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ACCOUNTANTS’ REPORT

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGZHOU NOVAKEN PHARM CO., LTD. AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Guangzhou Novaken Pharm Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-64, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2024 and 2025 and five months ended 31 May 2026 (the “**Relevant Periods**”), the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024 and 2025 and 31 May 2026, 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-64 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the “**Document**”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors’ responsibility for the Historical Financial Information

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

Reporting accountants’ responsibility

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

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

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and 2025 and 31 May 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the five months ended 31 May 2025 and other explanatory information (the “**Interim Comparative Financial Information**”). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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

Adjustments

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

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[•]

Certified Public Accountants

Hong Kong

[Date]

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I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		Five months ended 31 May	
		2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
REVENUE	5	49,026	55,238	21,357	16,567
Cost of sales		(32,511)	(42,333)	(15,824)	(13,289)
Gross profit		16,515	12,905	5,533	3,278
Other income and gains	5	3,700	3,598	2,134	992
Selling and distribution expenses		(7,164)	(5,818)	(2,439)	(1,488)
Administrative expenses		(15,199)	(44,142)	(9,125)	(16,952)
Research and development expenses		(16,413)	(38,184)	(10,389)	(18,961)
Impairment losses on financial and contract assets, net		(449)	(430)	(211)	(797)
Other expenses	6	(4,237)	(2,842)	(2,132)	(916)
Finance costs	8	(3,388)	(6,226)	(687)	(584)
Loss before change in fair value of financial liabilities on series shares		(26,635)	(81,139)	(17,316)	(35,428)
Change in fair value of financial liabilities on series shares		(120,449)	(29,807)	(1,105)	(161,720)
LOSS BEFORE TAX	7	(147,084)	(110,946)	(18,421)	(197,148)
Income tax expense	11	—	—	—	(4)
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(147,084)	(110,946)	(18,421)	(197,152)
Attributable to:					
Owners of the parent		(145,037)	(109,430)	(17,098)	(196,958)
Non-controlling interests		(2,047)	(1,516)	(1,323)	(194)
		(147,084)	(110,946)	(18,421)	(197,152)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted (RMB per share)					
For loss for the year/period	13	(2.19)	(1.28)	(0.23)	(1.94)

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at 31 May
	Notes	2024	2025	2026
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment.	14	24,683	30,672	31,677
Right-of-use assets	15	21,119	20,868	19,093
Intangible assets	16	2,314	2,163	2,004
Prepayments, other receivables and other assets	17	1,600	5,771	8,211
Total non-current assets.		49,716	59,474	60,985
CURRENT ASSETS				
Inventories	19	1,789	1,596	1,685
Trade receivables	20	8,103	16,946	12,041
Contract assets	21	8,472	10,360	12,926
Prepayments, other receivables and other assets	17	4,176	8,076	8,453
Financial assets at fair value through profit or loss	22	—	1,402	8,191
Cash and cash equivalents	23	68,361	133,383	102,615
Total current assets.		90,901	171,763	145,911
CURRENT LIABILITIES				
Trade payables	24	1,837	5,474	2,513
Contract liabilities	28	13,223	7,579	6,600
Other payables and accruals	25	32,732	20,179	13,892
Interest-bearing bank and other borrowings	26	12,949	9,807	24,689
Financial liabilities on series shares	29	335,309	505,116	666,836
Lease liabilities	15	3,419	4,415	4,650
Total current liabilities		399,469	552,570	719,180
NET CURRENT LIABILITIES		(308,568)	(380,807)	(573,269)
TOTAL ASSETS LESS CURRENT LIABILITIES.		(258,852)	(321,333)	(512,284)
NON-CURRENT LIABILITIES				
Lease liabilities	15	19,423	18,652	17,401
Deferred income	27	4,891	3,621	3,150
Total non-current liabilities		24,314	22,273	20,551
Net liabilities		(283,166)	(343,606)	(532,835)
DEFICITS				
Deficits attributable to owners of the parent				
Paid-in capital	30	15,088	—	—
Share capital	30	—	20,352	20,352
Deficits	31	(296,200)	(363,103)	(552,138)
		(281,112)	(342,751)	(531,786)
Non-controlling interests		(2,054)	(855)	(1,049)
Total deficits		(283,166)	(343,606)	(532,835)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

	Attributable to owners of the parent						Non-controlling interests	Total deficits
	Paid-in capital	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total		
	RMB'000 (Note 30)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000	RMB'000	RMB'000
At 1 January 2024	12,781	50,997	2,913	(55,784)	(146,982)	(136,075)	(7)	(136,082)
Loss for the year.	—	—	—	—	(145,037)	(145,037)	(2,047)	(147,084)
Total comprehensive loss for the year . . .	—	—	—	—	(145,037)	(145,037)	(2,047)	(147,084)
Issue of series shares.	2,307	77,693	—	—	—	80,000	—	80,000
Recognition of financial liabilities on series shares	—	—	—	(80,000)	—	(80,000)	—	(80,000)
At 31 December 2024	15,088	128,690*	2,913*	(135,784)*	(292,019)*	(281,112)	(2,054)	(283,166)

Year ended 31 December 2025

	Attributable to owners of the parent						Non-controlling interests	Total deficits
	Paid-in capital	Share capital	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses		
	RMB'000 (Note 30)	RMB'000 (Note 30)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000	RMB'000
At 1 January 2025	15,088	—	128,690	2,913	(135,784)	(292,019)	(2,054)	(283,166)
Loss for the year.	—	—	—	—	—	(109,430)	(1,516)	(110,946)
Total comprehensive loss for the year	—	—	—	—	—	(109,430)	(1,516)	(110,946)
Issue of series shares.	3,171	399	136,430	—	—	—	—	140,000
Recognition of financial liabilities on series shares.	—	—	—	—	(140,000)	—	—	(140,000)
Capital contribution	1,694	—	35,224	—	—	—	—	36,918
Conversion into a joint stock company	(19,953)	19,953	(99,312)	—	—	99,312	—	—
Share-based payment compensation	—	—	—	13,588	—	—	—	13,588
Decrease in non-controlling interests of a subsidiary.	—	—	—	—	(2,715)	—	2,715	—
At 31 December 2025	—	20,352	201,032*	16,501*	(278,499)*	(302,137)*	(855)	(343,606)

	Attributable to owners of the parent						Non-controlling interests	Total deficits
	Share capital	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total		
	RMB'000 (Note 30)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000 (Note 31)	RMB'000	RMB'000	RMB'000
At 1 January 2026	20,352	201,032	16,501	(278,499)	(302,137)	(342,751)	(855)	(343,606)
Loss for the period.	—	—	—	—	(196,958)	(196,958)	(194)	(197,152)
Total comprehensive loss for the period. . .	—	—	—	—	(196,958)	(196,958)	(194)	(197,152)
Share-based payment compensation.	—	—	7,923	—	—	7,923	—	7,923
At 31 May 2026.	20,352	201,032*	24,424*	(278,499)*	(499,095)*	(531,786)	(1,049)	(532,835)

* These reserve accounts comprise the consolidated deficits of RMB296,200,000, RMB363,103,000 and RMB552,138,000 in the consolidated statements of financial position as at 31 December 2024 and 2025 and 31 May 2026, respectively.

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Five months ended 31 May 2025 (unaudited)

	Attributable to owners of the parent							
	Paid-in capital	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total deficits
	<i>RMB'000</i> (Note 30)	<i>RMB'000</i> (Note 31)	<i>RMB'000</i> (Note 31)	<i>RMB'000</i> (Note 31)	<i>RMB'000</i> (Note 31)	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025	15,088	128,690	2,913	(135,784)	(292,019)	(281,112)	(2,054)	(283,166)
Loss for the period.	—	—	—	—	(17,098)	(17,098)	(1,323)	(18,421)
Total comprehensive loss for the period. . .	—	—	—	—	(17,098)	(17,098)	(1,323)	(18,421)
At 31 May 2025 (unaudited)	15,088	128,690	2,913	(135,784)	(309,117)	(298,210)	(3,377)	(301,587)

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CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		Five months ended 31 May	
		2024	2025	2025	2026
	Notes	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(147,084)	(110,946)	(18,421)	(197,148)
Adjustments for:					
Finance costs	8	3,388	6,226	687	584
Bank interest income	5	(26)	(144)	(15)	(36)
Investment income on financial assets at fair value through profit or loss	5	(22)	(94)	—	(93)
Fair value gains on financial assets at fair value through profit or loss	5	—	(60)	(19)	(194)
Fair value loss on financial liabilities on series shares		120,449	29,807	1,105	161,720
Foreign exchange difference, net	7	(60)	74	5	352
Impairment losses on financial assets, net	7	319	359	205	308
Write-down of inventories to net realisable value . .	7	557	1,905	1,356	772
Impairment losses on contract assets	7	129	71	6	489
Impairment of property, plant and equipment	14	—	—	—	552
Impairment of intangible assets	16	664	—	—	—
Depreciation of property, plant and equipment	14	4,708	4,699	1,945	1,740
Depreciation of right-of-use assets	15	2,308	3,348	1,476	1,775
Amortisation of intangible assets	16	516	414	175	159
Share-based payment compensation	32	—	13,588	—	7,923
Loss on disposal of property, plant and equipment . .		—	4	—	—
		(14,154)	(50,749)	(11,495)	(21,097)
Decrease/(increase) in inventories		388	(1,713)	(1,927)	(861)
Increase in prepayments, other receivables and other assets		(1,375)	(2,957)	(1,844)	(1,914)
Decrease/(increase) in trade receivables and contract assets		(5,427)	(11,204)	(5,605)	1,505
Increase/(decrease) in trade payables		(1,509)	3,637	4,157	(2,961)
Increase/(decrease) in contract liabilities		10	(5,645)	2,199	(979)
Increase/(decrease) in deferred income		1,273	(1,270)	(165)	(471)
Increase/(decrease) in other payables and accruals . .		5,478	3,242	(1,100)	(4,054)
Increase in restricted cash		—	—	(2,046)	—
		(15,316)	(66,659)	(17,826)	(30,832)
Cash used in operations		26	144	15	36
Interest received		—	—	—	(4)
Income tax paid		—	—	—	—
Net cash flows used in operating activities		(15,290)	(66,515)	(17,811)	(30,800)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income from financial assets at fair value through profit or loss		22	94	—	93
Purchase of financial assets at fair value through profit or loss		—	(77,450)	(2,658)	(49,878)
Purchases of items of property, plant and equipment .		(3,140)	(11,933)	(5,401)	(3,760)
Purchases of intangible assets		(24)	(17,011)	(150)	—
Proceeds upon maturity of financial assets at fair value through profit or loss		10,382	76,109	—	43,000
Proceeds from disposal of property, plant and equipment		—	10	—	—
		7,240	(30,181)	(8,209)	(10,545)
Net cash flows (used in)/generated from investing activities		7,240	(30,181)	(8,209)	(10,545)

