December 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)). As at the date of this report, no statutory financial statements have been prepared for the Company for the year ended 31 December 2025.

The Company has adopted 31 December as its financial year end date.

The Historical Financial Information has been prepared assuming the Company will continue as a going concern notwithstanding the net liabilities of RMB7,191,000 as at 30 April 2026. The directors of the Company are of the opinion that the Company is able to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the Track Record Period, having taken into account the Company’s cashflow forecast for the next twelve months. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Company has consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new and revised accounting standards that are not yet effective for the accounting period beginning on 1 January 2026. The revised and new accounting standards issued but not yet effective for the Track Record Period are set out in Note 29.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

As majority of the Company’s operations are conducted by the Company in the PRC, the Historical Financial Information and the Stub Period Corresponding Financial Information are presented in RMB. All values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except for financial assets measured at FVPL and FVOCI are measured at their fair value as explained in Note 15 and 16.

(b) Use of estimates and judgements

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Investments in securities

The Company’s policies for investments in securities are set out below.

Investments in securities are recognised/derecognised on the date the Company commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Company determines fair value of financial instruments, see Note 26(e).

Non-equity investments are classified into one of the following measurement categories:

— FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

— FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(g)(ii)).

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If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

Machinery and equipment	5-10 years
Office equipment and furniture	3-5 years
Leasehold improvements	Shorter of the useful life of 5 years or the lease term

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(e) Intangible assets

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets, including computer software, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(g)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the Track Record Period are as follows:

Software and others	13 months-10 years
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Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Leased assets

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

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As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Company has elected not to separate lease components from non-lease components and allocated the consideration in the contract to each lease component on the basis of the relative stand-alone price.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Company enters into a lease in respect of a low-value asset, the Company decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payment are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(d) and 2(g)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(g) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Company recognises a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortised cost (including cash and cash equivalents and other receivables).

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Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls of financial assets measured at amortised cost are discounted using the effective interest rate determined at initial recognition or an approximation thereof if the effect is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is past the contractual due date.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Company recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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Credit-impaired financial assets

At each reporting date, the Company assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) *Impairment of other non-current assets*

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGUs”).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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(h) Receivables

A receivable is recognised when the Company has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

All receivables are stated at amortised cost.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other financial institutions and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(g)(i)).

(j) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(k) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(p).

(l) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

For equity settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the date of the grant.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring.

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(m) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

(n) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(o) Revenue and other income

Income is classified by the Company as revenue when it arises from the sale of goods in the ordinary course of the Company’s business.

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Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Company is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

During the Track Record Period, the Company did not generate any revenue from its business.

Details of the other income’s recognition policies are as follows:

(i) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(ii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Company will comply with the conditions attaching to them. Grants that compensate the Company for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Company for the cost of an asset are recognised in profit or loss over the useful life of the asset.

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(q) Related parties

(a) A person, or a close member of that person’s family, is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or the Company’s parent.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(r) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Company’s most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Company’s various lines of business and geographical locations.

The Company manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The executive directors, being the Company’s chief operating decision maker, review the Company’s results when making decisions about allocating resources and assessing performance of the Company and determine that the Company has only one operating and reportable segment. Accordingly, no further analysis of this single segment is presented.

All of the Company’s non-current assets are located in the PRC.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

Note 23 contains information about the assumptions relating to fair value of restricted shares under share incentive scheme. Other significant sources of estimation uncertainty are as follows:

Research and development expenses

Development expenses incurred on the Company’s pipeline are capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Company’s intention to complete and the Company’s ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expense which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalisation. All development expenses were expensed when incurred during the Track Record Period.

4 OTHER NET INCOME

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Government grants	9,938	35,493	536	3,902
Fair value changes of financial assets measured at FVPL . . .	811	307	107	454
Interest income	429	381	102	169
Gain on early termination of lease	—	—	—	1,371
Others	42	115	115	102
	<u>11,220</u>	<u>36,296</u>	<u>860</u>	<u>5,998</u>

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5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on bank loans (<i>Note 17(b)</i>)	2,464	2,117	879	1,052
Interest on lease liabilities (<i>Note 17(b)</i>) . .	120	352	14	132
	<u>2,584</u>	<u>2,469</u>	<u>893</u>	<u>1,184</u>

(b) Staff costs

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, wages and other benefits	56,191	50,085	16,853	17,998
Contributions to defined contribution retirement plan (<i>i</i>)	4,550	4,353	1,432	1,465
Equity-settled share-based payment expenses (<i>Note 23</i>)	15,779	24,500	8,298	33,012
	<u>76,520</u>	<u>78,938</u>	<u>26,583</u>	<u>52,475</u>

- (i) Employees of the Company in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Company in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

(c) Other items

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Depreciation charge				
– owned property and equipment (<i>Note 10</i>)	1,741	1,227	429	328
– right-of-use assets (<i>Note 11</i>)	1,946	3,430	690	1,229
	<u>3,687</u>	<u>4,657</u>	<u>1,119</u>	<u>1,557</u>
Amortisation cost of intangible assets (<i>Note 12</i>)	675	1,326	511	37
Research and development expenses (<i>i</i>) . .	146,207	128,436	36,252	54,492
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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- (i) During the years ended 31 December 2024 and 2025 and the four months ended 30 April 2025 and 2026, research and development expenses include staff costs, depreciation and amortisation expenses of RMB50,880,000, RMB55,381,000, RMB17,099,000 and RMB36,223,000, respectively, in which the respective amounts are also disclosed separately above or in note 5(b) for each of these types of expenses.

