

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our historical financial information, included in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

OVERVIEW

Founded in 2020, we are an innovative cell therapy company. Our Core Product (IMC002) is an anti-CLDN18.2 CAR-T cell therapy candidate that is the second-most clinically advanced CAR-T cell therapy for treatment of solid tumors globally and is currently the subject of a registrational Phase III clinical trial. We also have a clinical stage (Phase I/IIa) anti-EpCAM CAR-T cell therapy candidate (IMC001) for treatment of solid tumors, as well as a proprietary manufacturing process for *ex vivo* CAR-T with anticipated prominent cost advantages. We believe that these enable significant market potential based on the large number of solid tumor patients in China and worldwide. Moreover, we have formed a “dual engine” growth model featuring both *ex vivo* and *in vivo* CAR-T cell therapies, with our differentiated iMAGIC *in vivo* CAR-T platform to develop real “off-the-shelf” products and expand potential therapeutic areas.

We currently have no products approved for commercial sale and therefore have not generated any revenue from product sales during the Track Record Period. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we recorded loss for the year/period of RMB71.3 million, RMB114.8 million, RMB35.1 million and RMB108.9 million, respectively. Such losses resulted primarily from our significant research and development expenses and administrative expenses.

We expect to incur significant expenses and record net losses for at least the next several years as we continue to advance our clinical development and pre-clinical research plans, prepare for the commercialization of our Core Product or other product candidates, and recruit talents necessary to operate our business. Subsequent to the [REDACTED] and the [REDACTED], we also expect to incur costs and expenses associated with operating as a public company. Our financial performance may fluctuate from period to period due to, among other factors, the development progress of our drug candidates, regulatory approval timeline, and commercialization of our product candidates after approval.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with the IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board. All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2026, together with the relevant transitional provisions, have been consistently applied in preparing the historical financial information.

Our historical financial information has been prepared under the historical cost basis except for certain financial instruments which have been measured at their fair value. Our historical financial information is presented in RMB. For Shares issued to our [REDACTED] Investors with redemption rights, we have entered into supplemental agreements with the relevant [REDACTED] Investors to terminate such redemption rights. Pursuant to such supplemental agreements, the

FINANCIAL INFORMATION

redemption rights shall be deemed to have never had any legal effect. Having taken into account the legal and regulatory framework of the Chinese mainland and the governing law of the supplementary agreements, our Directors consider it appropriate to present the such Shares as equity throughout the Track Record Period. For further details, see Note 23 to the Accountants’ Report in Appendix I to this document.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

General Factors

Our business and operating results are affected by general factors affecting the pharmaceutical industry in which we operate, including but not limited to:

- macroeconomic conditions in China and worldwide;
- growth and competition environment of the pharmaceutical market in China and globally;
- market acceptance of the immuno-oncology and cellular immunotherapy;
- relevant laws and regulations, governmental policies and initiatives affecting the pharmaceutical industry in China and globally;
- political, economic and social instability of the markets in which we are conducting or plan to conduct clinical trials and/or commercialization activities; and
- technology advancements in CAR-T cell therapy development.

Company Specific Factors

Our Ability to Successfully Develop Our Product Candidates

Our business and operating results depend on our ability to advance our product development programs, and obtain regulatory approvals for our product candidates. As of the Latest Practicable Date, we have established a pipeline consisting of nine CAR-T product candidates for the treatment of solid tumors, hematological malignancies and auto-immune diseases, of which four were in clinical development stage. This diversified pipeline reflects our proven experience in advancing CAR-T cell therapy development and is supported by our strong research and development capabilities across both the preclinical and clinical stages. See “Business — Our Product Pipeline” for more information on the development status of our various product candidates.

As of the Latest Practicable Date, we had launched a registrational Phase III trial in China with IMC002 as a treatment for advanced gastric cancer patients who have received at least two prior lines of systemic treatment. We currently expect to complete this registrational clinical trial and submit an NDA application to the NMPA in 2027 with respect to IMC002 as a third-line treatment for gastric cancer/GEJ adenocarcinoma. We also submitted an IND application to the NMPA in June 2026 for an exploratory clinical trial of IMC002 in first-line advanced pancreatic cancer patients. In addition, we plan to initiate a clinical trial of IMC002 as an earlier-line treatment for gastric cancer after its first approval as a third-line treatment. Our business and results of operations depend on our product candidates demonstrating favorable clinical trial results, and our ability to obtain the requisite regulatory approvals for our product candidates. See “Risk Factors — Risks relating to the Development, Clinical Trials and Regulatory Approval of Our Product Candidates” for details of the risks in relation to advancing clinical development and obtaining regulatory approvals for our product candidates.

FINANCIAL INFORMATION

Our Ability to Successfully Commercialize Our Product Candidates

Our business and results of operations depend on our ability to commercialize our product candidates following receipt of regulatory approvals from competent authorities. Although none of our product candidates have yet been approved for commercial sale and we have not generated revenue from product sales, we expect to commercialize one or more candidates in the coming years as they progress toward the final stages of development.