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		Year ended 31 December		Five months ended 31 May	
		2024	2025	2025	2026
	Notes	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES					
New bank and other borrowings		5,000	22,500	22,500	15,000
Repayment of bank and other borrowings		(11,603)	(25,637)	(11,607)	(200)
Principal and interest paid for lease liabilities		(3,813)	(4,319)	(1,087)	(1,396)
Proceeds from issue of series shares		80,000	140,000	—	—
Capital contribution.		—	36,918	—	—
Share issue expenses paid		—	(5,100)	(400)	(1,500)
Interest paid		(374)	(741)	(283)	(122)
Payment of [REDACTED] expenses.		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash flows generated from financing activities.		69,210	161,753	9,123	10,600
NET INCREASE IN CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of year/period		61,160	65,057	(16,897)	(30,745)
Effect of foreign exchange rate changes, net		7,201	68,361	68,361	133,383
		—	(35)	—	(23)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD.	23	68,361	133,383	51,464	102,615
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents as stated in the consolidated statements of financial position	23	68,361	133,383	51,464	102,615
Cash and cash equivalents as stated in the consolidated statements of cash flows.		68,361	133,383	51,464	102,615

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		As at 31 May
	Notes	2024	2025	2026
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	18,759	16,521	15,281
Right-of-use assets	15	8,007	9,867	8,918
Intangible assets	16	2,314	2,163	2,004
Prepayments, other receivables and other assets	17	483	454	2,577
Investment in subsidiaries	18	62,000	132,868	133,892
Total non-current assets		91,563	161,873	162,672
CURRENT ASSETS				
Inventories	19	675	1,596	1,685
Trade receivables	20	8,103	16,946	12,041
Contract assets	21	8,472	10,360	12,926
Prepayments, other receivables and other assets	17	23,591	24,595	18,258
Financial assets at fair value through profit or loss	22	—	1,402	8,191
Cash and cash equivalents	23	11,994	26,352	8,971
Total current assets		52,835	81,251	62,072
CURRENT LIABILITIES				
Trade payables	24	1,313	5,358	2,397
Contract liabilities	28	12,807	7,579	6,600
Other payables and accruals	25	31,850	20,011	14,306
Interest-bearing bank and other borrowings	26	12,949	9,807	24,689
Financial liabilities on series shares	29	335,309	505,116	666,836
Lease liabilities	15	1,450	2,329	2,458
Total current liabilities		395,678	550,200	717,286
NET CURRENT LIABILITIES		(342,843)	(468,949)	(655,214)
TOTAL ASSETS LESS CURRENT LIABILITIES		(251,280)	(307,076)	(492,542)
NON-CURRENT LIABILITIES				
Lease liabilities	15	8,353	9,425	8,388
Deferred income	27	4,161	2,919	2,459
Total non-current liabilities		12,514	12,344	10,847
Net liabilities		(263,794)	(319,420)	(503,389)
DEFICITS				
Deficits attributable to owners of the parent				
Paid-in capital	30	15,088	—	—
Share capital	30	—	20,352	20,352
Deficits	31	(278,882)	(339,772)	(523,741)
Total deficits		(263,794)	(319,420)	(503,389)

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was established in the People’s Republic of China (the “**PRC**”) as a limited liability company on 14 November 2007 and converted into a joint stock company with limited liability on 26 November 2025. The registered office address of the Company is 1001, No. 245 Kexue Dadao, Huangpu District, Guangzhou City, Guangdong Province, PRC.

During the Relevant Periods, the Company and its subsidiaries are principally engaged in pharmaceutical research and development.

In the opinion of the directors, Dr. Wu Chuanbin, Dr. Pan Xin, Guangzhou Shanji Investment Consulting Partnership (Limited Partnership), Guangzhou Guangji Investment Biopharmaceutical Investment Enterprise (Limited Partnership), Guangzhou Deji Investment Consulting Partnership (Limited Partnership), Guangzhou Minji Investment Consulting Co., Ltd. and Guangzhou Baiji Biopharmaceutical Investment Enterprise (Limited Partnership) are collectively considered as the controlling shareholders of the Company.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of the principal subsidiaries are set out below:

Name	Notes	Place and date of incorporation/ registration and place of operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Jiangsu Hyken Pharm Co., Ltd.* 江蘇恒濟醫藥有限公司	(a)	PRC/Chinese Mainland 24 July 2024	RMB60,000,000	100%		Pharmaceutical production, R&D and sales and marketing of pharmaceutical products
Guangzhou Novaken Pharmaceutical Research Institute Co., Ltd.* 廣州新濟生醫藥研究院有限公司	(b)	PRC/Chinese Mainland 13 September 2020	RMB12,000,000	100%		Pharmaceutical R&D and technology transfer of results

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company (the “**Directors**”) to translate the Chinese names as these companies have not been registered with any official English names.

- (a) The statutory financial statements of the entity for the period from the incorporation date to 31 December 2024 and the year ended 31 December 2025, prepared in accordance with Accounting Standards for Business Enterprises — Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions (“**PRC GAAP**”) issued by the Ministry of Finance, were audited by WUYIGE Certified Public Accountants LLP (大信會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.
- (b) The statutory financial statements of the entity for the years ended 31 December 2024 and 2025, prepared in accordance with PRC GAAP issued by the Ministry of Finance, were audited by WUYIGE Certified Public Accountants LLP (大信會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

2.1 BASIS OF PREPARATION

The Historical Financial Information of the Company and its subsidiaries (collectively referred to as the “**Group**”) has been prepared in accordance with IFRS Accounting Standards (“**IFRS**”), which comprise all standards and interpretations approved by the International Accounting Standards Board (“**IASB**”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

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

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

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

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

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

Going concern basis

The Group incurred accumulated losses and recorded net current liabilities and net liabilities of RMB573,269,000 and RMB532,835,000 as at 31 May 2026, which mainly included financial liabilities on series shares of RMB666,836,000 being classified as current liabilities. The directors of the Company do not expect that the financial liabilities on series shares would be redeemed within the next twelve months from 31 May 2026 as the redemption rights were terminated on 25 November 2025 and will only be reinstated if the Company fails to complete the [REDACTED] with 24 months from 25 November 2025 or the application for [REDACTED] is not approved, is withdrawn, or the review is terminated by the stock exchange. Upon completion of the [REDACTED], all special rights including the redemption right will be terminated, and the redemption liabilities will be reclassified into equity. The directors of the Company have considered the additional financial resources available to the Group, the internally generated funds from operations and the ability in adjusting the pace of the R&D projects and capital investments at management’s discretion and are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from 31 May 2026.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IAS 21	<i>Translation to Hyperinflationary Presentation Currency</i> ²
IFRS 20	<i>Regulatory Assets and Regulatory Liabilities</i> ³
Amendments to IAS 28	<i>Fair Value Option for Investments in Associates and Joint Ventures</i> ⁴

¹ No mandatory effective date yet determined but available for adoption

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

³ Effective for annual/reporting periods beginning on or after 1 January 2029

⁴ Applied consistently with IFRS 18

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The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but are unlikely to have a significant impact on the Group’s financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group’s financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

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

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

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

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

- | | | |
|---------|---|---|
| Level 1 | — | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | — | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | — | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

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

Impairment of non-financial assets

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

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

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

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

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

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

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Plant and machinery	9.5% to 20.0%
Office equipment and furniture	19.0% to 33.3%
Motor vehicles	11.9% to 25.0%
Other equipment	19.0% to 33.3%

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

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

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

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

Licenses

Purchased license is stated at cost less any impairment losses and is amortised on the straight-line basis over the amortisation period, which is determined on the shorter of its remaining validity period and its estimated useful life of 10 years.

Software

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 1–3 years.

Patents

Purchased patent is stated at cost less any impairment losses and is amortised on the straight-line basis over the amortisation period, which is determined on its remaining validity period.

Research and development costs

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

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Plant and buildings 2 to 10 years

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

(b) Lease liabilities

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

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

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

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Subsequent measurement

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

Financial assets at amortized cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

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

The Group considers a financial asset in default when contractual payments are 1 year past due. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group’s credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely

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to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

- | | | |
|---------|---|--|
| Stage 1 | — | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | — | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | — | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

Simplified approach

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

Classification as equity and financial liabilities

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

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity’s own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

The Group’s financial liabilities include trade and other payables, interest-bearing bank and other borrowings, and financial liabilities on series shares.

Subsequent measurement

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

Financial liabilities at amortised cost

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

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

Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities on series shares which are designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group’s own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss.

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

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

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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(a) Research and development services (“CRO services”)

CRO stands for Contract Research Organization, entities focused on providing research and development services to companies in the pharmaceutical and agrochemical markets. The CRO service agreements may contain multiple services which are separate performance obligations because the promises to transfer each service is capable of being distinct and separately identifiable. Accordingly, the Group develops assumptions that require judgement to determine the stand-alone selling price for each performance obligation identified. In developing the stand-alone selling price for a performance obligation, the Group uses expected cost plus margin approach and considers all information that is reasonably available, including but not limited to, costs incurred to provide the service and related profit margins.

Revenue from CRO services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services. If the Group expects to recover the costs incurred in satisfying the performance obligation, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

(b) Sale of drugs for MAH business

Revenue is generated by the Company, acting as the Marketing Authorization Holder (MAH), through the sale of licensed drugs to distributors. Revenue from the sale of drugs is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery and acceptance of the goods by the customers.

(c) Sale of medical aesthetic products

Revenue from the sale of medical aesthetic products is recognised at point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the products. The Group has ceased the sales of medical aesthetic products on 1 September 2025.

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognized for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

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Share-based payments

The Group operates an equity-settled share-based payment scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“**equity-settled transactions**”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 32 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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

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

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

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

Housing fund and other social insurances — Chinese Mainland

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group’s liability in respect of these funds is limited to the contributions payable in each reporting period.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Historical Financial Information.

Judgments in determining the performance obligations in CRO services

A performance obligation represents a good and service that is distinct or a series of distinct goods or services that are substantially the same. In CRO service contracts, the Group is required to fulfill multiple promised services. Each service is separately identifiable in the contract and the Group is not providing a significant integration service because the Group would be able to fulfill its promise by transferring each of the services independently. In addition, each of the services is not highly interdependent or highly interrelated, because the delivery of one service is not dependent on the other services to be provided in the future. Therefore, the directors of the Company concluded those services are multiple performance obligations.

Research and development expenses

All research costs are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalized and deferred in accordance with the accounting policy for research and development expenses in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalized or expensed requires management to make assumptions and judgements. In the opinion of management, during the Relevant Periods the criteria for capitalization of development costs were not met and development expenditure were expensed.