6 INCOME TAX IN THE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
			(unaudited)	
Loss before taxation	(178,496)	(141,103)	(49,398)	(77,532)
Notional tax on loss before taxation, calculated at the applicable rate in the jurisdiction concerned (i)	(44,624)	(35,276)	(12,350)	(19,383)
Tax effect of different tax rate (ii)	17,850	14,110	4,940	7,753
Tax effect of non-deductible expenses . . .	797	759	294	456
Tax effect of tax losses and other temporary differences not recognised . .	43,801	34,504	11,287	15,468
Tax effect of additional deduction on research and development expenses (iii)	(17,824)	(14,097)	(4,171)	(4,294)
	—	—	—	—

- (i) Entity established in the PRC is subject to PRC Corporate Income Tax rate of 25% during the Track Record Period.
- (ii) The Company enjoys a preferential tax rate of 15% according to its certificate of “High and New Technology Enterprise” (“HNTE”) under the PRC Corporate Income Tax Law.
- (iii) According to the relevant tax rules in the PRC, an additional 100% qualified research and development expenses are allowed to be deducted from the taxable income in the Track Record Period.

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7 DIRECTORS’ AND SUPERVISORS’ EMOLUMENTS

Details of the emoluments of the directors and supervisors of the Company during the Track Record Period are as followings:

	Year ended 31 December 2024						
	Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Mr. Li Yuliang	–	1,598	–	66	1,664	–	1,664
Dr. Daniel Yunlong Du (“Dr. Du”)	–	2,115	–	4	2,119	5,325	7,444
Mr. Wu Xing	–	1,098	–	66	1,164	2,196	3,360
Dr. Han Yongxin (“Dr. Han”)	–	975	–	–	975	–	975
Ms. Wang Hongmei	–	553	–	66	619	–	619
Mr. Xiao Qiangfu	–	–	–	–	–	–	–
Mr. Cui Yuan	–	–	–	–	–	–	–
Supervisors (iv)							
Mr. Lei Fei	–	757	–	66	823	261	1,084
Ms. Zhang Hui	–	748	–	66	814	466	1,280
Mr. Zhu Li	–	808	–	66	874	83	957
	–	8,652	–	400	9,052	8,331	17,383

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Year ended 31 December 2025

	Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity- settled share- based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Mr. Li Yuliang	–	1,601	–	68	1,669	–	1,669
Dr. Du	–	2,104	–	–	2,104	8,285	10,389
Mr. Wu Xing	–	1,101	–	68	1,169	3,418	4,587
Dr. Han	–	260	–	–	260	–	260
Ms. Wang Hongmei	–	555	–	68	623	–	623
Mr. Wang Yunhai (i) . . .	–	–	–	–	–	–	–
Mr. Xiao Qiangfu (i) . . .	–	–	–	–	–	–	–
Mr. Cui Yuan (i)	–	–	–	–	–	–	–
Independent non- executive directors							
Mr. Zhang Qing (ii)	94	–	–	–	94	–	94
Mr. Na Shuai (ii)	94	–	–	–	94	–	94
Mr. Hu Wei (ii)	94	–	–	–	94	–	94
Supervisors							
Mr. Lei Fei	–	634	–	57	691	338	1,029
Ms. Zhang Hui (iii)	–	58	–	6	64	51	115
Mr. Zhu Li	–	667	–	57	724	535	1,259
Mr. Xiao Qiangfu (iii) . .	–	–	–	–	–	–	–
	<u>282</u>	<u>6,980</u>	<u>–</u>	<u>324</u>	<u>7,586</u>	<u>12,627</u>	<u>20,213</u>

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Four months ended 30 April 2026

	Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity- settled share- based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Mr. Li Yuliang	–	534	–	23	557	–	557
Dr. Du	–	701	–	–	701	11,819	12,520
Mr. Wu Xing	–	367	–	23	390	4,875	5,265
Dr. Han	–	87	–	–	87	–	87
Ms. Wang Hongmei	–	186	–	23	209	–	209
Independent non- executive directors							
Mr. Zhang Qing	33	–	–	–	33	–	33
Mr. Na Shuai	33	–	–	–	33	–	33
Mr. Hu Wei	33	–	–	–	33	–	33
	99	1,875	–	69	2,043	16,694	18,737
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Four months ended 30 April 2025 (unaudited)