Once commercialization begins, our business and operating results will largely depend on market acceptance of our products, the sales performance of our commercialized products. Successful commercialization will require substantial marketing efforts and related expenses before we are able to generate revenue from product sales. For the domestic China market, we plan to leverage our established partnerships and networks with principal investigators, key opinion leaders (KOLs), industry experts, and medical providers to cover key Class III Grade A hospitals in tier-one cities and selected tier-two cities, given their high patient volumes and qualifications to administer CAR-T therapies. Moving forward, we also intend to explore opportunities to deliver long-term survival benefits to a broader cancer patient population, including by seeking to introduce our treatments in major markets such as the United States and Europe. We intend to collaborate with an experienced contract sales organization (CSO) in China, especially those with commercialization experience of both CAR-T products and prescription drugs for GI cancer indications, to promote the commercialization of IMC002. In addition, we aim to build an internal commercial team in China for the purpose of market research, academic promotion and post-marketing surveillance. For overseas markets, we intend to seek opportunities to collaborate with multinational and local pharmaceutical companies to establish alliances with institutions and healthcare practitioners. Despite our carefully designed commercialization strategy, if our products do not achieve the expected level of market acceptance, we may be unable to generate revenue or achieve profitability as anticipated. See “Risk Factors — Risks Relating to Manufacturing and Commercialization of Our Product Candidates” for more details of the risks in relation to commercialization of our product candidates.

Our Ability to Effectively Control Our Costs and Expenses

Our ability to manage and control our costs and expenses is critical to the success of our business. Our operating expenses primarily include research and development costs and administrative expenses. Research and development costs have been, and are expected to continue to be, a major component in our cost structure. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development costs amounted to RMB54.4 million, RMB77.9 million, RMB25.6 million and RMB82.2 million, respectively, and our administrative expenses amounted to RMB18.8 million, RMB39.8 million, RMB10.6 million and RMB33.1 million, respectively. For detailed information, see “— Description of Key Components of Our Consolidated Statements of Profit or Loss and Other Comprehensive Income”.

We expect our cost structure to evolve as we continue to develop and expand our business. As the preclinical studies and clinical trials for our product candidates progress and as we move our pipeline products toward commercialization, our research and development costs, manufacturing-related costs and commercialization investments are expected to increase accordingly. In addition, as we transition into operating as a public company in Hong Kong, we anticipate incurring higher legal, compliance, accounting, insurance, and investor and public relations expenses to meet ongoing regulatory and reporting requirements. These additional obligations will further contribute to the growth of our operating costs. We will continue to optimize our cost-control measures, enhance operational efficiency, and strategically allocate resources to support sustainable business expansion.

FINANCIAL INFORMATION

Our Ability to Attract and Maintain Strategic Partnerships

Our results of operations have been, and are likely to continue to be, influenced by our strategic collaborations with business partners. For example, historically, we have worked with a number of CROs for overseeing our pharmacovigilance function. As of the Latest Practicable Date, we worked with high quality CDMOs for (i) plasmid and LVV manufacturing for IMC001 and IMC002; (ii) CAR-T cell manufacturing for IMC001; and (iii) plasmid and LVV manufacturing for *in vivo* projects. Furthermore, we also plan to leverage our established and future partnerships and networks with principal investigators, key opinion leaders (KOLs), industry experts, and medical providers to market our products after they receive regulatory approval for commercialization.

As we continue to advance our product candidates through later stages of development and prepare for potential commercialization, our relationship with key business partners may further impact our operating performance, procurement concentration, production flexibility, and overall cost management.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through capital contribution from shareholders and proceeds from borrowings. We expect to fund our future operations primarily with existing cash and cash equivalents, and [REDACTED] from the [REDACTED]. Upon the successful commercialization of one or more of our product candidates, we expect to further complement the funding for our operations with revenue generated from sales of our commercialized products. However, with the continuing expansion of our business, we may require further funding through public or private offerings, debt financing, or other sources. Any material fluctuation in the funding for our operations will impact our cash flow and our results of operations.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

For details of the critical accounting policies, estimates, assumptions and judgments involved in the preparation of financial statements of our Group, see Notes 2.3 and 3 to the Accountants’ Report as set forth in Appendix I to this document.

FINANCIAL INFORMATION

DESCRIPTION OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands) (unaudited)			
Other income and gains	3,360	4,019	1,746	6,632
Research and development costs	(54,440)	(77,941)	(25,552)	(82,203)
Administrative expenses	(18,753)	(39,802)	(10,588)	(33,096)
Other expenses	(250)	—	—	—
Finance costs	(1,229)	(1,048)	(691)	(235)
Loss before tax	(71,312)	(114,772)	(35,085)	(108,902)
Income tax expense	—	—	—	—
Loss for the year/period	(71,312)	(114,772)	(35,085)	(108,902)

DESCRIPTION OF KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Other Income and Gains

During the Track Record Period, our other income and gains primarily consisted of (i) gains on fair value changes of financial assets at fair value through profit and loss, primarily representing interest income from structured deposits, (ii) government grants received from government authorities, (iii) interest income, primarily representing interest income from current deposits and (iv) certain other income, mainly including income in relation to technical services. Our other income and gains was RMB3.4 million, RMB4.0 million, RMB1.7 million and RMB6.6 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our other income and gains for the years/periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands) (unaudited)			
Other income				
Government grants	797	843	635	3,688
Interest income	533	620	212	481
Others	327	633	141	—
Total other income	1,657	2,096	988	4,169
Gains				
Gains on fair value changes of financial assets at fair value through profit and loss	1,703	1,603	758	2,463
Gain on lease termination, net	—	320	—	—
Total gains	1,703	1,923	758	2,463
Total	3,360	4,019	1,746	6,632

FINANCIAL INFORMATION

Research and Development Costs

During the Track Record Period, our research and development costs primarily consisted of (i) clinical development and pre-clinical research costs, (ii) staff costs for and share-based payments to our research and development employees, (iii) material and consumable costs, and (iv) depreciation and amortization. Our research and development costs were RMB54.4 million, RMB77.9 million, RMB25.6 million and RMB82.2 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our research and development costs for the years/periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands) (unaudited)			
Clinical development and pre-clinical research costs	18,505	33,657	9,711	39,007
Staff costs	22,716	26,746	9,907	22,728
Material and consumable costs	5,071	7,828	2,095	13,621
Depreciation and amortization .	4,753	5,169	2,523	2,760
Share-based payments	427	1,840	219	1,422
Others	2,968	2,701	1,097	2,665
Total	54,440	77,941	25,552	82,203