Estimation uncertainty

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

Useful lives of intangible assets

The Group’s finite life intangible assets primarily represent patent. These intangible assets are amortized on a straight-line basis over their useful economic lives, which are estimated to be the shorter of their remaining validity period and their estimated useful lives. Additional amortization is recognized if the estimated useful lives are different from the previous estimation. Useful lives are reviewed at the end of each of the Relevant Periods based on changes in circumstances.

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Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present values of those cash flows.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and sale. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customers’ needs and prices change when the products’ expiration date is approaching. Management reassesses these estimates at the end of the reporting period.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 11 to the Historical Financial Information.

Fair value of share-based payments

Estimating the fair value of share-based payments requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including risk-free interest rate, volatility and discount for lack of marketability and making assumptions about them. The assumptions and model used for estimating fair value for share-based payments are disclosed in note 32 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group as a whole for the purpose of making decision on resources allocation and preformation assessment, therefore, no operating segment information is presented.

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Geographical information

(a) Revenue from external customers

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Overseas	2,031	13,382	5,870	4,165
Chinese Mainland	46,995	41,856	15,487	12,402
Revenue from contracts with customers .	49,026	55,238	21,357	16,567

The revenue information above is based on the locations of headquarters of the Group’s customers.

(b) Non-current assets

During the Relevant Periods, all of the Group’s non-current assets were located in Chinese Mainland.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group’s revenue during the Relevant Periods and the five months ended 31 May 2025 is set out below:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Customer A	7,809	N/A*	N/A*	N/A*
Customer B	N/A*	13,382	5,870	4,165
Customer C	N/A*	N/A*	N/A*	2,990
Customer D	N/A*	N/A*	2,468	N/A*
Customer E	N/A*	N/A*	N/A*	1,668

* The revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group’s revenue during the corresponding period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers .	49,026	55,238	21,357	16,567

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Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Types of goods or services				
Sale of drugs for MAH business	2,678	13,382	5,870	4,165
CRO services	46,348	41,856	15,487	12,402
Total revenue from contracts with customers	49,026	55,238	21,357	16,567
Timing of revenue recognition				
Goods transferred at the point in time . .	2,678	13,382	5,870	4,165
Services transferred over time	46,348	41,856	15,487	12,402
Total revenue from contracts with customers	49,026	55,238	21,357	16,567

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:				
Sale of drugs for MAH business	73	—	—	—
CRO services	8,284	9,053	5,980	2,790
	8,357	9,053	5,980	2,790

(ii) Performance obligations

Information about the Group’s performance obligations is summarised below:

Sale of drugs for MAH business

The performance obligation is satisfied upon delivery of the goods and acceptance by the customers. The credit term is generally 30 days.

CRO services

The CRO services agreements may include multiple phased services. In general, the consideration allocated to each performance obligation is recognised over time. The Group is eligible to receive milestone payments in accordance with service agreements.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Amounts expected to be recognised as revenue:			
CRO services			
Within one year	23,081	32,936	23,130
After one year	47,241	37,669	36,836
Total	70,322	70,605	59,966

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The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognized as revenue after one year are related to the CRO services, of which the performance obligations are estimated to be satisfied within two years. The amounts disclosed above do not include variable consideration which is constrained.

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Other income				
Investment income on financial assets at fair value through profit or loss	22	94	—	93
Bank interest Income	26	144	15	36
Sales of medical aesthetic products	1,831	291	198	—
Government grants*	1,761	3,001	1,902	588
— Related to assets	216	175	90	73
— Related to income	1,545	2,826	1,812	515
Others	—	8	—	81
Total other income	3,640	3,538	2,115	798
Gains				
Fair value gains on financial assets at fair value through profit or loss	—	60	19	194
Foreign exchange gains, net	60	—	—	—
Total gains	60	60	19	194
Total other income and gains	3,700	3,598	2,134	992

* The government grants mainly represented amounts received from the local governments to compensate for expenses spent on research and clinical trials and reward the development of new drugs.

6. OTHER EXPENSES

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Write-down of inventories to net realisable value	462	1,310	1,271	—
Impairment of property, plant and equipment (note 14)	—	—	—	552
Impairment of intangible assets (note 16).	664	—	—	—
Foreign exchange losses, net	—	74	5	352
Cost of medical aesthetic products	2,851	1,135	755	—
Donations	—	319	100	—
Others	260	4	1	12
Total	4,237	2,842	2,132	916

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7. LOSS BEFORE TAX

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

	Notes	Year ended 31 December		Five months ended 31 May	
		2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Cost of services provided		30,048	29,592	10,524	9,364
Cost of inventories sold*		2,463	12,741	5,300	3,925
Research and development costs		16,413	38,184	10,389	18,961
Depreciation of property, plant and equipment**	14	4,708	4,699	1,945	1,740
Depreciation of right-of-use assets**	15	2,308	3,348	1,476	1,775
Amortisation of intangible assets**	16	516	414	175	159
Write-down of inventories to net realisable value*		557	1,905	1,356	772
Impairment losses of trade receivables	20	314	362	195	306
Impairment losses of other receivables	17	5	(3)	10	2
Impairment of contract assets	21	129	71	6	489
Impairment of property, plant and equipment	14	—	—	—	552
Impairment of intangible assets	16	664	—	—	—
Lease payments not included in the measurement of lease liabilities	15	323	130	44	105
Auditor’s remuneration		24	24	12	56
Investment income from financial assets at fair value through profit or loss	5	(22)	(94)	—	(93)
Fair value gains on financial assets at fair value through profit or loss	5	—	(60)	(19)	(194)
Bank interest income	5	(26)	(144)	(15)	(36)
Government grants	5	(1,761)	(3,001)	(1,902)	(588)
Foreign exchange differences, net***		(60)	74	5	352
Loss on disposal of property, plant and equipment***		—	4	—	—
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expenses (excluding directors’, supervisors’ and chief executive’s remuneration (note 9)):					
— Wages and salaries		35,674	39,251	13,811	15,311
— Pension scheme contributions		1,704	1,815	771	743
Share-based payment compensation		—	4,988	—	5,886
Total		37,378	46,054	14,582	21,940

* Write-down of inventories to net realisable value is included in “Cost of sales” and “Other expenses” in profit and loss.

** The depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets are included in “Cost of sales”, “Selling and distribution expenses”, “Administrative expenses”, and “Research and development expenses” in profit or loss.

*** The amounts are included in “Other income and gains” and “Other expenses” in profit or loss.

8. FINANCE COSTS

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Interest on bank and other borrowings	663	736	298	204
Interest on lease liabilities (note 15)	725	953	389	380
Other finance costs	2,000	4,537	—	—
Total	3,388	6,226	687	584

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9. DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVE’S REMUNERATION

Directors’, supervisors’ and chief executive’s remuneration for the Relevant Periods and the five months ended 31 May 2025 disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Fees.	—	75	—	188
Other emoluments:				
Salaries, allowances and benefits in kind	587	2,565	961	1,087
Performance related bonuses	1,241	1,188	63	85
Pension scheme contributions	10	22	4	8
Equity-settled share award expenses	—	8,599	—	2,037
Total	1,838	12,449	1,028	3,405

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and the five months ended 31 May 2025 were as follows:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000 (unaudited)	RMB’000
Dr. Cheng Guohua	—	25	—	63
Dr. Zuo Zhong	—	25	—	63
Mr. Liu Wenhong	—	25	—	50
Ms. Chow Yin Kwan Yvonne.	—	—	—	12
Total	—	75	—	188

Dr. Cheng Guohua, Dr. Zuo Zhong and Ms. Chow Yin Kwan Yvonne were appointed as independent non-executive directors on 12 November 2025, 12 November 2025 and 6 May 2026, respectively.

Mr. Liu Wenhong was appointed as independent non-executive director on 12 November 2025 and ceased to serve starting May 2026.

(b) Directors, supervisors, and the chief executive

Year ended 31 December 2024

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors and chief executive:					
Dr. Wu Chuanbin (i).	—	380	1,220	—	1,600
Ms. Jia Lu (ii)	—	177	21	10	208
Mr. Li Jie (iii)	—	—	—	—	—
Mr. Yu Kepeng (iv)	—	—	—	—	—
Dr. Pan Xin (v).	—	30	—	—	30
Total	—	587	1,241	10	1,838

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Year ended 31 December 2025

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Equity-settled share award expense	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors and chief executive:						
Dr. Wu Chuanbin (i).	—	2,000	613	—	6,872	9,485
Ms. Jia Lu (ii).	—	279	213	11	921	1,424
Mr. Li Jie (iii).	—	—	—	—	—	—
Mr. Yu Kepeng (iv).	—	—	—	—	—	—
Dr. Pan Xin (v).	—	30	—	—	—	30
Ms. Yang Beibei (vi).	—	256	362	11	806	1,435
Total	—	2,565	1,188	22	8,599	12,374

Five months ended 31 May 2026

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Equity-settled share award expense	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors and chief executive:						
Dr. Wu Chuanbin (i).	—	833	50	—	—	883
Ms. Jia Lu (ii).	—	119	5	4	1,086	1,214
Mr. Li Jie (iii).	—	—	—	—	—	—
Mr. Yu Kepeng (iv).	—	—	—	—	—	—
Dr. Pan Xin (v).	—	13	—	—	—	13
Ms. Yang Beibei (vi).	—	122	30	4	951	1,107
Total	—	1,087	85	8	2,037	3,217

Five months ended 31 May 2025 (unaudited)

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors and chief executive:					
Dr. Wu Chuanbin (i).	—	833	53	—	886
Ms. Jia Lu (ii).	—	115	10	4	129
Mr. Li Jie (iii).	—	—	—	—	—
Mr. Yu Kepeng (iv).	—	—	—	—	—
Dr. Pan Xin (v).	—	13	—	—	13
Total.	—	961	63	4	1,028

Notes:

- (i) Dr. Wu Chuanbin was appointed as the executive director in November 2009.
- (ii) Ms. Jia Lu was appointed as the executive director in December 2021.
- (iii) Mr. Li Jie was appointed as the non-executive director in December 2021.
- (iv) Mr. Yu Kepeng was appointed as the non-executive director in October 2024.
- (v) Dr. Pan Xin was appointed as the non-executive director in October 2024.
- (vi) Ms. Yang Beibei was appointed as the executive director in November 2025.