	Directors’ fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity- settled share- based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Mr. Li Yuliang	–	533	–	23	556	–	556
Dr. Du	–	701	–	–	701	2,598	3,299
Mr. Wu Xing	–	367	–	23	390	1,072	1,462
Dr. Han	–	87	–	–	87	–	87
Ms. Wang Hongmei	–	185	–	22	207	–	207
Mr. Wang Yunhai (i) . . .	–	–	–	–	–	–	–
Mr. Xiao Qiangfu (i) . . .	–	–	–	–	–	–	–
Mr. Cui Yuan (i)	–	–	–	–	–	–	–
Independent non- executive directors							
Mr. Zhang Qing (ii)	28	–	–	–	28	–	28
Mr. Na Shuai (ii)	28	–	–	–	28	–	28
Mr. Hu Wei (ii)	28	–	–	–	28	–	28
Supervisors							
Mr. Lei Fei	–	253	–	23	276	127	403
Ms. Zhang Hui (iii)	–	58	–	6	64	51	115
Mr. Zhu Li	–	266	–	23	289	535	824
Mr. Xiao Qiangfu (iii) . .	–	–	–	–	–	–	–
	84	2,450	–	120	2,654	4,383	7,037
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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- (i) In January 2025, Mr. Xiao Qiangfu and Mr. Cui Yuan resigned as executive directors and Mr. Wang Yunhai was appointed as executive director. In December 2025, Mr. Wang Yunhai resigned as executive director.
- (ii) On 24 January 2025, the Company appointed Mr. Zhang Qing, Mr. Na Shuai and Mr. Hu Wei as independent non-executive directors of the Company.
- (iii) In January 2025, Ms. Zhang Hui resigned as supervisor and Mr. Xiao Qiangfu was appointed as supervisor.
- (iv) The Company abolished the supervisor committee in November 2025.
- (v) In January 2026, the Company approved to appoint Mr. Lang Xiaofeng as independent non-executive director with effective upon the [REDACTED].

During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments and no amounts were paid or payable by the Company to the directors and the supervisors as an inducement to join or upon joining the Company or as compensation for loss of any office in connection with the management of the affairs of any member of the Company.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the Track Record Period, of the five individuals with the highest emoluments, two, two, three and two are directors/supervisors of the Company for the years ended 31 December 2024 and 2025 and the four months ended 30 April 2025 and 2026, respectively, whose emoluments are disclosed in Note 7.

The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and other emoluments	4,613	3,455	901	1,152
Retirement scheme contributions	171	137	23	46
Share-based payments	1,666	4,398	952	5,321
	<u>6,450</u>	<u>7,990</u>	<u>1,876</u>	<u>6,519</u>

The emoluments of the remaining individuals with the highest emoluments are within the following bands:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	Number of individuals	Number of individuals	Number of individuals (unaudited)	Number of individuals
HKD1,000,001 to HKD1,500,000	—	—	2	—
HKD2,000,001 to HKD2,500,000	2	1	—	1
HKD2,500,001 to HKD3,000,000	1	—	—	2
HKD3,000,001 to HKD3,500,000	—	2	—	—
	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>

During the Track Record Period, no amounts were paid or payable by the Company to the above non-director highest paid individuals as an inducement to join or upon joining the Company or as compensation for loss of any office in connection with the management of the affairs of any member of the Company.

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9 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the Track Record Period attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the respective year/period.

The weighted average number of ordinary shares throughout the periods presented has been adjusted retrospectively for the impact of the share subdivision in January 2026 (see Note 25(b)).

Loss attributable to ordinary equity shareholders of the Company:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Loss for the year/period attributable to ordinary equity shareholders of the Company	(178,496)	(141,103)	(49,398)	(77,532)

Weighted average number of ordinary shares:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	'000	'000	RMB'000 (unaudited)	RMB'000
Issued ordinary shares at 1 January	84,596	96,085	96,085	96,085
Effect of shares issued (Note 25(b))	3,103	–	–	–
Effect of share subdivision (Note 25(b))	87,699	96,085	96,085	96,085
Weighted average number of ordinary shares at 31 December/30 April	<u>175,398</u>	<u>192,170</u>	<u>192,170</u>	<u>192,170</u>

(b) Diluted loss per share

There were no dilutive potential ordinary shares for the years ended 31 December 2024 and 2025 and the four months ended 30 April 2025 and 2026, therefore diluted loss per share were the same as basic loss per share for the respective year/period.