During the Track Record Period, all our research and development costs were incurred in China. The following table sets forth a breakdown of our research and development costs by each clinical program of our product candidates for the years/periods indicated:

		Year ended December 31,		Six months ended June 30,	
		2024	2025	2025	2026
		(RMB in thousands) (unaudited)			
IMC001	IMC001-IIT(CT03)	5,996	745	615	–
	IMC001-IIT (CT04)	3,997	497	410	–
	IMC001-Phase I clinical trial	–	1,858	806	3,228
IMC002	IMC002-IIT	347	–	–	168
	IMC002-Phase I clinical trial	31,790	22,746	16,289	6,001
	IMC002-registrational clinical trial	–	34,619	3,348	56,939
IMV101	IMV101-pre-clinical study	–	2,675	–	402
	IMV101-IIT	–	720	–	5,050
IMV102	IMV102-pre-clinical study	–	–	–	473
	IMV102-IIT	–	–	–	2,201
IMV103	IMV103-pre-clinical study	–	–	–	1,104
IMV104	IMV104-pre-clinical study	–	–	–	280

FINANCIAL INFORMATION

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands) (unaudited)			
Early research and development projects	12,310	14,081	4,084	6,357
Total	54,440	77,941	25,552	82,203

For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, the research and development costs for the Core Product were RMB32.1 million, RMB57.4 million, RMB19.6 million and RMB63.1 million, respectively, representing 59.0%, 73.7%, 76.6% and 76.8% of our total research and development costs for the same years/periods, respectively, and 43.8%, 48.7%, 54.3% and 54.7% of our total operating expenses (being the aggregate of our research and development costs, administrative expenses and other expenses) for the same years/periods, respectively.

Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) staff costs for and share-based payments to our administrative personnel, (ii) professional service fee, mainly including [REDACTED] expenses incurred in connection with the proposed [REDACTED] and other fees relating to our equity financing, (iii) office and travelling expense in relation to our administrative activities, and (iv) depreciation and amortization expenses. Our administrative expenses were RMB18.8 million, RMB39.8 million, RMB10.6 million and RMB33.1 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our administrative expenses for the years/periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands) (unaudited)			
Professional service fee	1,948	13,709	3,431	15,038
Staff costs	10,737	13,445	4,338	10,130
Share-based payments	814	5,025	418	3,184
Office and travelling expense	2,178	3,924	893	2,185
Depreciation and amortization	2,039	2,232	1,062	1,336
Others	1,037	1,467	446	1,223
Total	18,753	39,802	10,588	33,096

Finance Costs

During the Track Record Period, our finance costs primarily represented the interest expenses incurred on our bank borrowings and interest on lease liabilities. Our finance costs were RMB1.2 million, RMB1.0 million, RMB0.7 million and RMB0.2 million for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our finance costs for the years/periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
	(unaudited)			
Interest on bank borrowings . .	1,055	789	556	117
Interest on lease liabilities . . .	174	259	135	118
Total	1,229	1,048	691	235

Income Tax

We are subject to corporate income tax in the PRC at the statutory rate of 25% on taxable profits calculated in accordance with the EIT Law. Certain of our subsidiaries in the Chinese mainland, whose annual taxable income with an amount less than RMB3,000,000 will be included in the actual taxable income at 25% based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20%. Please see Note 10 to the Accountants’ Report as set forth in Appendix I to this document for details.

Pursuant to the EIT Law, our Company and certain of our subsidiaries enjoyed a super deduction of 200% on qualified research and development costs so incurred as tax deductible expenses when determining the assessable profits during the year.

During the Track Record Period, we did not pay any income tax as we did not record any taxable profit.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Other Income and Gains

Our other income and gains increased significantly from RMB1.7 million in the six months ended June 30, 2025 to RMB6.6 million in the six months ended June 30, 2026, primarily driven by higher government grants from government authorities in relation to our operations and research and development activities, and an increase in interest income from structured deposits.

Research and Development Costs

Our research and development costs increased significantly from RMB25.6 million in the six months ended June 30, 2025 to RMB82.2 million in the six months ended June 30, 2026, primarily attributable to increases in clinical development and pre-clinical research costs, staff costs and material and consumable costs in relation to registrational clinical trial of IMC002, Phase I clinical trial of IMC001, and IIT of certain of our *in vivo* CAR-T products.

Administrative Expenses

Our administrative expenses increased significantly from RMB10.6 million in the six months ended June 30, 2025 to RMB33.1 million in the six months ended June 30, 2026, primarily attributable to (i) an increase in professional service fee, reflecting [REDACTED] expenses incurred in connection with the proposed [REDACTED], and (ii) increases in staff costs and share-based payments, reflecting the increased compensation to our administrative personnel in the six months ended June 30, 2026.

FINANCIAL INFORMATION

Finance Costs

Our finance costs decreased by 71.4% from RMB0.7 million in the six months ended June 30, 2025 to RMB0.2 million in the six months ended June 30, 2026, primarily attributable to a decrease in interest on bank borrowings as a result of repayment of relevant bank borrowings.