Save for the disclosed above, there was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

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10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the five months ended 31 May 2025, include one, three, three and one directors respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining four, two, two and four highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and the five months ended 31 May 2025 are as follows:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	2,053	1,267	1,066	552
Performance related bonuses	843	872	250	220
Pension scheme contributions	38	21	17	9
Equity-settled share award expense	—	714	—	842
Total	2,934	2,874	1,333	1,623

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

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
HKD1 to HKD500,000	—	—	3	—
HKD500,001 to HKD1,000,000	3	—	1	2
HKD1,000,001 to HKD1,500,000	1	1	—	—
HKD1,500,001 to HKD2,000,000	—	1	—	—
Total	4	2	4	2

11. INCOME TAX

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

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the assessable profits, in accordance with the PRC Income Tax Law and the respective regulations which were approved and became effective on 1 January 2008 except for as described below:

- 1) Guangzhou Novaken Pharm Co., Ltd. was qualified as High and New Technology Enterprises and was subject to a preferential income tax rate of 15% during the Relevant Periods and the five months ended 31 May 2025;
- 2) Huana Biopharm (Guangzhou) Co., Ltd., Novaken Pharm (Zhuhai) Co., Ltd. and Novaken Pharm (Shaoguan) Co., Ltd. were qualified as Small Low-profit Enterprises and were subject to a preferential income tax rate of 20% during the Relevant Periods and the five months ended 31 May 2025.
- 3) Guangzhou Micnano Biotech Co., Ltd. was qualified as High and New Technology Enterprise and was subject to a preferential income tax rate of 15% in 2024, and was qualified as Small Low-profit Enterprises and was subject to a preferential income tax rate of 20% in 2025 and the five months ended 31 May 2025 and 2026.
- 4) Guangzhou Novaken Pharmaceutical Research Institute Co., Ltd. was qualified as High and New Technology Enterprise and was subject to a preferential income tax rate of 15% in 2024 and 2025 and the five months ended 31 May 2025, and was qualified as Small Low-profit Enterprises and was subject to a preferential income tax rate of 20% during the five months ended 31 May 2026.

A reconciliation of the tax expense applicable to loss before tax at the applicable rate for the jurisdiction in which the Group’s major operating activities are domiciled to the tax expense at the effective tax rate is as follows:

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	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Loss before tax.	(147,084)	(110,946)	(18,421)	(197,148)
Tax at the applicable tax rate (15%) . . .	(22,063)	(16,642)	(2,763)	(29,572)
Effect of different tax rates enacted by local authorities	(135)	(1,196)	(221)	(534)
Effect of research and development expenses that are additionally deducted*	(2,224)	(4,823)	(1,319)	(2,286)
Expenses not deductible for tax.	18,248	6,772	351	25,660
Effect of deductible temporary difference	141	65	274	363
Tax losses not recognised	6,033	15,824	3,678	6,373
Tax charge at the Group’s effective rate.	—	—	—	4

* The amounts mainly represent an additional 100% tax deduction on eligible research and development expenses incurred by certain PRC subsidiaries during the Relevant Periods and five months ended 31 May 2025.

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Deductible temporary difference	7,488	6,740	8,292
Tax losses	88,987	187,629	227,519

The Group has accumulated tax losses in Chinese Mainland, that will expire in one to ten years for offsetting against future taxable profits of the companies located in Chinese Mainland in which the tax losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in the Company and its subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilized.

12. DIVIDENDS

No dividend has been paid or declared by the Company during the Relevant Periods and five months ended 31 May 2025.

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares in issue during the Relevant Periods and five months ended 31 May 2025. The weighted average numbers of ordinary shares in issue for the Relevant Periods and five months ended 31 May 2025 before the conversion of the Company into a joint stock company were determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon conversion of the Company into a joint stock company on 26 November 2025.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods and five months ended 31 May 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

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The calculation of basic loss per share is based on:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025 (unaudited)	2026
Loss				
Loss attributable to ordinary equity holders of the parent (RMB’000) . .	(145,037)	(109,430)	(17,098)	(196,958)
Shares				
Weighted average number of ordinary shares in issue during the year/period used in the basic loss per share calculation (’000)*	66,320	85,366	75,438	101,762

* The weighted average number of ordinary shares in issue during the year/period used in the basic loss per share calculation has been adjusted retrospectively to reflect the subdivision of shares on a one-for-five basis, which shall take effect immediately prior to the [REDACTED].

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements	Office equipment and furniture	Plant and machinery	Motor vehicles	Other equipment	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
31 December 2024							
At 1 January 2024:							
Cost	11,037	1,170	27,600	1,665	1,478	288	43,238
Accumulated depreciation and impairment	(3,111)	(529)	(11,252)	(1,285)	(1,108)	—	(17,285)
Net carrying amount	7,926	641	16,348	380	370	288	25,953
At 1 January 2024, net of accumulated depreciation	7,926	641	16,348	380	370	288	25,953
Additions	—	—	2,075	233	25	1,105	3,438
Transfers	—	—	575	—	—	(575)	—
Depreciation provided during the year	(1,776)	(295)	(2,335)	(119)	(183)	—	(4,708)
At 31 December 2024, net of accumulated depreciation and impairment	6,150	346	16,663	494	212	818	24,683
At 31 December 2024:							
Cost	11,037	1,170	30,250	1,898	1,503	818	46,676
Accumulated depreciation and impairment	(4,887)	(824)	(13,587)	(1,404)	(1,291)	—	(21,993)
Net carrying amount	6,150	346	16,663	494	212	818	24,683

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The Group

	Leasehold improvements	Office equipment and furniture	Plant and machinery	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025							
At 1 January 2025:							
Cost	11,037	1,170	30,250	1,898	1,503	818	46,676
Accumulated depreciation and impairment	(4,887)	(824)	(13,587)	(1,404)	(1,291)	—	(21,993)
Net carrying amount	6,150	346	16,663	494	212	818	24,683
At 1 January 2025, net of accumulated depreciation	6,150	346	16,663	494	212	818	24,683
Additions	277	8	56	358	168	9,835	10,702
Transfers	1,996	—	1,362	—	115	(3,473)	—
Disposals	—	—	—	(14)	—	—	(14)
Depreciation provided during the year	(1,696)	(271)	(2,398)	(181)	(153)	—	(4,699)
At 31 December 2025, net of accumulated depreciation and impairment	6,727	83	15,683	657	342	7,180	30,672
At 31 December 2025:							
Cost	13,310	1,178	31,668	1,969	1,786	7,180	57,091
Accumulated depreciation and impairment	(6,583)	(1,095)	(15,985)	(1,312)	(1,444)	—	(26,419)
Net carrying amount	6,727	83	15,683	657	342	7,180	30,672
	Leasehold improvements	Office equipment and furniture	Plant and machinery	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 May 2026							
At 1 January 2026:							
Cost	13,310	1,178	31,668	1,969	1,786	7,180	57,091
Accumulated depreciation and impairment	(6,583)	(1,095)	(15,985)	(1,312)	(1,444)	—	(26,419)
Net carrying amount	6,727	83	15,683	657	342	7,180	30,672
At 1 January 2026, net of accumulated depreciation	6,727	83	15,683	657	342	7,180	30,672
Additions	—	30	22	—	4	3,241	3,297
Depreciation provided during the period	(573)	(18)	(1,022)	(77)	(50)	—	(1,740)
Impairment recognised during the period (note 7)	—	(7)	(544)	—	(1)	—	(552)
At 31 May 2026, net of accumulated depreciation and impairment	6,154	88	14,139	580	295	10,421	31,677
At 31 May 2026:							
Cost	13,310	1,208	31,690	1,969	1,790	10,421	60,388
Accumulated depreciation and impairment	(7,156)	(1,120)	(17,551)	(1,389)	(1,495)	—	(28,711)
Net carrying amount	6,154	88	14,139	580	295	10,421	31,677

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The Company

	Leasehold improvements	Office equipment and furniture	Plant and machinery	Motor vehicles	Other equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024							
At 1 January 2024:							
Cost	7,145	820	21,360	1,665	1,376	288	32,654
Accumulated depreciation and impairment	(2,027)	(328)	(8,191)	(1,285)	(1,077)	—	(12,908)
Net carrying amount	5,118	492	13,169	380	299	288	19,746
At 1 January 2024, net of accumulated depreciation	5,118	492	13,169	380	299	288	19,746
Additions	—	—	2,035	—	25	287	2,347
Transfers	—	—	575	—	—	(575)	—
Depreciation provided during the year	(1,069)	(249)	(1,732)	(114)	(170)	—	(3,334)
At 31 December 2024, net of accumulated depreciation and impairment	4,049	243	14,047	266	154	—	18,759
At 31 December 2024:							
Cost	7,145	820	23,970	1,665	1,401	—	35,001
Accumulated depreciation and impairment	(3,096)	(577)	(9,923)	(1,399)	(1,247)	—	(16,242)
Net carrying amount	4,049	243	14,047	266	154	—	18,759

The Company

	Leasehold improvements	Office equipment and furniture	Plant and machinery	Motor vehicles	Other equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025						
At 1 January 2025:						
Cost	7,145	820	23,970	1,665	1,401	35,001
Accumulated depreciation and impairment	(3,096)	(577)	(9,923)	(1,399)	(1,247)	(16,242)
Net carrying amount	4,049	243	14,047	266	154	18,759
At 1 January 2025, net of accumulated depreciation	4,049	243	14,047	266	154	18,759
Additions	236	7	54	358	121	776
Disposals	—	—	—	(14)	—	(14)
Depreciation provided during the year	(848)	(184)	(1,718)	(145)	(105)	(3,000)
At 31 December 2025, net of accumulated depreciation and impairment	3,437	66	12,383	465	170	16,521
At 31 December 2025:						
Cost	7,381	827	24,024	1,736	1,522	35,490
Accumulated depreciation and impairment	(3,944)	(761)	(11,641)	(1,271)	(1,352)	(18,969)
Net carrying amount	3,437	66	12,383	465	170	16,521

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	Leasehold improvements	Office equipment and furniture	Plant and machinery	Motor vehicles	Other equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 May 2026						
At 1 January 2026:						
Cost	7,381	827	24,024	1,736	1,522	35,490
Accumulated depreciation and impairment	(3,944)	(761)	(11,641)	(1,271)	(1,352)	(18,969)
Net carrying amount	3,437	66	12,383	465	170	16,521
At 1 January 2026, net of accumulated depreciation	3,437	66	12,383	465	170	16,521
Additions	—	30	14	—	—	44
Depreciation provided during the period	(325)	(18)	(852)	(61)	(28)	(1,284)
At 31 May 2026, net of accumulated depreciation and impairment	3,112	78	11,545	404	142	15,281
At 31 May 2026:						
Cost	7,381	857	24,038	1,736	1,522	35,534
Accumulated depreciation and impairment	(4,269)	(779)	(12,493)	(1,332)	(1,380)	(20,253)
Net carrying amount	3,112	78	11,545	404	142	15,281

As at 31 December 2024, the Group’s plant and machinery with net carrying amount of RMB3,628,000 was held under the sales and leaseback arrangement under which the Group has retained control of the assets and therefore the liabilities are recognised as other borrowings (note 26).