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10 PROPERTY AND EQUIPMENT

	Machinery and equipment	Office equipment and furniture	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:				
At 1 January 2024	7,144	1,254	3,391	11,789
Additions	173	272	–	445
Disposals	–	(16)	–	(16)
At 31 December 2024 and 1 January 2025	7,317	1,510	3,391	12,218
Additions	225	177	125	527
Disposals	(8)	(4)	–	(12)
At 31 December 2025 and 1 January 2026	7,534	1,683	3,516	12,733
Additions	66	7	–	73
At 30 April 2026	7,600	1,690	3,516	12,806
	-----	-----	-----	-----
Accumulated depreciation:				
At 1 January 2024	(2,619)	(729)	(2,491)	(5,839)
Charge for the year	(716)	(348)	(677)	(1,741)
Written back on disposals	–	14	–	14
At 31 December 2024 and 1 January 2025	(3,335)	(1,063)	(3,168)	(7,566)
Charge for the year	(720)	(245)	(262)	(1,227)
Written back on disposals	6	4	–	10
At 31 December 2025 and 1 January 2026	(4,049)	(1,304)	(3,430)	(8,783)
Charge for the period	(244)	(70)	(14)	(328)
At 30 April 2026	(4,293)	(1,374)	(3,444)	(9,111)
	-----	-----	-----	-----
Net book value:				
At 31 December 2024	3,982	447	223	4,652
At 31 December 2025	3,485	379	86	3,950
At 30 April 2026	3,307	316	72	3,695
	=====	=====	=====	=====

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11 RIGHT-OF-USE ASSETS

	Buildings	Laboratory equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:			
At 1 January 2024	7,415	–	7,415
Additions	–	639	639
At 31 December 2024 and 1 January 2025 . .	7,415	639	8,054
Additions	15,955	–	15,955
Lease modification	2,045	–	2,045
At 31 December 2025 and 1 January 2026 . .	25,415	639	26,054
Additions	17,461	–	17,461
Early termination of lease	(16,988)	–	(16,988)
At 30 April 2026	25,888	639	26,527
	-----	---	-----
Accumulated depreciation:			
At 1 January 2024	(4,534)	–	(4,534)
Charge for the year	(1,919)	(27)	(1,946)
At 31 December 2024 and 1 January 2025 . .	(6,453)	(27)	(6,480)
Charge for the year	(3,367)	(63)	(3,430)
At 31 December 2025 and 1 January 2026 . .	(9,820)	(90)	(9,910)
Charge for the period	(1,208)	(21)	(1,229)
Early termination of lease	2,017	–	2,017
At 30 April 2026	(9,011)	(111)	(9,122)
	-----	---	-----
Net book value:			
At 31 December 2024	962	612	1,574
	=====	=====	=====
At 31 December 2025	15,595	549	16,144
	=====	=====	=====
At 30 April 2026	16,877	528	17,405
	=====	=====	=====

The right-of-use assets mainly represent the properties leased for own use. The leases typically run for an initial period of 3 to 5 years.

The analysis of expense items in relation to leases recognised in the Company’s profit or loss are as follows:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(unaudited)</i>	
Depreciation charge of right-of-use assets (Note 5(c))	1,946	3,430	690	1,229
Interest on lease liabilities (Note 5(a))	120	352	14	132
Expense relating to short-term leases	455	236	82	22

Note: Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 17(b) and 25(b), respectively.

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12 INTANGIBLE ASSETS

	Software and others
	<u>RMB'000</u>
Cost:	
At 1 January 2024	848
Additions	<u>1,870</u>
At 31 December 2024 and 1 January 2025	2,718
Additions	<u>87</u>
At 31 December 2025, 1 January 2026 and 30 April 2026	<u>2,805</u>

Accumulated amortisation:	
At 1 January 2024	(220)
Charge for the year	<u>(675)</u>
At 31 December 2024 and 1 January 2025	(895)
Charge for the year	<u>(1,326)</u>
At 31 December 2025 and 1 January 2026	(2,221)
Charge for the period	<u>(37)</u>
At 30 April 2026	<u>(2,258)</u>

Net book value:	
At 31 December 2024	<u>1,823</u>
At 31 December 2025	<u>584</u>
At 30 April 2026	<u>547</u>

13 OTHER NON-CURRENT ASSETS

	As at 31 December		As at 30 April
	2024	2025	2026
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Value-added tax recoverable	<u>11,274</u>	<u>15,389</u>	<u>14,925</u>

As at 31 December 2024 and 2025 and 30 April 2026, value-added tax (“VAT”) recoverable amounting to RMB11,274,000, RMB15,389,000 and RMB14,925,000, respectively were recognised as other non-current assets as they are expected to be deducted from future VAT payables arising on the Company’s revenue which are not expected to be generated within the next 12 months from the end of each of the reporting period.

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14 PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Prepayments for contract research organisation services	5,441	3,562	3,095
Prepayments for raw materials	2,205	1,658	2,822
Costs incurred to be deducted from equity in connection with the proposed [REDACTED] of the Company’s [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Rental deposits	1,563	1,357	1,457
Others	3	–	371
	9,212	7,911	10,368
Less: loss allowance	(714)	(215)	(228)
Total	8,498	7,696	10,140

All of the prepayments and other receivables are expected to be recovered or recognised as expense within one year.

15 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Structured deposits	50,186	–	43,054

Financial assets measured at fair value through profit or loss represent structured deposits purchased from banks in the PRC with variable interest, which will mature within one year at the end of each reporting period.