Loss for the Period

As a result of the foregoing, we recorded loss for the period of RMB35.1 million and RMB108.9 million in the six months ended June 30, 2025 and 2026, respectively.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Other Income and Gains

Our other income and gains increased by 17.6% from RMB3.4 million in the year ended December 31, 2024 to RMB4.0 million in the year ended December 31, 2025, primarily driven by increases in technical service income and gain on lease termination in 2025.

Research and Development Costs

Our research and development costs increased by 43.2% from RMB54.4 million in the year ended December 31, 2024 to RMB77.9 million in the year ended December 31, 2025, primarily attributable to increases in clinical development and pre-clinical research costs and material and consumable costs resulting from the advancement of clinical development of IMC002 into registrational stage, and our investments during the early stage of research and development of certain of our *in vivo* CAR-T products.

Administrative Expenses

Our administrative expenses increased significantly from RMB18.8 million in the year ended December 31, 2024 to RMB39.8 million in the year ended December 31, 2025, primarily attributable to (i) an increase in professional service fees paid for strategic and marketing consulting services in 2025 and the [REDACTED] expenses incurred in connection with the proposed [REDACTED], and (ii) an increase in share-based payments, reflecting the newly granted share-based compensation to our administrative personnel in 2025.

Finance Costs

Our finance costs decreased by 16.7% from RMB1.2 million in the year ended December 31, 2024 to RMB1.0 million in the year ended December 31, 2025, primarily attributable to a decrease in interest on bank borrowings as a result of repayment of certain bank borrowings, which was partially offset by an increase in interest on lease liabilities resulting from the lease renewal for our Suzhou facility in 2025.

Loss for the Year

As a result of the foregoing, we recorded loss for the year of RMB71.3 million and RMB114.8 million in the years ended December 31, 2024 and 2025, respectively.

FINANCIAL INFORMATION

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	19,967	22,498	29,348
Other intangible assets	–	–	353
Right-of-use assets	4,094	5,300	5,515
Prepayments, other receivables and other assets	12,993	19,692	24,109
Time deposits	–	10,107	10,221
Total non-current assets	37,054	57,597	69,546
Current assets			
Prepayments, other receivables and other assets	4,399	8,690	9,256
Cash and cash equivalents	52,464	238,203	401,854
Amounts due from a related party	222	–	–
Financial assets at fair value through profit or loss	63,183	195,270	70,307
Total current assets	120,268	442,163	481,417
Total assets	157,322	499,760	550,963
Current liabilities			
Trade and other payables	20,134	37,506	38,321
Interest-bearing bank borrowings	44,942	13,510	–
Amounts due to a related party	–	–	10
Lease liabilities	1,463	2,528	3,297
Deferred income	–	52	52
Total current liabilities	66,539	53,596	41,680
Net current assets	53,729	388,567	439,737
Total assets less current liabilities	90,783	446,164	509,283
Non-current liabilities			
Lease liabilities	3,164	3,253	2,614
Deferred income	280	359	333
Total non-current liabilities	3,444	3,612	2,947
Total liabilities	69,983	57,208	44,627
Net assets	87,339	442,552	506,336
Equity			
Equity attributable to owners of the parent			
Paid-in capital	21,989	43,477	–
Share capital	–	–	47,481
Reserves	65,350	399,075	458,855
Total equity	87,339	442,552	506,336

FINANCIAL INFORMATION

Our net current assets increased from RMB53.7 million as of December 31, 2024 to RMB388.6 million as of December 31, 2025, primarily due to increases in our cash and cash equivalents and financial assets at fair value through profit or loss attributable to proceeds received from equity financing.

Our net current assets increased from RMB388.6 million as of December 31, 2025 to RMB439.7 million as of June 30, 2026, primarily due to an increase in our cash and cash equivalents received from equity financing, and a decrease in interest-bearing bank borrowings as a result of our repayment of such loans, which are partially offset by a decrease in financial assets at fair value through profit or loss as a result of maturity of certain structured deposits.

Property, Plant and Equipment

Our property, plant and equipment primarily comprise machinery, leasehold improvements and construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Machinery	14,142	15,103	18,245
Leasehold improvements	5,409	4,386	7,908
Construction in progress	213	2,622	2,617
Office equipment	203	387	578
Total	19,967	22,498	29,348

Our property, plant and equipment increased from RMB20.0 million as of December 31, 2024 to RMB22.5 million as of December 31, 2025, primarily due to an increase in construction in progress in relation to the upgrade of our Suzhou facility. Our property, plant and equipment increased from RMB22.5 million as of December 31, 2025 to RMB29.3 million as of June 30, 2026, primarily due to increases in machinery, and leasehold improvements as a result of our purchase of R&D equipment and the upgrade of our Suzhou and Shanghai facilities.

For details on our accounting policies and practices on impairment testing for our property, plant and equipment, please see Note 3 as set out in the Accountants’ Report set out in Appendix I to this document.

Right-of-Use Assets

Our right-of-use assets primarily represents our leased properties used as offices and R&D and manufacturing facilities. Our right-of-use assets increased from RMB4.1 million as of December 31, 2024 to RMB5.3 million as of December 31, 2025, and further increased to RMB5.5 million as of June 30, 2026, mainly reflecting our renewal of expired leases and entering into new leases.

For details on our accounting policies and practices on impairment testing for our right-of-use assets, please see Note 3 as set out in the Accountants’ Report set out in Appendix I to this document.