Impairment testing of non-financial assets

Non-financial assets (including the property, plant and equipment, right-of-use assets and intangible assets) of the Group are allocated to the following three cash-generating units (“CGU”) for impairment testing as at the end of each of the Relevant Periods:

- Manufacturing and sales of medical aesthetic products;
- Sales of licensed-in drugs; and
- Pharmaceutical manufacturing, research and development and sales

For the CGU of manufacturing and sales of medical aesthetic products, the recoverable amounts has been determined based on the fair value less costs of disposal (“FVLCD”). The fair values were generally determined based on market approach and by making reference to comparable sales transactions of similar assets in similar conditions available in the market to assess the market value. Based on the impairment assessment, an impairment of RMB1,787,000 was provided for the CGU prior to the Relevant Periods. The sales of medical aesthetic products ceased in September 2025 and the subsidiary engaged in the manufacturing and sales of medical aesthetic products was deregistered in February 2026, therefore, the Group recognised an additional impairment of RMB552,000 for the CGU during the five months ended 31 May 2026. The impairment was fully allocated to the property, plant and equipment.

For the CGU of sales of licensed-in drugs, the recoverable amount has been determined based on the fair value less costs of disposal (“FVLCD”), with reference to the valuation performed by an independent qualified professional valuer. The fair values were determined based on income approach by making reference to royalty rates from comparable business in the pharmaceutical industry. Based on the impairment assessment, the Group recognised impairment provision of RMB4,574,000, RMB4,574,000 and RMB4,574,000 as at 31 December 2024 and 2025 and 31 May 2026, respectively. The impairment was fully allocated to the intangible assets (note 16).

For the CGU of pharmaceutical manufacturing, research and development and sales, the recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial budgets covering the remaining useful life of non-financial assets approved by senior management. The values assigned to the key assumptions are consistent with management’s past experience and external information sources. As at 31 December 2024 and 2025 and 31 May 2026, the recoverable amount of the CGU has exceeded its carrying amount and no impairment provision was made for the non-financial assets of the CGU.

The pre-tax discount rate applied to the cash flow projections, the revenue growth rate and the gross profit margin used to extrapolate the cash flows of the CGU of pharmaceutical manufacturing, research and development and sales are as follows:

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	As at 31 December		As at 31 May
	2024	2025	2026
Average revenue growth rate	50.73%	59.33%	71.82%
Average gross profit margin	53.63%	63.04%	64.64%
Pre-tax discount rate	10.94%	11.38%	11.28%

15. LEASES

The Group had lease contracts for plant and buildings with lease terms of 2 to 10 years during the Relevant Periods.

The Group

	Right-of-use assets	Lease liabilities
	Plant and buildings	Plant and buildings
	RMB'000	RMB'000
As at 31 December 2024		
At 1 January 2024	13,053	15,556
Additions	10,374	10,374
Depreciation charged (<i>note 7</i>)	(2,308)	—
Interest expense (<i>note 8</i>)	—	725
Payments	—	(3,813)
At 31 December 2024	21,119	22,842
As at 31 December 2025		
At 1 January 2025	21,119	22,842
Additions	3,591	3,591
Depreciation charged (<i>note 7</i>)	(3,842)	—
Interest expense (<i>note 8</i>)	—	953
Payments	—	(4,319)
At 31 December 2025	20,868	23,067
As at 31 May 2026		
At 1 January 2026	20,868	23,067
Depreciation charged (<i>note 7</i>)	(1,775)	—
Interest expense (<i>note 8</i>)	—	380
Payments	—	(1,396)
At 31 May 2026	19,093	22,051

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Lease liabilities:			
Analyzed into:			
Current portion	3,419	4,415	4,650
Non-current portion	19,423	18,652	17,401
	22,842	23,067	22,051

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The Company

	Right-of-use assets	Lease liabilities
	Plant and buildings	Plant and buildings
	RMB'000	RMB'000
As at 31 December 2024		
At 1 January 2024	9,508	11,133
Depreciation charged (<i>note 7</i>)	(1,501)	—
Interest expense (<i>note 8</i>)	—	480
Payments	—	(1,810)
At 31 December 2024	8,007	9,803
As at 31 December 2025		
At 1 January 2025	8,007	9,803
Additions	3,555	3,555
Depreciation charged (<i>note 7</i>)	(1,695)	—
Interest expense (<i>note 8</i>)	—	447
Payments	—	(2,051)
At 31 December 2025	9,867	11,754
As at 31 May 2026		
At 1 January 2026	9,867	11,754
Depreciation charged (<i>note 7</i>)	(949)	—
Interest expense (<i>note 8</i>)	—	201
Payments	—	(1,109)
At 31 May 2026	8,918	10,846

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Lease liabilities:			
Analyzed into:			
Current portion	1,450	2,329	2,458
Non-current portion	8,353	9,425	8,388
	9,803	11,754	10,846

Total amounts recognized in profit or loss in relation to leases during the Relevant Periods and five months ended 31 May 2025 are as follows:

The Group

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities (<i>note 8</i>)	725	953	389	380
Depreciation charge of right-of-use assets	2,308	3,348	1,476	1,775
Expenses relating to short-term leases and low-value leases (<i>note 7</i>)	323	130	44	105
Total amount recognised in profit or loss	3,356	4,431	1,909	2,260

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The Company

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities (<i>note 8</i>)	480	447	182	201
Depreciation charge of right-of-use assets	1,501	1,695	626	949
Expenses relating to short-term leases and low-value leases (<i>note 7</i>).	—	57	13	74
Total amount recognised in profit or loss	1,981	2,199	821	1,224

16. INTANGIBLE ASSETS

The Group

	Software	Licenses	Total
	RMB'000	RMB'000	RMB'000
As at 31 December 2024			
At 1 January 2024			
Cost	789	7,750	8,539
Accumulated amortisation and impairment .	(319)	(4,750)	(5,069)
Net carrying amount	470	3,000	3,470
At 1 January 2024, net of accumulated amortisation	470	3,000	3,470
Additions	24	—	24
Amortisation (<i>note 7</i>)	(180)	(336)	(516)
Impairment (<i>note 7</i>).	—	(664)	(664)
At 31 December 2024, net of accumulated amortisation	314	2,000	2,314
At 31 December 2024			
Cost	813	7,750	8,563
Accumulated amortisation and impairment .	(499)	(5,750)	(6,249)
Net carrying amount	314	2,000	2,314

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The Group

	Software	Licenses	Patents	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2025				
At 1 January 2025				
Cost	813	7,750	—	8,563
Accumulated amortisation and impairment	(499)	(5,750)	—	(6,249)
Net carrying amount	314	2,000	—	2,314
At 1 January 2025, net of accumulated amortisation	314	2,000	—	2,314
Additions	113	—	150	263
Amortisation (<i>note 7</i>)	(150)	(253)	(11)	(414)
At 31 December 2025, net of accumulated amortisation	277	1,747	139	2,163
At 31 December 2025				
Cost	926	7,750	150	8,826
Accumulated amortisation and impairment	(649)	(6,003)	(11)	(6,663)
Net carrying amount	277	1,747	139	2,163

The Group

	Software	Licenses	Patents	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 May 2026				
At 1 January 2026				
Cost	926	7,750	150	8,826
Accumulated amortisation and impairment	(649)	(6,003)	(11)	(6,663)
Net carrying amount	277	1,747	139	2,163
At 1 January 2026, net of accumulated amortisation	277	1,747	139	2,163
Amortisation (<i>note 7</i>)	(49)	(105)	(5)	(159)
At 31 May 2026, net of accumulated amortisation	228	1,642	134	2,004
At 31 May 2026				
Cost	926	7,750	150	8,826
Accumulated amortisation and impairment	(698)	(6,108)	(16)	(6,822)
Net carrying amount	228	1,642	134	2,004

Details of the impairment of intangible assets are set out in note 14 to the Historical Financial Information.

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The Company

	Software	Licenses	Total
	RMB'000	RMB'000	RMB'000
As at 31 December 2024			
At 1 January 2024			
Cost	782	7,750	8,532
Accumulated amortisation and impairment	(315)	(4,750)	(5,065)
Net carrying amount	467	3,000	3,467
At 1 January 2024, net of accumulated amortisation	467	3,000	3,467
Additions	24	—	24
Amortisation	(177)	(336)	(513)
Impairment	—	(664)	(664)
At 31 December 2024, net of accumulated amortisation	314	2,000	2,314
At 31 December 2024			
Cost	806	7,750	8,556
Accumulated amortisation and impairment	(492)	(5,750)	(6,242)
Net carrying amount	314	2,000	2,314

The Company

	Software	Licenses	Patents	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2025				
At 1 January 2025				
Cost	806	7,750	—	8,556
Accumulated amortisation and impairment	(492)	(5,750)	—	(6,242)
Net carrying amount	314	2,000	—	2,314
At 1 January 2025, net of accumulated amortisation	314	2,000	—	2,314
Additions	113	—	150	263
Amortisation	(150)	(253)	(11)	(414)
At 31 December 2025, net of accumulated amortisation	277	1,747	139	2,163
At 31 December 2025				
Cost	919	7,750	150	8,819
Accumulated amortisation and impairment	(642)	(6,003)	(11)	(6,656)
Net carrying amount	277	1,747	139	2,163

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The Company

	Software	Licenses	Patents	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 May 2026				
At 1 January 2026				
Cost	919	7,750	150	8,819
Accumulated amortisation and impairment	(642)	(6,003)	(11)	(6,656)
Net carrying amount	277	1,747	139	2,163
At 1 January 2026, net of accumulated amortisation	277	1,747	139	2,163
Amortisation	(49)	(105)	(5)	(159)
At 31 May 2026, net of accumulated amortisation	228	1,642	134	2,004
At 31 May 2026				
Cost	919	7,750	150	8,819
Accumulated amortisation and impairment	(691)	(6,108)	(16)	(6,815)
Net carrying amount	228	1,642	134	2,004

17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Non-current:			
Prepayments for property, plant and equipment	63	2,355	2,639
Deposits	619	1,246	1,399
Value-added tax and other taxes recoverable ..	918	2,170	4,173
	1,600	5,771	8,211
Current:			
Prepayments	3,206	2,648	2,304
Value-added tax and other taxes recoverable ..	144	2,019	2,173
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Other receivables and deposits	1,670	1,607	1,743
	5,020	8,917	9,296
Impairment allowance	(844)	(841)	(843)
Total	5,776	13,847	16,664

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The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Non-current:			
Prepayments for property, plant and equipment	29	—	195
Deposits	454	454	607
Value-added tax and other taxes recoverable	—	—	1,775
	483	454	2,577
Current:			
Prepayments	2,612	2,235	1,981
Value-added tax and other taxes recoverable	144	2,019	2,173
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Due from subsidiaries	20,221	22,916	16,086
Other receivables and deposits	1,454	1,560	1,697
	24,431	31,373	25,013
Impairment allowance	(840)	(6,778)	(6,755)
Total	24,074	25,049	20,835

The other receivables and deposits are interest-free and are not secured with collateral.