16 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Certificates of deposit	–	–	40,204

In February 2026, the Company purchased certificates of deposit issued by a bank with principal amount of RMB40,080,000 and with maturity on 13 January 2029. The certificates of deposit are held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, thus, are classified as financial assets measured at FVOCI.

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17 CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents and restricted bank deposits comprise

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Cash at banks	189,653	200,837	127,682
Less: restricted bank deposits (i)	—	(10,000)	—
Cash and cash equivalents	<u>189,653</u>	<u>190,837</u>	<u>127,682</u>

(i): As at 31 December 2025, restricted bank deposits represent the deposits for entrusted payments to designated suppliers.

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Company’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Company’s statements of cash flows as cash flows from financing activities.

	Bank loans	Lease liabilities	Total
	RMB'000 (Note 19)	RMB'000 (Note 20)	RMB'000
At 1 January 2024	33,596	3,083	36,679
Changes from financing cash flows:			
Proceeds from bank loans	157,000	—	157,000
Repayment of bank loans	(108,596)	—	(108,596)
Capital element of lease rentals paid	—	(2,199)	(2,199)
Interest element of lease rentals paid	—	(120)	(120)
Interest paid	(2,464)	—	(2,464)
Total changes from financing cash flows	<u>45,940</u>	<u>(2,319)</u>	<u>43,621</u>
Other changes:			
Interest expenses (Note 5(a))	2,464	120	2,584
Increase in lease liabilities from entering into new leases	—	639	639
Total other changes	<u>2,464</u>	<u>759</u>	<u>3,223</u>
At 31 December 2024	<u>82,000</u>	<u>1,523</u>	<u>83,523</u>

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	Bank loans	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 19)</i>	<i>(Note 20)</i>	
At 1 January 2025	82,000	1,523	83,523
Changes from financing cash flows:			
Proceeds from bank loans	136,980	—	136,980
Repayment of bank loans	(84,000)	—	(84,000)
Capital element of lease rentals paid	—	(2,518)	(2,518)
Interest element of lease rentals paid	—	(352)	(352)
Interest paid	(2,117)	—	(2,117)
Total changes from financing cash flows .	50,863	(2,870)	47,993
Other changes:			
Interest expenses <i>(Note 5(a))</i>	2,117	352	2,469
Increase in lease liabilities from entering into new leases	—	15,955	15,955
Lease modification	—	2,045	2,045
Total other changes	2,117	18,352	20,469
At 31 December 2025	134,980	17,005	151,985

	Bank loans	Lease liabilities	Total
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	<i>(Note 19)</i>	<i>(Note 20)</i>	
At 1 January 2026	134,980	17,005	151,985
Changes from financing cash flows:			
Proceeds from bank loans	56,900	—	56,900
Repayment of bank loans	(25,500)	—	(25,500)
Capital element of lease rentals paid	—	(333)	(333)
Interest element of lease rentals paid	—	(132)	(132)
Interest paid	(731)	—	(731)
Total changes from financing cash flows .	30,669	(465)	30,204
Other changes:			
Interest expenses <i>(Note 5(a))</i>	1,052	132	1,184
Increase in lease liabilities from entering into new leases	—	17,461	17,461
Early termination of lease	—	(16,342)	(16,342)
Total other changes	1,052	1,251	2,303
At 30 April 2026	166,701	17,791	184,492

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(c) Total cash outflow for leases

Amounts included in the statements of cash flows for lease rental paid are as follows:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Within operating cash flows . .	455	236	82	22
Within financing cash flows . .	2,319	2,870	998	465
	<u>2,774</u>	<u>3,106</u>	<u>1,080</u>	<u>487</u>

18 TRADE AND OTHER PAYABLES

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Payables for research and development costs	17,378	23,465	18,497
Government grants (i)	–	17,513	17,513
Payables for staff related costs	7,155	6,544	4,619
Payables for [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Payables for other taxes	1,052	908	803
Others	2,256	1,495	431
	<u>27,841</u>	<u>50,876</u>	<u>41,863</u>

(i) The amount represents government grants received but have not met the conditions attached to the grants.

At the end of each reporting period, the ageing analysis of the payables for research and development costs based on the date of purchase is as follows:

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 6 months	16,941	16,898	15,153
Over 6 months and within 1 year	342	3,450	1,926
Over 1 year	95	3,117	1,418
	<u>17,378</u>	<u>23,465</u>	<u>18,497</u>

The trade and other payables are expected to be settled within one year or are payable on demand.

19 BANK LOANS

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Bank loans	<u>82,000</u>	<u>134,980</u>	<u>166,701</u>

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The bank loans are unsecured and unguaranteed. The bank loans bear interest rates ranging from 3.15% to 4.1% per annum as at 31 December 2024, 2.2% to 2.7% per annum as at 31 December 2025 and 2.2% to 3.3% per annum as at 30 April 2026.