FINANCIAL INFORMATION

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets consisted primarily of our value-added tax recoverable, our prepayments for CRO services, prepayments for property, plant and equipment, and deferred [REDACTED] expense. The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Non-current:			
Value-added tax recoverable	12,017	16,747	22,772
Rental deposits and other deposits . . .	976	628	1,337
Prepayments for property, plant and equipment	—	2,317	—
Sub-total	12,993	19,692	24,109
Current			
Prepayments	4,192	5,669	5,778
Other receivables	207	1,283	816
Rental deposits	—	467	15
Deferred [REDACTED] expenses	—	1,271	2,647
Sub-total	4,399	8,690	9,256
Total	17,392	28,382	33,365

Our prepayments, other receivables and other assets increased from RMB17.4 million as of December 31, 2024 to RMB28.4 million as of December 31, 2025, primarily attributable to (i) an increase in our input value-added tax in line with our cumulative spending in connection with our operations and R&D activities, which is expected to be deducted from future value-added tax payable on our revenue after the commercialization of our product candidates, (ii) an increase in prepayments for property, plant and equipment in relation to our purchase of R&D equipment, (iii) an increase in prepayments made to external research institutions in relation to clinical trials of our Core Product, and (iv) our deferred [REDACTED] expense in relation to our proposed [REDACTED].

Our prepayments, other receivables and other assets increased from RMB28.4 million as of December 31, 2025 to RMB33.4 million as of June 30, 2026, primarily attributable to (i) an increase in our input value-added tax in line with our cumulative spending in connection with our operations and R&D activities, which is expected to be deducted from future value-added tax payable on our revenue after the commercialization of our product candidates, (ii) an increase in rental deposits resulting from our newly leased space, and (iii) an increase in deferred [REDACTED] expense in relation to the proposed [REDACTED], partially offset by a decrease in prepayments for property, plant and equipment in relation to our purchase of R&D equipment resulting from the delivery of the purchased equipment.

As of July 31, 2026, RMB1.2 million, or approximately 20.1% of our current portion prepayments as of June 30, 2026 had been subsequently settled.

Cash and Cash Equivalents

Our cash and cash equivalents increased from RMB52.5 million as of December 31, 2024 to RMB238.2 million as of December 31, 2025, and further increased to RMB401.9 million as of June 30, 2026, primarily reflecting the cash we received from equity financing.

FINANCIAL INFORMATION

Financial Assets at Fair Value through Profit or Loss

During the Track Record Period, our financial assets at fair value through profit or loss represented the structured deposits that we purchased as part of our cash management measures.

Our financial assets at fair value through profit or loss increased from RMB63.2 million as of December 31, 2024 to RMB195.3 million as of December 31, 2025, and subsequently decreased to RMB70.3 million as a result of our purchase and the maturity of the relevant structured deposits prior to the relevant dates.

We adopt a prudent approach in selecting financial assets. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, such as the duration of the investment, the expected returns and our working capital conditions. Our management members, including our chief executive officer and chief financial officer, have extensive experience in managing the financial aspects of our operations. We have implemented the following treasury policies and internal authorization controls:

- We have formulated policies and procedures to control the process of our investment in financial assets;
- Our Board reviews and approves our investments in equity financial assets, long-term equity investments and long-term asset investments that amount to RMB5.0 million or above and our chief executive officer reviews and approves such investments less than RMB5.0 million;
- Our chief financial officer and chief executive officer review and approve purchases of bank deposit products with our idle cash; and
- Our finance department is responsible for the risk assessment, planning and implementation of investments in equity financial assets, long-term equity investments and long-term asset investments, as well as purchases of bank deposit products.

Upon [REDACTED], we intend to continue our investment in financial assets strictly in accordance with our Investment Management Policy, and, to the extent that such investment is a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements under Chapter 14 of the Listing Rules, including the announcement, reporting and/or shareholders’ approval requirements (if applicable).

Trade and Other Payables

Our trade and other payables primarily comprise: (i) trade payables for our purchase of third-party services and materials and consumables, (ii) accrued but uninvoiced research and development costs, (iii) payroll and welfare payables, (iv) accrued [REDACTED] expenses, (v) accrued share issuance expenses relating to our equity financing, and (vi) other payables representing government grants to be returned due to our Company’s relocation from Suzhou to Shenzhen in 2025, all of which have been paid as of the Latest Practicable Date, and government grants we received for which the relevant conditions are not yet satisfied. The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Trade payables	2,489	1,731	2,583
Accrued research and development costs .	6,797	9,985	19,136

FINANCIAL INFORMATION

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Payroll and welfare payables	5,331	9,925	11,449
Accrued [REDACTED] expenses	–	6,695	1,521
Accrued share issuance expenses	–	5,120	307
Other payables	5,517	3,950	3,325
Other tax payables	–	100	–
	<u>20,134</u>	<u>37,506</u>	<u>38,321</u>

Our trade and other payables increased from RMB20.1 million as of December 31, 2024 to RMB37.5 million as of December 31, 2025, primarily attributable to increases in the accrued [REDACTED] expenses relating to our proposed [REDACTED] and the accrued share issuance expenses relating to our equity financing, as well as an increase in accrued research and development costs in line with the progress of our R&D activities.

Our trade and other payables increased from RMB37.5 million as of December 31, 2025 to RMB38.3 million as of June 30, 2026, primarily attributable to an increase in accrued research and development costs in line with the advancement in the development of our product candidates, and an increase in payroll and welfare payables due to increases in both the number and average compensation of our employees, which were partially offset by decreases in the accrued [REDACTED] expenses relating to our proposed [REDACTED] and the accrued share issuance expenses relating to our equity financing as a result of our settlement of these expenses.