As at 31 December 2024 and 2025 and 31 May 2026, the impairment of the other receivables and deposits were measured based on 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss.

As at 31 December 2025 and 31 May 2026, the Company recognised an impairment provision of RMB5,935,000 and RMB 5,913,000 for the amount due from a subsidiary which has ceased operations in 2025.

The movements in the loss allowance for impairment of other receivables are as follows:

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
At beginning of year/period	839	844	841
Impairment losses/(reversal of impairment), net (note 7)	5	(3)	2
At end of year/period	844	841	843

The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
At beginning of year/period	837	840	6,778
Impairment losses/(reversal of impairment), net	3	5,938	(23)
At end of year/period	840	6,778	6,755

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18. INVESTMENT IN SUBSIDIARIES

The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Jiangsu Hyken Pharm Co., Ltd. 江蘇恒濟醫藥有限公司.....	60,000	60,083	60,181
Guangzhou Novaken Pharmaceutical Research Institute Co., Ltd. 廣州新濟生物醫藥研究院有限公司.....	2,000	12,325	12,707
Guangzhou Micnano Biotech Co., Ltd. 廣州新濟薇娜生物科技有限公司.....	1,600	1,600	1,600
Novaken Pharm (Shaoguan) Co., Ltd. 新濟醫藥(韶關)有限公司.....	—	30,000	30,000
Novaken Pharm (Zhuhai) Co., Ltd. 新濟醫藥(珠海)有限公司.....	—	30,460	31,004
Less: provision for impairment	(1,600)	(1,600)	(1,600)
	62,000	132,868	133,892

Some subsidiaries incurred losses or only carried out limited operational activities. The management has performed impairment testing for investment in subsidiaries which has impairment indicators as at each of the Relevant Periods. The Company has recognised an impairment loss on investment in Guangzhou Micnano Biotech Co., Ltd. amounted to RMB1,600,000, RMB1,600,000 and RMB1,600,000 as at 31 December 2024 and 2025 and 31 May 2026, respectively.

Novaken Pharm (Shaoguan) Co., Ltd was established in 2025 and has not commenced operating activities. Guangzhou Novaken Pharmaceutical Research Institute Co., Ltd. was engaged in the research and development of the pipeline drugs and Jiangsu Hyken Pharm Co., Ltd. and Novaken Pharm (Zhuhai) Co., Ltd. were under the construction and will be the manufacturing platform of the Group. The management of the Company expects the subsidiaries will generate sufficient profits in the foreseeable future with the commercialization of new products and improvement in sales and business scale. Based on the assessment performed by the Company, no impairment for the investment in these subsidiaries was required during the Relevant Periods.

19. INVENTORIES

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Raw materials	928	1,596	1,685
Work in progress	380	—	—
Finished goods	481	—	—
Total	1,789	1,596	1,685

The inventories are net of a write-down of approximately RMB1,842,000, RMB940,000 and RMB979,000 at the end of each of the Relevant Periods.

The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Raw materials	675	1,596	1,685

The inventories are net of a write-down of approximately RMB746,000, RMB843,000 and RMB882,000 at the end of each of the Relevant Periods.

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20. TRADE RECEIVABLES

The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Trade receivables	8,457	17,662	13,063
Impairment.	(354)	(716)	(1,022)
Net carrying amount	8,103	16,946	12,041

The Group’s trading terms with its customers are mainly on credit. For sales of products, the credits period is normally 30 days. For sales of CRO services, the settlement is made in accordance with the terms specified in the agreements. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Trade receivables are non-interest-bearing.

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

The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year	5,830	14,667	9,317
Over 1 year	2,273	2,279	2,724
Total	8,103	16,946	12,041

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
At beginning of year/period.	40	354	716
Impairment losses, net (note 7)	314	362	306
At end of year/period	354	716	1,022

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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Set out below is the information about the credit risk exposure on the Group’s trade receivables using a provision matrix:

The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
Assessed on collective basis			
Expected credit loss rate	4.18%	4.63%	8.23%
Gross carrying amount (RMB’000)	8,457	14,754	12,312
Expected credit losses (RMB’000)	354	683	1,013
Assessed individually			
Expected credit loss rate	—	1.15%	1.20%
Gross carrying amount (RMB’000)	—	2,908	751
Expected credit losses (RMB’000)	—	33	9

21. CONTRACT ASSETS

The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB’000	RMB’000	RMB’000
Contract assets arising from:			
CRO services	8,609	10,568	13,623
Impairment.	(137)	(208)	(697)
Net carrying amount	8,472	10,360	12,926

Contract assets are initially recognised for revenue earned from the provision of CRO services and the receipt of consideration is conditional on successful completion of the services.

The expected timing of recovery or settlement for contract assets at the end of each reporting period is as follows:

The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB’000	RMB’000	RMB’000
Within 1 year	8,095	9,044	11,431
Over 1 year	377	1,316	1,495
Total	8,472	10,360	12,926

The movements in the loss allowance for impairment of contract assets are as follows:

The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB’000	RMB’000	RMB’000
At beginning of year/period.	8	137	208
Impairment losses, net (note 7)	129	71	489
At end of year/period	137	208	697

The impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases.

Set out below is the information about the credit risk exposure on the Group’s contract assets using a provision matrix:

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The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
Expected credit loss rate	1.59%	1.97%	5.12%
Gross carrying amount (RMB’000)	8,609	10,568	13,623
Expected credit losses (RMB’000)	137	208	697

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		As at 31 May
	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Structured deposits	—	1,402	8,191

The above amount represented investments in certain financial products issued by a commercial bank in Chinese Mainland with expected return rates ranging from 1.39% to 4.05% per annum. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

23. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash and bank balances	68,361	133,383	102,615
Cash and cash equivalents	68,361	133,383	102,615
Denominated in:			
RMB	68,361	131,232	102,615
USD	—	2,151	—

The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash and cash equivalents	11,994	26,352	8,971
Cash and cash equivalents	11,994	26,352	8,971
Denominated in:			
RMB	11,994	24,216	8,971
USD	—	2,136	—

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

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24. TRADE PAYABLES

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Trade payables	1,837	5,474	2,513

The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Trade payables	1,313	5,358	2,397

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

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year	1,295	5,356	2,400
Over 1 year	542	118	113
Total	1,837	5,474	2,513

The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Within 1 year	1,168	5,352	2,397
Over 1 year	145	6	—
Total	1,313	5,358	2,397

The trade payables are non-interest-bearing and normally settled within one year.

25. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Payroll payable	9,679	8,042	4,120
Amounts due to the directors (<i>note 35</i>)	900	—	—
Other tax payable	412	624	275
Payables for property, plant and equipment	1,132	567	561
Other payables and accruals	3,859	7,116	8,014
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Provisions for onerous contracts	—	150	100
Payables for intangible assets*	16,750	—	—
Total	32,732	20,179	13,892

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The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Payroll payable	8,565	7,073	3,521
Amounts due to the directors (<i>note 35</i>)	900	—	—
Other tax payable	228	286	203
Payables for property, plant and equipment	741	72	57
Due to subsidiaries	1,461	1,847	1,851
Other payables and accruals	3,205	6,903	7,752
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Provisions for onerous contracts	—	150	100
Payables for intangible assets*	16,750	—	—
Total	31,850	20,011	14,306

* It represented the payable for the purchase of the licenses to research, development and sales of licensed products from a third party whose director became an indirect shareholder of the Company since October 2023. The payables were fully settled in August 2025.

The above other payables are non-interest-bearing and repayable on demand.

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group and the Company

	As at 31 December 2024			As at 31 December 2025			As at 31 May 2026		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current									
Bank loans — secured	3.20	2025	2,002	—	—	—	—	—	—
Bank loans — unsecured	—	—	—	—	—	—	LIBOR-20	2027	10,008
Bank loans — unsecured	—	—	—	—	—	—	2.80	2027	5,026
Current portion of long-term bank loans — secured	LIBOR+40-80	2025	8,370	—	—	—	—	—	—
Current portion of long-term other borrowings — secured	10.18	2025	2,577	—	—	—	—	—	—
Current portion of long-term bank loans — unsecured	—	—	—	LIBOR-10	On demand	9,807	LIBOR-10	On demand	9,655
Total			12,949			9,807			24,689

As at 31 December 2024, certain of the Group’s bank and other borrowings amounting to RMB10,372,000 were guaranteed by the directors of the Company (*note 35*).

As at 31 December 2024, the other borrowings of the Group represented the borrowings from certain financial institutions under sales and leaseback transactions (*note 14*).

The bank loan of RMB9,807,000 and RMB9,655,000 as at 31 December 2025 and 31 May 2026 respectively were subject to a financial covenant which was not met and the corresponding bank loans were record as bank loans on demand as at 31 December 2025 and 31 May 2026.

All bank and other borrowings were denominated in RMB and the carrying amounts approximate to their fair values as at 31 December 2024 and 2025 and 31 May 2026.

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27. DEFERRED INCOME

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Deferred government grant:			
At 1 January	3,618	4,891	3,621
Received during the year/period	2,279	—	—
Released during the year/period	(1,006)	(1,270)	(471)
At 31 December/May	4,891	3,621	3,150

The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Deferred government grant:			
At 1 January	2,860	4,161	2,919
Received during the year/period	2,279	—	—
Released during the year/period	(978)	(1,242)	(460)
At 31 December/May	4,161	2,919	2,459

Deferred income represented amounts received from the governments for projects and is credited to profit or loss on a straight-line basis over the expected lives of the related assets or recognised as income on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

28. CONTRACT LIABILITIES

The Group

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Advances from customers			
CRO services	12,807	7,579	6,128
Sales of goods or license	416	—	472
	13,223	7,579	6,600

The Company

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Advances from customers			
CRO services	12,807	7,579	6,128
Sales of goods or license	—	—	472
	12,807	7,579	6,600

Contract liabilities mainly include advances received under the CRO service agreement at the end of each of the Relevant Periods. Contract liabilities are recognized as revenue upon the Group satisfying its obligations under the agreements.

29. FINANCIAL LIABILITIES ON SERIES SHARES

Pursuant to the shareholders agreement entered into from September 2021 to November 2025 (collectively, the “**Agreements**”), the Company issued 2,314,077 series A, 334,850 series A+, 5,478,525 series B and 399,067 series C ordinary shares (collectively, the “**Series Shares**”) to the

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Pre-[REDACTED] investors for a total cash proceed of approximately RMB287,000,000. Pursuant to the Agreements, the Pre-[REDACTED] investors were granted by the Company with certain special rights (“Special Rights”). The key terms of the Special Rights are summarized as follows:

(1) Voting rights

All shareholders, including the holders of ordinary shares and holders of Series Shares, are entitled to vote together as a single class on a pro-rata basis.