The analysis of the repayment schedule of bank loans is as follows:

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	82,000	90,980	116,306
After 1 year but within 2 years	—	44,000	50,395
Total	<u>82,000</u>	<u>134,980</u>	<u>166,701</u>

Included in the current portion of bank loans as at 31 December 2025, bank loan with carrying amount RMB20,000,000 was reclassified to repayable on demand because the Company did not comply with a liabilities-to-assets financial ratio covenant required by the bank. Such bank loan was early repaid in January 2026.

20 LEASE LIABILITIES

At the end of each reporting period, the lease liabilities were repayable as follows:

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year	1,097	3,967	2,701
After 1 year but within 2 years	284	3,859	3,736
After 2 years but within 5 years	142	9,179	11,354
	<u>426</u>	<u>13,038</u>	<u>15,090</u>
	<u>1,523</u>	<u>17,005</u>	<u>17,791</u>

21 OTHER NON-CURRENT LIABILITIES

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Upfront receipt for exclusive cooperation agreement	—	—	37,736

In January 2026, the Company entered into an exclusive cooperation agreement with a third party on commercialisation and marketing of the Company’s core product, Pumecitinib nasal spray, in the PRC for a 10-year-period following its regulatory approval. The Company received the upfront payment of RMB40 million in February 2026 and recognised liabilities net of VAT. The receipt will be amortised over the cooperation period and reduce the selling expenses correspondingly following the regulatory approval of Pumecitinib nasal spray.

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22 DEFERRED INCOME

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Government grants	—	4,208	356
	—	—	—

Deferred income represents government grant received in September 2025 to subsidise the subsequent clinical study expenses of a pipeline product, which would be recognised in “Other net income” in the periods when the related expenses incurred.

23 EQUITY SETTLED SHARE-BASED PAYMENTS

(a) 2019 Share Incentive Arrangement

In July 2019, as initiated by the shareholders, RMB3,000,000 paid-in-capital held by Chifeng Qingxi Enterprise Management Center (Limited Partnership) (“Chifeng Qingxi”) was granted to two eligible employees (the “Participants of 2019”) at the price of RMB1 per unit paid-in-capital. The granted shares are subject to the service condition that the Participants of 2019 are obliged to service in the Company for not less than 5 years. One of the Participants of 2019 resigned from the Company in October 2021, and the restricted shares granted to him had been forfeited accordingly.

In March 2022, the Company had agreed with the remaining Participant of 2019 to modify and extend the vesting period. After the modification, the Participant of 2019 was subject to the service condition that the granted shares should be vested upon the expiration of a 36-month period following the Company’s [REDACTED]. This modification was ignored as it is not beneficial to the employee and the Company continues to recognise the services received measured at the grant date fair value of the shares granted.

(b) 2021 Share Incentive Scheme

In December 2021, the Board of Directors approved a share incentive scheme (“2021 Share Incentive Scheme”), pursuant to which in March 2022, (i) RMB2,939,723 paid-in capital held by Chifeng Mingquan Enterprise Management Center (Limited Partnership) (“Chifeng Mingquan”) were granted to eligible directors and employees of the Company at a price of RMB1.5 per unit paid-in capital; and (ii) RMB7,775,000 paid-in capital through Chifeng Qingxi were granted to eligible directors and employees of the Company at a price of RMB1.2 per unit paid-in capital. The 2021 Share Incentive Scheme is subject to service condition that the granted shares should be vested upon the expiration of a 36-month period following the Company’s [REDACTED].

In June 2024, also pursuant to the 2021 Share Incentive Scheme, 450,000 shares held by Chifeng Qingxi and 3,000,000 shares held by Chifeng Mingquan were granted to eligible employees of the Company at a price of RMB4.0 per share, and also subject to the service condition that the granted shares should be vested upon the expiration of a 36-month period following the Company’s [REDACTED].

In January 2026, upon the approval by the shareholders’ meeting, the service condition of 2021 Share Incentive Scheme was modified to be vested upon the expiration of a 12-month period following the Company’s [REDACTED]. As the modification reduced the vesting period that is beneficial to the employees, the Company uses the modified vesting period when applying the requirements of the modified grant-date method.

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(c) Forfeited restricted shares

Nil, 260,088 and 60,088 shares granted under the above-mentioned share incentives were forfeited due to the resignation of several employees for the years ended 31 December 2024 and 2025 and the four months ended 30 April 2026, respectively.