The following table sets forth an aging analysis of the trade payables based on invoice date as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Within 1 year	2,488	1,730	2,582
Over 1 year	<u>1</u>	<u>1</u>	<u>1</u>
	<u>2,489</u>	<u>1,731</u>	<u>2,583</u>

The following table sets forth our trade payables turnover days for the periods indicated:

	Year ended December 31,		Six months ended June 30,
	2024	2025	2026
Trade payables turnover days ⁽¹⁾	17	10	5

Note:

- (1) Turnover days are calculated using the average of the opening balance and closing balance of the relevant trade payables for a year or period divided by the research and development costs for that year/period and multiplied by 365 days for a full year or 182 days for a six-month period.

As of July 31, 2026, RMB1.4 million, or approximately 54.8% of our trade payables as of June 30, 2026 had been subsequently settled.

FINANCIAL INFORMATION

Interest-bearing Bank Borrowings

Interest-bearing bank borrowings represent our bank loans. As of December 31, 2024 and 2025, all of our interest-bearing bank borrowings were unsecured and due within one year, and bore interest rates ranging from 3.0% to 3.6% and 2.6% to 3.0%, respectively. As of June 30, 2026, we did not have any outstanding bank borrowings.

Our interest-bearing bank borrowings decreased from RMB44.9 million as of December 31, 2024 to RMB13.5 million as of December 31, 2025, and further decreased to nil as of June 30, 2026 as a result of our repayment of such borrowings.

Lease Liabilities

During the Track Record Period, our lease liabilities primarily reflects our leased properties used as offices and R&D and manufacturing facilities. Our lease liabilities increased from RMB4.6 million as of December 31, 2024 to RMB5.8 million as of December 31, 2025, and further increased to RMB5.9 million as of June 30, 2026, primarily reflecting our renewal of expired leases and entering into new leases.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio ⁽¹⁾	1.8	8.2	11.6
Gearing ratio ⁽²⁾	51.5%	3.1%	—

Notes:

- (1) Current ratio is calculated by dividing current assets by current liabilities as of the date indicated.
- (2) Gearing ratio is calculated by dividing interest-bearing bank borrowings by total equity as of the date indicated, multiplied by 100%.

For a detailed analysis on our financial performance, see “— Description of Key Components of Our Consolidated Statements of Profit or Loss and Other Comprehensive Income” and “— Discussion of Selected Items from the Consolidated Statements of Financial Position.”

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity consist of cash and cash equivalents, which we have historically generated primarily through capital contribution from shareholders and proceeds from borrowings. We expect that our cash needs in the near future will primarily relate to progressing the development of our product candidates towards initiating various stages of clinical trials, receiving regulatory approval and commencing commercialization, as well as expanding our product candidate portfolio. For these purposes, we expect debt financing (including bank loans) and the expected [REDACTED] from the [REDACTED] to constitute our main source of funding. We monitor our cash flows and cash balance on a regular basis and strive to maintain an optimal liquidity that can meet our working capital needs. As of July 31, 2026, we had RMB30.0 million of committed unutilized banking facilities.

FINANCIAL INFORMATION

Net Current Assets

The following table sets forth our net current assets as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Current assets			
Prepayments, other receivables and other assets	4,399	8,690	9,256
Cash and cash equivalents	52,464	238,203	401,854
Amounts due from a related party	222	—	—
Financial assets at fair value through profit or loss	63,183	195,270	70,307
Total current assets	120,268	442,163	481,417
Current liabilities			
Trade and other payables	20,134	37,506	38,321
Interest-bearing bank borrowings	44,942	13,510	—
Amounts due to a related party	—	—	10
Lease liabilities	1,463	2,528	3,297
Deferred income	—	52	52
Total current liabilities	66,539	53,596	41,680
Net current assets	53,729	388,567	439,737

Our net current assets increased from RMB53.7 million as of December 31, 2024 to RMB388.6 million as of December 31, 2025, primarily due to increases in our cash and cash equivalents and financial assets at fair value through profit or loss attributable to proceeds received from equity financing.

Our net current assets increased from RMB388.6 million as of December 31, 2025 to RMB439.7 million as of June 30, 2026, primarily due to an increase in our cash and cash equivalents attributable to proceeds received from equity financing, and a decrease in interest-bearing bank borrowings as a result of our repayment of such loans.

For a discussion on the changes of our key balance sheet items, see “— Discussion of Selected Items from the Consolidated Statements of Financial Position.”

Cash Flow

The following table sets out a summary of our cash flows for the years/periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
	(unaudited)			
Net cash used in operating activities	(59,575)	(98,126)	(32,212)	(101,640)
Net cash (used in)/generated from investing activities . . .	(33,498)	(149,640)	(42,976)	119,221
Net cash generated from financing activities	22,305	433,505	74,176	146,070

FINANCIAL INFORMATION

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)		(unaudited)	
Net (decrease)/increase in cash and cash equivalents	(70,768)	185,739	(1,012)	163,651
Cash and cash equivalents at beginning of year/period . . .	<u>123,232</u>	<u>52,464</u>	<u>52,464</u>	<u>238,203</u>
Cash and cash equivalents at end of year/period	<u>52,464</u>	<u>238,203</u>	<u>51,452</u>	<u>401,854</u>

Net Cash Used in Operating Activities

For the six months ended June 30, 2026, we had net cash used in operating activities of RMB101.6 million. Our loss before tax for the six-month period was RMB108.9 million. The difference between our loss before tax and our net cash used in operating activities for the six-month period was attributable to (i) certain non-cash or non-operating expenses or losses, including gain on fair value changes of financial assets at fair value through profit and loss of RMB2.5 million, depreciation of property, plant and equipment of RMB2.7 million, depreciation of right-of-use assets of RMB1.4 million, and share-based payment expenses of RMB4.6 million; and (ii) changes in certain working capital items, including an increase in prepayments, other receivables and other assets of RMB7.3 million, and an increase in trade and other payables of RMB8.2 million.