(2) Dividend rights

The Group’s capital reserve, surplus reserve and undistributed reserve (if any) are shared by all shareholders in proportion to their shareholding.

(3) Redemption features

The Series Shares shall be redeemable by the Company at the option of the shareholders upon occurrence of certain events, including but not limited to:

- (a) The Company fails to achieve a qualified [REDACTED] or qualified overall sale of the Company before 10 November 2027, 31 December 2027 and 31 December 2029 for shareholders for Series A Shares, Series A+ Shares and Series B Shares, respectively;
- (b) The Company is unable to provide a qualified audit report on its consolidated financial statements;
- (c) The Company is unable to achieve the goal that at least one of its high-end new drugs entering into phase II clinical trial before 31 December 2026.

(4) Liquidation preferences

In the event of any liquidation or deemed liquidation event, holders of the Series Shares shall be entitled to be paid out of the funds and assets available for distribution to the members of the Company, an amount per share equal to the original issue price for each series share with an annual compound interest rate of 8% thereon in the sequence as follows: Series B Shares, Series A+ Shares and Series A Shares.

(5) Anti-dilution right

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to require the Company to issue additional paid-in capital at the lowest issue price permitted by law to the investors or receive cash compensation from the Company, and the investors also have a right to require the controlling shareholders to transfer shares to the investors at the lowest issue price permitted by law or receive cash compensation from the controlling shareholders, so that the total amount paid by the investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

On 25 November 2025, the Company and the Pre-[REDACTED] investors subsequently entered into supplemental agreements, agreeing that, all the Special Rights granted to the Pre-[REDACTED] investors have been terminated prior to the initial filing of the application for [REDACTED]. In the event that the application for [REDACTED] is not approved, is withdrawn, or the review is terminated by the stock exchange or other securities regulatory authorities, or the Company fails to complete the [REDACTED] with 24 months from the supplemental agreement, the Special Rights shall be reinstated.

Presentation and classification

As the Agreements give rise to redemption obligation of the Company, upon the issuance of each series of shares, the Company classifies the series shares as financial liabilities and debited to other reserve in equity. As the special rights granted to the Pre-[REDACTED] investors in the Agreements form a hybrid contract with multiple embedded derivatives which satisfy the criteria under IFRS 9, the Group designated the entire hybrid instrument as financial liabilities at fair value through profit or loss upon initial recognition and presented as “financial liabilities on series shares” in the consolidated statements of financial position. The change in fair value of the financial liabilities on series shares is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the financial liabilities on series shares attributable to changes of own credit risk is not significant.

The financial liabilities on series shares were presented as current liabilities as not all triggering payment events mentioned above were within the control of the Company.

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The movements of financial liabilities on series shares are set out as follows:

The Group and the Company

	Series A	Series A+	Series B	Series C	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	115,199	19,661	—	—	134,860
Issue of series shares	—	—	80,000	—	80,000
Change in fair value	35,431	3,704	81,314	—	120,449
At 31 December 2024	150,630	23,365	161,314	—	335,309
Issue of series shares	—	—	110,000	30,000	140,000
Change in fair value	(22,975)	(3,851)	56,228	405	29,807
At 31 December 2025	127,655	19,514	327,542	30,405	505,116
Change in fair value	46,553	6,603	102,354	6,210	161,720
At 31 May 2026	174,208	26,117	429,896	36,615	666,836

The Group has used the discounted cash flow method to determine the underlying share value of the Company and performed an equity allocation based on the Option Pricing model to arrive the fair value of the financial liabilities on series shares as at 31 December 2024 and 2025 and 31 May 2026. The key assumptions used in the valuation are set out below:

	As at 31 December		As at 31 May
	2024	2025	2026
Risk-free interest rate	1.10%	1.52%	1.25%
DLOM	25.52%	25.25%	24.13%
Volatility	44.89%	51.09%	48.20%

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

		(Decrease)/increase in the fair value		
Significant unobservable inputs	Increase/(decrease) in the inputs	As at 31 December		As at 31 May
		2024	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Risk-free interest rate	1%/(1%)	(1,866)/2,006	(1,950)/2,038	(1,806)/1,708
DLOM	1%/(1%)	(3,756)/3,758	(5,764)/5,805	(7,659)/7,655
Volatility	1%/(1%)	375/(401)	93/(115)	480/(454)

30. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

Paid-in capital:

	Paid-in capital
	<i>RMB'000</i>
As at 1 January 2024	12,781
Issue of series shares (i)	2,307
As at 31 December 2024 and 1 January 2025	15,088
Issue of series shares (ii)	3,171
Capital contribution (iii)	1,694
Conversion into a joint stock company (iv)	(19,953)
As at 31 December 2025 and 31 May 2026	—

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Share capital:

A summary of movements in the share capital is as follows:

	Number of shares in issue	Share capital
	(000)	RMB’000
As at 1 January 2025	—	—
Issue of ordinary shares upon conversion into a joint stock company of RMB 1 each (iv).	19,953	19,953
Issue of series shares (v).	399	399
As at 31 December 2025 and 31 May 2026	20,352	20,352

- (i) During the year ended 31 December 2024, the Company issued 2,306,747 series B shares for cash consideration of RMB80,000,000, which has increased the paid-in capital and capital reserve by RMB2,307,000 and RMB77,693,000, respectively.
- (ii) During the year ended 31 December 2025, the Company issued 3,171,778 series B shares for cash consideration of RMB110,000,000, which has increased the paid-in capital and capital reserve by RMB3,171,000 and RMB106,829,000, respectively.
- (iii) During the year ended 31 December 2025, the Company received the subscribed capital contribution from Guangzhou Guangji Investment Biopharmaceutical Investment Enterprise and Guangzhou Baiji Biopharmaceutical Investment Enterprise for total cash consideration of RMB36,918,000, which has increased the paid-in capital and capital reserve by RMB1,694,000 and RMB35,224,000, respectively.
- (iv) On 26 November 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and accumulated losses, were converted into 19,953,361 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company’s capital reserve.
- (v) During the year ended 31 December 2025, the Company issued 399,067 series C shares for cash consideration of RMB30,000,000, which has increased the share capital and capital reserve by RMB399,000 and RMB29,601,000, respectively.

On 12 December 2025, resolution was passed by the shareholders approving, among others, the share subdivision, whereby each of the shares with a nominal value of RMB1.00 each shall be sub-divided into 5 shares with a nominal value of RMB0.20 each, and such share subdivision shall take effect immediately before the [REDACTED], upon which the registered capital of the Company shall be divided into 101,760,000 shares with a nominal value of RMB0.20 per share.

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31. DEFICITS

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods and the five months ended 31 May 2025 are presented in the consolidated statements of changes in equity of the Group.

(a) Capital reserve

The capital reserve of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents share-based compensation due to the equity-settled share-based payments transactions.

(c) Other reserve

The other reserve represents the debt amount of the financial liabilities on series shares upon initial recognition and the reserves arising from the transactions with the non-controlling shareholders.

The Company

The amounts of the Company’s reserves and the movements therein for the Relevant Periods and the five months ended 31 May 2025 are as follows:

	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024.	50,997	2,913	(67,000)	(124,798)	(137,888)
Loss for the year	—	—	—	(138,687)	(138,687)
Total comprehensive loss for the year	—	—	—	(138,687)	(138,687)
Issue of series shares	77,693	—	—	—	77,693
Recognition of financial liabilities on series shares	—	—	(80,000)	—	(80,000)
At 31 December 2024.	128,690	2,913	(147,000)	(263,485)	(278,882)
	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025.	128,690	2,913	(147,000)	(263,485)	(278,882)
Loss for the year	—	—	—	(106,132)	(106,132)
Total comprehensive loss for the year	—	—	—	(106,132)	(106,132)
Issue of series shares	136,430	—	—	—	136,430
Recognition of financial liabilities on series shares	—	—	(140,000)	—	(140,000)
Capital contribution	35,224	—	—	—	35,224
Conversion into a joint stock company .	(99,312)	—	—	99,312	—
Share-based payment compensation . .	—	13,588	—	—	13,588
At 31 December 2025.	201,032	16,501	(287,000)	(270,305)	(339,772)

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	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2026.	201,032	16,501	(287,000)	(270,305)	(339,772)
Loss for the period	—	—	—	(191,892)	(191,892)
Total comprehensive loss for the period	—	—	—	(191,892)	(191,892)
Share-based payment compensation . . .	—	7,923	—	—	7,923
At 31 May 2026.	201,032	24,424	(287,000)	(462,197)	(523,741)

	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025.	128,690	2,913	(147,000)	(263,485)	(278,882)
Loss for the period	—	—	—	(12,774)	(12,774)
Total comprehensive loss for the period	—	—	—	(12,774)	(12,774)
At 31 May 2025 (unaudited).	128,690	2,913	(147,000)	(276,259)	(291,656)

32. SHARE-BASED PAYMENTS

The Company adopted a share incentive plan (the “**Plan**”) in 2025 for the purpose of attracting and retaining the best talents who promote the success of the Group’s operations. Eligible participants of the Plan include the Group’s directors and employees. Guangzhou Guangji Investment Biopharmaceutical Investment Enterprise (“**Guangji**”) were designated as the share incentive platform to hold the shares specially awarded to the eligible participants under the Plan.

On 25 August 2025, 1,277,069 shares of the Company held by Guangji under the Plan were granted to eligible employees and directors of the Group, at a subscription price of RMB16.45 per share. Except for 213,935 shares granted to Dr. Wu Chuanbin which were vested immediately, the vesting of other shares is subject to the service condition and [REDACTED] conditions.

The fair values of the restricted shares as at the grant date were determined using back-solve method. Major inputs used for the determination of the fair values are listed as follows:

	25 August 2025
Expected volatility	51.34%
Risk-free interest rate	1.57%
Discount for lack of marketability	26.98%

During the year ended 31 December 2025 and five months ended 31 May 2026, the Group recognised share-based payment expenses of RMB13,588,000 and RMB7,923,000 respectively for the above equity-settled restricted shares.

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and the five months ended 31 May 2025, the Group had non-cash additions to right-of-use assets of RMB10,374,000, RMB3,591,000, nil and nil, respectively, in respect of lease arrangements for office buildings.