(d) Fair value and assumptions

2019 Share Incentive Arrangement

The fair value of services received in return for restricted shares granted was measured by reference to the fair value of restricted shares granted and the subscription price should be paid by the two eligible employees. The fair value of the restricted shares granted is measured at the grant date referring to the equity value assessed by the independent appraiser, Beijing Zhongtianhua Asset Appraisal Co., Ltd. based on asset-based approach considering the discounted cash flow of the underlying assets. Such fair value at measurement date was RMB1.83 per share. Best estimates of key assumptions are required to be determined by management. Key assumptions used in determining the fair value of restricted shares granted are as follows:

	As at 30 June
	2019
Probability of success	13.12%-16.40%
Weighted average cost of capital (“WACC”)	16.01%

2021 Share Incentive Scheme

The fair value of services received in return for restricted shares granted was measured by reference to the fair value of restricted shares granted and the subscription price paid by the eligible directors and employees. The fair value of the restricted shares granted is measured at the grant date referring to the [REDACTED] by the independent [REDACTED]. Such fair value at measurement date was RMB15.67 per share in March 2022 and RMB18.8 per share in June 2024.

(e) Equity-settled share-based payment expenses recognised in the profit or loss during the Track Record Period:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Research and development expenses	4,936	15,431	3,054	22,428
General and administrative expenses	10,843	9,069	5,244	10,584
	<u>15,779</u>	<u>24,500</u>	<u>8,298</u>	<u>33,012</u>

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24 INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION

Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(m), the Company has not recognised deferred tax assets in respect of cumulative tax losses of RMB789,878,000, RMB973,081,000 and RMB1,008,462,000 as at 31 December 2024 and 2025 and 30 April 2026, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction. The unrecognised tax losses will be expired as follows:

	As at 31 December		As at 30 April
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
2026	1,010	1,010	1,010
2027	4,702	4,702	4,702
2028	18,044	18,044	18,044
2029	29,615	29,615	29,615
2030	35,758	35,758	35,758
2031	81,490	81,490	81,490
2032	142,002	142,002	142,002
2033	201,319	201,319	201,319
2034	275,938	275,938	275,938
2035	–	183,203	183,203
2036	–	–	35,381
	<u>789,878</u>	<u>973,081</u>	<u>1,008,462</u>

25 CAPITAL AND RESERVES

(a) Dividends

The directors of the Company did not propose the payment of any dividend during the Track Record Period.

(b) Share capital

Issued ordinary shares

	Number of ordinary shares	Amount
	'000	RMB'000
Issued and fully paid:		
At 1 January 2024	84,596	84,596
Issue of new shares	<u>11,489</u>	<u>11,489</u>
At 31 December 2024 and 2025	96,085	96,085
Effect of share subdivision	<u>96,085</u>	<u>–</u>
At 30 April 2026	<u>192,170</u>	<u>96,085</u>

The Company has undertaken several rounds of [REDACTED]. In connection with the [REDACTED], certain [REDACTED] had been granted certain special rights against the controlling shareholder including anti-dilution rights and redemption rights, among others. The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil the abovementioned special rights granted by the controlling shareholder, including the redemption

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rights; and (ii) the Company has not provided any guarantee for the abovementioned special rights granted by the controlling shareholder in the event of a default by the controlling shareholder. Accordingly, no financial liability has been recorded in the Historical Financial Information with respect to these special rights granted to the [REDACTED] by the controlling shareholder.

In January 2026, the Company’s shareholders resolved to conduct the share subdivision pursuant to which each authorised issued share of nominal value of RMB1.00 each was subdivided into two shares of nominal value of RMB0.50 each.

(c) Nature and purpose of reserves

(i) Capital reserve

Capital reserve mainly comprises the capital contributions made by shareholders.

(ii) Other reserve

Other reserve mainly comprises the portion of the grant date fair value of restricted shares granted to the directors and employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(1)(ii).

(d) Capital management

The Company’s primary objectives when managing capital are to safeguard the Company’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, with the level of risk and by securing access to finance at a reasonable cost.

The Company actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Company was subject to a loan covenant imposed by a bank to maintain certain liabilities-to-assets ratio. As at 31 December 2025, bank loan with carrying amount RMB20,000,000 was reclassified to repayable on demand because the Company did not comply with certain financial covenant required by the bank. Such bank loan was early repaid in January 2026.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Company’s business.

The Company’s exposure to these risks and the financial risk management policies and practices used by the Company to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company’s credit risk is primarily attributable to prepayment and other receivables. The Company’s exposure to credit risk arising from cash and cash equivalents, financial assets measured at FVPL and financial assets measured at FVOCI is limited because the counterparties are reputable banks, which the Company considers to have low credit risks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

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Management has assessed that during the Track Record Period, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management. The Company has recognised loss allowance of RMB714,000, RMB215,000 and RMB228,000 on other receivables as at 31 December 2024 and 2025 and 30 April 2026, respectively.