For the year ended December 31, 2025, we had net cash used in operating activities of RMB98.1 million. Our loss before tax for the year was RMB114.8 million. The difference between our loss before tax and our net cash used in operating activities for the year was attributable to (i) certain non-cash or non-operating expenses or losses, including finance costs of RMB1.0 million, gain on fair value changes of financial assets at fair value through profit and loss of RMB1.6 million, depreciation of property, plant and equipment of RMB5.3 million, depreciation of right-of-use assets of RMB2.1 million, and share-based payment expenses of RMB6.9 million; and (ii) changes in certain working capital items, including an increase in prepayments, other receivables and other assets of RMB8.5 million, and an increase in trade and other payables of RMB11.5 million.

For the year ended December 31, 2024, we had net cash used in operating activities of RMB59.6 million. Our loss before tax for the year was RMB71.3 million. The difference between our loss before tax and our net cash used in operating activities for the year was attributable to (i) certain non-cash or non-operating expenses or losses, including finance costs of RMB1.2 million, gain on fair value change of financial assets at fair value through profit and loss of RMB1.7 million, depreciation of property, plant and equipment of RMB5.0 million, depreciation of right-of-use assets of RMB1.7 million, and share-based payment expenses of RMB1.2 million; and (ii) changes in certain working capital items, including an increase in prepayments, other receivables and other assets of RMB1.5 million, an increase in deferred income of RMB0.3 million, and an increase in trade and other payables of RMB5.4 million.

We recorded net operating cash outflows during the Track Record Period, primarily as a result of our research and development costs and administrative expenses. We plan to improve our net operating cash outflow position through the following ways: (i) accelerating the clinical development of our product candidates and advancing them towards commercialization in the next few years, particularly our Core Product candidate IMC002; (ii) adopting comprehensive measures to effectively optimize our cost structure and control our operating expenses; (iii) closely monitoring our receivables collection and payables settlement, thereby enhancing working capital management and improving our cash flow position, and (iv) successfully launching the [REDACTED] to obtain the [REDACTED].

FINANCIAL INFORMATION

Net Cash Generated from/(Used in) Investing Activities

For the six months ended June 30, 2026, our net cash generated from investing activities was RMB119.2 million, primarily attributable to cash inflows of RMB592.4 million generated from sale of financial assets measured at fair value through profit or loss, which was partially offset by cash outflows of RMB465.0 million related to investments in financial assets measured at fair value through profit or loss.

For the year ended December 31, 2025, our net cash used in investing activities was RMB149.6 million, primarily attributable to cash outflows of RMB629.5 million related to investments in financial assets measured at fair value through profit or loss, RMB10.0 million related to purchases of time deposits over one year, and RMB9.2 million related to purchases of items of property, plant and equipment, which were partially offset by cash inflows of RMB499.0 million generated from sale of financial assets measured at fair value through profit or loss.

For the year ended December 31, 2024, our net cash used in investing activities was RMB33.5 million, primarily attributable to cash outflows of RMB313.0 million related to investments in financial assets measured at fair value through profit or loss, which was partially offset by cash inflows of RMB281.5 million generated from sale of financial assets measured at fair value through profit or loss.

Net Cash Generated from Financing Activities

For the six months ended June 30, 2026, our net cash generated from financing activities was RMB146.1 million, mainly reflecting RMB175.0 million from issue of shares, which was partially offset by the repayment of interest-bearing bank borrowings totalling RMB13.5 million, share issuance expenses paid of RMB11.7 million.

For the year ended December 31, 2025, our net cash generated from financing activities was RMB433.5 million, mainly reflecting RMB473.0 million in capital contribution by shareholders and RMB13.5 million in proceeds from new interest-bearing bank borrowings, which were partially offset by the repayment of interest-bearing bank borrowings totalling RMB44.9 million.

For the year ended December 31, 2024, our net cash generated from financing activities was RMB22.3 million, primarily attributable to RMB44.9 million in proceeds from new interest-bearing bank borrowings, which was partially offset by repayment of interest-bearing bank borrowings totalling RMB20.0 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years/periods indicated:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
	(unaudited)			
Cash operating costs relating to our Core Product:				
Clinical development and pre-clinical research costs . .	9,208	14,375	7,598	22,342
Staff costs	11,542	10,012	6,665	12,228
Material and consumable costs	4,192	4,527	1,832	10,012

FINANCIAL INFORMATION

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands) (unaudited)			
Others	1,339	1,639	1,026	2,122
Subtotal	26,281	30,553	17,121	46,704
Cash operating costs relating to our other product candidates:				
Clinical development and pre-clinical research costs . .	5,671	18,828	327	6,857
Staff costs	11,204	13,750	4,213	9,186
Material and consumable costs	1,809	2,980	526	3,195
Others	1,511	1,181	192	542
Subtotal	20,195	36,739	5,258	19,780
Other cash operating costs:				
Staff costs	10,475	11,836	4,889	9,921
Professional service expenses .	2,041	7,589	2,946	18,803
Others	975	6,756	1,006	4,902
Total	59,967	93,473	31,220	100,110

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Interest-bearing bank borrowings	44,942	13,510	—
Lease liabilities	4,627	5,781	5,911
Total	49,569	19,291	5,911

Interest-bearing Bank Borrowings

As of December 31, 2024 and 2025, and June 30, 2026, our interest-bearing bank borrowings amounted to RMB44.9 million, RMB13.5 million, and nil, respectively. For detailed information on the changes in our interest-bearing bank borrowings, see “— Discussion of Selected Items from the Consolidated Statements of Financial Position — Interest-bearing Bank Borrowings”.