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(b) Changes in liabilities arising from financing activities

	Lease liabilities	Interest-bearing bank and other borrowings	Financial liabilities on series shares	Accrued transaction cost on issue of series shares in other payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	15,556	19,263	134,860	—	169,679
Changes from financing cash flows	(3,813)	(6,977)	80,000	—	69,210
Non-cash transactions	10,374	—	—	2,000	12,374
Interest expenses	725	663	—	—	1,388
Change in fair value of financial liabilities on series shares	—	—	120,449	—	120,449
At 31 December 2024	22,842	12,949	335,309	2,000	373,100

	Lease liabilities	Interest-bearing bank and other borrowings	Financial liabilities on series shares	Accrued transaction cost on issue of series shares in other payables	Accrued [REDACTED] expenses included in other payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	22,842	12,949	335,309	2,000	[REDACTED]	373,100
Changes from financing cash flows	(4,319)	(3,878)	140,000	(5,100)	[REDACTED]	124,835
Non-cash transactions	3,591	—	—	4,600	[REDACTED]	10,946
Interest expenses	953	736	—	—	[REDACTED]	1,689
Change in fair value of financial liabilities on series shares	—	—	29,807	—	[REDACTED]	29,807
At 31 December 2025	23,067	9,807	505,116	1,500	[REDACTED]	540,377

	Lease liabilities	Interest-bearing bank and other borrowings	Financial liabilities on series shares	Accrued transaction cost on issue of series shares in other payables	Accrued [REDACTED] expenses included in other payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2026	23,067	9,807	505,116	1,500	[REDACTED]	540,377
Changes from financing cash flows	(1,396)	14,678	—	(1,500)	[REDACTED]	10,600
Non-cash transactions	—	—	—	—	[REDACTED]	433
Interest expenses	380	204	—	—	[REDACTED]	584
Change in fair value of financial liabilities on series shares	—	—	161,720	—	[REDACTED]	161,720
At 31 May 2026	22,051	24,689	666,836	—	[REDACTED]	713,714

	Lease liabilities	Interest-bearing bank and other borrowings	Financial liabilities on series shares	Accrued transaction cost on issue of series shares in other payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	22,842	12,949	335,309	2,000	373,100
Changes from financing cash flows	(1,087)	10,610	—	(400)	9,123
Interest expenses	389	298	—	—	687
Change in fair value of financial liabilities on series shares	—	—	1,105	—	1,105
At 31 May 2025 (unaudited)	22,144	23,857	336,414	1,600	384,015

(c) Total cash outflow for leases

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

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	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Within operating activities.	323	130	44	105
Within financing activities.	3,813	4,319	1,087	1,396
Total	4,136	4,449	1,131	1,501

34. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:			
Plant and machinery	616	4,359	13,793

35. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following companies are related parties that had material transactions or balances with the Group during the Relevant Periods and the five months ended 31 May 2025.

(a) Name of related parties

	Relationship with the Group
Dr. Wu Chuanbin	Director and the shareholder
Ms. Pan Xin.	Director
Ms. Jia Lu	Director

(b) Outstanding balances with related parties:

The Group had the following outstanding balances with related parties at 31 December 2024 and 2025 and 31 May 2026.

Other payables

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Ms. Pan Xin*	700	—	—
Ms. Jia Lu*	200	—	—

* These balances were unsecured, interest-free, and of non-trade in nature.

(c) Certain of the Group’s bank and other borrowings are secured by:

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Dr. Wu Chuanbin	10,372	—	—
Ms. Pan Xin.	8,370	—	—

The above guarantees provided by the related parties were released in 2025.

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(d) Compensation of key management personnel of the Group:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Salaries, allowances and benefits in kind	1,578	3,391	1,067	1,453
Performance related bonuses	1,724	1,938	88	285
Pension scheme contributions	29	32	9	13
Equity-settled share award expenses . . .	—	8,806	—	2,281
	<u>3,331</u>	<u>14,167</u>	<u>1,164</u>	<u>4,032</u>

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

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36. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2024

Financial assets

	Financial assets at amortised cost
	<i>RMB'000</i>
Cash and cash equivalents	68,361
Trade receivables	8,103
Financial assets included in prepayments, other receivables and other assets	1,445
	<u>77,909</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest-bearing bank and other borrowings . .	—	12,949	12,949
Trade payables	—	1,837	1,837
Financial liabilities included in other payables and accruals	—	22,641	22,641
Financial liabilities on series shares	335,309	—	335,309
Lease liabilities	—	22,842	22,842
	<u>335,309</u>	<u>60,269</u>	<u>395,578</u>

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	—	133,383	133,383
Trade receivables	—	16,946	16,946
Financial assets included in prepayments, other receivables and other assets	—	2,012	2,012
Financial assets at fair value through profit or loss	1,402	—	1,402
	<u>1,402</u>	<u>152,341</u>	<u>153,743</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest-bearing bank and other borrowings . .	—	9,807	9,807
Trade payables	—	5,474	5,474
Financial liabilities included in other payables and accruals	—	11,363	11,363
Financial liabilities on series shares	505,116	—	505,116
Lease liabilities	—	23,067	23,067
	<u>505,116</u>	<u>49,711</u>	<u>554,827</u>

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As at 31 May 2026

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB’000	RMB’000	RMB’000
Cash and cash equivalents	—	102,615	102,615
Trade receivables	—	12,041	12,041
Financial assets included in prepayments, other receivables and other assets.	—	2,299	2,299
Financial assets at fair value through profit or loss	8,191	—	8,191
	<u>8,191</u>	<u>116,955</u>	<u>125,146</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB’000	RMB’000	RMB’000
Interest-bearing bank and other borrowings . .	—	24,689	24,689
Trade payables	—	2,513	2,513
Financial liabilities included in other payables and accruals	—	9,397	9,397
Financial liabilities on series shares.	666,836	—	666,836
Lease liabilities	—	22,051	22,051
	<u>666,836</u>	<u>58,650</u>	<u>725,486</u>

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair value

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, lease liabilities and interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group’s finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance controller. The valuation process and results are discussed with the directors of the Company periodically for financial reporting.

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

The fair values of the financial assets at fair value through profit or loss have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all required significant inputs to fair value of an instrument are observable, the instruments are included in Level 2. If one or more of the significant inputs are not based on observable market data, the instruments are included in Level 3.

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Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial assets at fair value through profit or loss.	—	1,402	—	1,402

As at 31 May 2026

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial assets at fair value through profit or loss.	—	8,191	—	8,191

Liabilities measured at fair value:

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial liabilities on series shares. . . .	—	—	335,309	335,309

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial liabilities on series shares. . . .	—	—	505,116	505,116

As at 31 May 2026

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB’000	RMB’000	RMB’000	
Financial liabilities on series shares. . . .	—	—	666,836	666,836

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Further details of financial liabilities on series shares are included in note 29 to the Historical Financial Information.

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents, financial assets at fair value through profit or loss and interest-bearing bank and other borrowings, and finance liabilities on series shares. The Group has various other financial assets and liabilities such as trade receivables, other receivables, trade payables and other payables and accruals and lease liabilities, which arise directly from its operations.

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

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant.

Maximum exposure and year-end staging

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

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Contract assets*	—	—	—	8,609	8,609
Trade receivables*	—	—	—	8,457	8,457
Financial assets included in prepayments, other receivables and other assets	1,459	—	830	—	2,289
— Normal**	1,459	—	—	—	1,459
— Doubtful**	—	—	830	—	830
Cash and cash equivalents					
— Not yet past due	68,361	—	—	—	68,361
	69,820	—	830	17,066	87,716

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As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets*	—	—	—	10,568	10,568
Trade receivables*	—	—	—	17,662	17,662
Financial assets included in prepayments, other receivables and other assets	2,023	—	830	—	2,853
— Normal**	2,023	—	—	—	2,023
— Doubtful**	—	—	830	—	830
Cash and cash equivalents	133,383	—	—	—	133,383
— Not yet past due	135,406	—	830	28,230	164,466

As at 31 May 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets*	—	—	—	13,623	13,623
Trade receivables*	—	—	—	13,063	13,063
Financial assets included in prepayments, other receivables and other assets	2,312	—	830	—	3,142
— Normal**	2,312	—	—	—	2,312
— Doubtful**	—	—	830	—	830
Cash and cash equivalents	102,615	—	—	—	102,615
— Not yet past due	104,927	—	830	26,686	132,443

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 20 and 21 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to interest-bearing loans. The Group currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk.

The following table details the (increase)/decrease on the Group’s loss before tax for each of the Relevant Periods as at the end of each reporting period that an increase/decrease of 5% in interest rate would have.

	For the year ended 31 December		For the five months ended 31 May
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
5% Increase of interest rate	(1,142)	(1,167)	(1,103)
5% Decrease of interest rate	1,142	1,167	1,103

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Liquidity risk

The Group’s objective is to maintain continuity of funding and flexibility through the use of internally generated cash flows from operation and bank borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2024

	On demand	Within 1 year	Over 1 year	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Trade payables	—	1,837	—	1,837
Financial liabilities included in other payables and accruals	22,641	—	—	22,641
Lease liabilities	—	4,320	21,479	25,799
Interest-bearing bank and other borrowings	—	13,583	—	13,583
	<u>22,641</u>	<u>19,740</u>	<u>21,479</u>	<u>63,860</u>

As at 31 December 2025

	On demand	Within 1 year	Over 1 year	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Trade payables	—	5,474	—	5,474
Financial liabilities included in other payables and accruals	11,363	—	—	11,363
Lease liabilities	—	5,283	20,137	25,420
Interest-bearing bank and other borrowings	9,807	—	—	9,807
	<u>21,170</u>	<u>10,757</u>	<u>20,137</u>	<u>52,064</u>

As at 31 May 2026

	On demand	Within 1 year	Over 1 year	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Trade payables	—	2,513	—	2,513
Financial liabilities included in other payables and accruals	9,397	—	—	9,397
Lease liabilities	—	5,283	20,137	25,420
Interest-bearing bank and other borrowings	9,655	15,375	—	25,030
	<u>19,052</u>	<u>23,171</u>	<u>20,137</u>	<u>62,360</u>

Capital management

The Group’s policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of business.

The directors of the Company review the asset-liability ratio, which is total assets divided by total liability, on a continuous basis, taking into account the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the raising of new debts as well as the redemption of the existing debts and manage the asset-liability ratios. The Group’s overall strategy remained unchanged during the Relevant Periods.

The asset-liability ratios as at the end of each of Relevant Periods are as follows:

	As at 31 December		As at 31 May
	2024	2025	2026
	RMB’000	RMB’000	RMB’000
Total assets	140,617	231,237	206,896
Total liabilities	423,783	574,843	739,731
Asset-liability ratio	<u>301.37%</u>	<u>248.59%</u>	<u>357.54%</u>

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39. EVENTS AFTER THE RELEVANT PERIODS

No significant events of the Group occurred after 31 May 2026.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 31 May 2026.