(b) Liquidity risk

The Company’s policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Company’s non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest dates the Company can be required to pay:

As at 31 December 2024					
Contractual undiscounted cash flow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans (<i>Note 19</i>) .	83,317	–	–	83,317	82,000
Trade and other payables	19,634	–	–	19,634	19,634
Amount due to a related party (<i>Note</i> <i>28</i>)	2,364	–	–	2,364	2,364
Lease liabilities (<i>Note</i> <i>20</i>)	1,210	328	162	1,700	1,523
	<u>106,525</u>	<u>328</u>	<u>162</u>	<u>107,015</u>	<u>105,521</u>
As at 31 December 2025					
Contractual undiscounted cash flow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans (<i>Note 19</i>) .	93,889	44,559	–	138,448	134,980
Trade and other payables	25,911	–	–	25,911	25,911
Amount due to a related party (<i>Note</i> <i>28</i>)	202	–	–	202	202
Lease liabilities (<i>Note</i> <i>20</i>)	4,521	4,102	9,641	18,264	17,005
	<u>124,523</u>	<u>48,661</u>	<u>9,641</u>	<u>182,825</u>	<u>178,098</u>

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As at 30 April 2026					
	Contractual undiscounted cash flow				Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans (<i>Note 19</i>) .	119,501	51,268	–	170,769	166,701
Trade and other payables	18,928	–	–	18,928	18,928
Amount due to a related party (<i>Note 28</i>)	396	–	–	396	396
Lease liabilities (<i>Note 20</i>)	3,292	4,175	11,883	19,350	17,791
	<u>142,117</u>	<u>55,443</u>	<u>11,883</u>	<u>209,443</u>	<u>203,816</u>

(c) Interest rate risk

The Company’s interest rate risk arises primarily from bank loans. The Company consistently monitors the current and potential fluctuation of interest rates in managing the interest rate risk on a reasonable level. As the end of each reporting date, the Company did not have any bank loans at variable rates (see Note 19 for details of the loans). Cash flow interest rate risk in relation to bank balances is considered insignificant. Interest rate risk is managed by the management of the Company on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by adverse movement in interest rates.

Since the Company has no loans with variable interest rates at the end of each reporting date, no sensitivity analysis about interest rates risk is prepared.

(d) Currency risk

The Company is not exposed to currency risk as all its cash and bank balances and transactions are denominated in RMB.

(e) Fair values measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The fair value of the Company’s financial instruments are measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

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The fair value measurement of structured deposits and certificates of deposit fall into level 2 of the fair value hierarchy.

The fair value of structured deposits is estimated based on the amount that the Company would receive at the end of the reporting period, taking into account current market interest rates of structured deposits with similar risk profile.

The fair value of certificates of deposit in Level 2 is determined by discounting the cash flows to be derived from the certificates of deposit using discounted cash flow method. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period.

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Company’s policy is to recognise transfers between levels of fair value hierarchy as at the end of each reporting period in which they occur.

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Company’s financial instruments carried at amortised cost are not materially different from their fair values at the end of each reporting period.

27 COMMITMENTS

As at 31 December 2024, the Company was committed to enter into a new lease of 5 years that is not yet commenced, the lease payments under which amounted to RMB3,482,000 per annum. This new lease commenced on 1 July 2025.

As at 31 December 2025 and 30 April 2026, the Company did not have any material commitments.

28 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a) Name and relationship of the related party that had material transactions with the Company

Names of related party	Relationship
Chifeng Saliont Pharmaceutical Co., Ltd. . .	Controlled by the controlling shareholder of the Company

(b) Transactions with related party

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Purchase of contract manufacturing organisation services	11,596	5,763	2,459	1,109

(c) Balances with related party

The Company’s balances with the related party as at the end of each reporting period are as follows:

	As at 31 December 2024	As at 31 December 2025	As at 30 April 2026
	RMB'000	RMB'000	RMB'000
Amount due to a related party (trade in nature)	2,364	202	396

The amount due to a related party is unsecured, interest-free and repayable on demand.

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(d) Key management personnel remuneration

Remuneration for key management personnel of the Company, including amounts paid to the Company’s directors as disclosed in Note 7 and certain of the highest paid employees as disclosed in Note 8 is as follows:

	Year ended 31 December		Four months ended 30 April	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Salaries and other emoluments	7,638	8,608	2,857	2,876
Retirement scheme contributions	269	273	90	92
Share-based payments	8,354	14,635	4,622	20,241
	<u>16,261</u>	<u>23,516</u>	<u>7,569</u>	<u>23,209</u>

Total remuneration is included in “staff costs” in Note 5(b).

29 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of issue of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information. These developments include the following:

	Effective for accounting periods beginning on or after
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i> . . .	1 January 2027
Amendments to IAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
IFRS 20, <i>Regulatory assets and regulatory liabilities</i>	1 January 2029
Amendments to IFRS 10 and IAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Company is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements except the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Company does not plan to early adopt IFRS 18. IFRS18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Company.

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30 SUBSEQUENT EVENTS

In May 2026, the Company entered into an exclusive cooperation agreement with a third party on commercialisation and marketing of the Company’s core product, Pumecitinib gel, in the PRC following its regulatory approval. The Company received an upfront payment of RMB60 million in June 2026.

Except as disclosed above, there are no other significant events subsequent to 30 April 2026 which would materially affect the Company’s operating and financial performance.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiary in respect of any period subsequent to 30 April 2026.