Lease Liabilities

As of December 31, 2024 and 2025, and June 30, 2026, our lease liabilities amounted to RMB4.6 million, RMB5.8 million, and RMB5.9 million, respectively. Our lease liabilities primarily consisted of leased properties used as offices and R&D and manufacturing facilities.

FINANCIAL INFORMATION

The following table sets forth the repayment of the lease liabilities as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Current portion	1,463	2,528	3,297
Non-current portion	3,164	3,253	2,614
Total	4,627	5,781	5,911

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2024 and 2025 and June 30, 2026, respectively.

Indebtedness Statement

Except as disclosed above, as of June 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there is no material change in our indebtedness since June 30, 2026 and up to the Latest Practicable Date. Our Directors have confirmed that there were no material covenants on any of our outstanding debts and that we had no default in repayment or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Our Directors have further confirmed that we did not experience any difficulty in obtaining bank loans and other borrowings, default in repayment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to purchase property, plant and equipment and other intangible assets. Historically, we have funded our capital expenditures mainly through proceeds from equity financing and borrowings. For the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, such capital expenditures amounted to RMB2.0 million, RMB9.2 million, RMB0.1 million and RMB8.2 million, respectively.

We expect that our capital expenditures in 2027 will be primarily related to purchases of research and development equipment and improvements of our research and development bases. We plan to fund our planned capital expenditures mainly through a combination of the [REDACTED] from the [REDACTED], our cash on hand and bank borrowings. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

As of December 31, 2024, we did not have any material commitments that was contracted but not provided for. As of December 31, 2025 and June 30, 2026, we had commitments of RMB0.6 million and RMB0.7 million, respectively, for purchase of property, plant and equipment.

FINANCIAL INFORMATION

FINANCIAL RISK MANAGEMENT

Our principal financial instruments comprise cash and cash equivalents, time deposits, financial assets at fair value through profit or loss and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for our operations. We have various financial assets and liabilities such as financial assets included in prepayments, other receivables and other assets and financial liabilities included in trade and other payables, which arise directly from our operations. The main risks arising from our financial instruments are credit risk and liquidity risk.

Our exposure to these risks and the financial risk management policies and practices used by us to manage these risks are described in details in Note 31 to the Accountants’ Report as set forth in Appendix I to this document.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 28 to the Accountants’ Report as set out in Appendix I to this document.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm’s-length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

DIVIDEND

We did not declare or pay dividends on our Shares during the Track Record Period.

Any future declarations and payments of dividends will be at the absolute discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. In view of our accumulated losses, as advised by our PRC Legal Advisors, we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve is drawn in accordance with the relevant laws and regulations. According to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our after-tax net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. As a result, we may not have sufficient or any distributable profits to make dividend contributions to our Shareholders, even if we become profitable.

We currently do not have formal dividend policy or any pre-determined dividend payout ratio.

WORKING CAPITAL

The Directors are of the opinion that, taking into account the financial resources available to us, including (i) our existing cash and cash equivalents; (ii) financial assets at fair value through profit or loss; (iii) available bank facilities; and (iv) the estimated [REDACTED] from the [REDACTED], we have sufficient working capital to cover 125% of our cash expenditure for at least the next 12 months following the date of this document.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) cash paid for purchases of property, plant and equipment, (iii) principal and interest payments on lease liabilities. We consider these items to be key indicators of our operational efficiency,

FINANCIAL INFORMATION

reflecting payments which can significantly impact our cashflow, and the costs of financing lease obligations, all of which may occur on a regular basis. We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million after deducting the [REDACTED] fees and expenses payable by us in the [REDACTED], assuming no [REDACTED] is exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range). Assuming the average cash burn rate going forward of 2.5 times the level in the year ended December 31, 2025, we estimate that (i) our cash and cash equivalents along with the financial assets measured at fair value through profit or loss as of June 30, 2026 will be able to maintain our financial viability for 21 months, (ii) if we take into account all of the estimated [REDACTED] from the [REDACTED], [REDACTED] months. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any distributable reserves.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commission and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] expenses will be approximately HK\$[REDACTED] million (assuming the [REDACTED] and any options granted under the 2026 [REDACTED] Share Option Scheme are not exercised and based on the [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] range)), which accounts for approximately [REDACTED]% of the [REDACTED] from the [REDACTED]. We estimate the [REDACTED] expenses to consist of approximately HK\$[REDACTED] million in [REDACTED] fees and HK\$[REDACTED] million in non-[REDACTED] fees (which consist of fees and expenses of the Sole Sponsor of approximately HK\$[REDACTED] million, fees and expenses of legal advisors and our Reporting Accountant of approximately HK\$[REDACTED] million and other fees and expenses of approximately HK\$[REDACTED] million). Among the total [REDACTED] expenses, approximately HK\$[REDACTED] million will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the [REDACTED], RMB[REDACTED] million has been expensed during the Track Record Period, and the remaining approximately HK\$[REDACTED] million will be expensed in our consolidated statements of profit or loss and other comprehensive income before the [REDACTED].

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this document for details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

As we further our pre-clinical studies and continue to support the clinical trials of our product candidates, we expect our research and development costs and administrative expenses to continue to increase for the year ending December 31, 2026. As we have no product approved for commercial sale and therefore have not generated any revenue, we expect to incur increased net loss in the year ending December 31, 2026.

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026 (being the end date of the period reported on in the Accountants’ Report set out in Appendix I to this document) and there has been no event since June 30, 2026 that would materially affect the information as set out in the Accountants’ Report set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.