

## FINANCIAL INFORMATION

*You should read the following discussion and analysis with our consolidated financial information, including the notes thereto, included in the Accountants’ Report in Appendix I to this Document. Our consolidated financial information has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, which may differ in material aspects from generally accepted accounting principles in other jurisdictions, including the United States. You should read the entire Accountants’ Report and not merely rely on the information contained in this section.*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis 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, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” and “Business” in this Document.*

*For the purpose of this section, unless the context otherwise requires, references to the year of 2024 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this document may be due to rounding.*

### OVERVIEW

Founded in 2013, we are a biopharmaceutical company focused on oncology, autoimmune diseases and metabolic disorders. We have eight product candidates, including two self-developed Core Products D-2570, and taragarestrant (D-0502). D-2570 is intended for the treatment of autoimmune diseases (including psoriasis, systemic lupus erythematosus (“SLE”), psoriatic arthritis (“PsA”), vitiligo and ulcerative colitis (“UC”)), and taragarestrant (D-0502) is intended for the treatment of ER+/HER2- breast cancer. Both Core Products are currently under Phase III clinical trials.

### BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“IFRS”), International Accounting Standards and Interpretations issued by International Accounting Standards Board (“IASB”). Further details of the material accounting policy information adopted are set out in Note 4 of the Accountants’ Report set out in Appendix I to this Document.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Historical Financial Information, the Group has consistently adopted all applicable new and revised IFRSs that are effective during the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 3 of the Accountants’ Report set out in Appendix I to this Document.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The accounting policies set out in Note 4 of the Accountants’ Report set out in Appendix I to this Document have been applied consistently to all periods presented in the Historical Financial Information.

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## FINANCIAL INFORMATION

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### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

#### Development and Commercialization of Our Pipeline Products

Our business and results of operations depend on our ability to successfully develop, as well as our receipt of regulatory approval for and successful commercialization of, our drug candidates. For pipeline products that we out license certain rights, including commercialization rights, in certain jurisdictions to collaborators, our results of operations will depend on the collaborators’ promotional and marketing efforts once those products are approved in the relevant jurisdictions. We have built a differentiated and globally competitive product pipeline spanning multiple high-burden disease areas, including NSCLC, breast cancer, colorectal cancer, psoriasis, and gout. Our pipeline is clearly structured and supported by growth momentum. Two of our key assets — befotertinib (BPI-D0316) and garsorasib (D-1553) — have already been approved for marketing in China and included in China’s NRDL, marking our transition into a stage of commercial value realization. For more information on the development status of our Core Products and other drug candidates, see “Business — Our Product Pipeline.”

We expect to incur significant research and development costs and further advance the pipeline products to the commercialization stage over the coming years. Our ability to generate revenue from our pipeline products to cover research and developments costs and other expenses will depend on multiple factors, including our ability to obtain regulatory approvals, secure adequate manufacturing capacity, collaboration with competent third-party partners, as well as making our products accessible to, affordable for and accepted by the addressable patient population who are in need of high-quality products that bring comprehensive benefits for oncology and immunology diseases.

#### Our Existing and Future Collaboration and Licensing Arrangements

In the past, we entered into a number of collaboration and licensing arrangements with respect to our products, including befotertinib (賽美納®, 貝福替尼, BPI-D0316) and garsorasib (安方寧®, 格索雷塞, D-1553). We generated revenue of RMB168.8 million, RMB37.3 million, RMB19.2 million and RMB53.3 million in 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively, from our collaboration agreements. We are eligible to receive further payments upon the achievement of specified development, regulatory and commercial milestones, subject to terms and conditions of these agreements. For additional information about the relevant agreements, see “Business — Major Collaboration Arrangements.” These strategic collaborations empower us to maximize the commercial value of our assets and provide capital support for our other pipeline assets and sustainable long-term growth. We may also enter into new collaboration and licensing arrangements to serve our best interests. We anticipate our existing and future collaboration and licensing arrangements to contribute a substantial part of our revenue and cash inflows going forward, and payments associated with such arrangements may influence and result in fluctuations in our revenue, profit and results of operations from period to period.

#### Our Cost Structure

Our results of operations are significantly affected by our cost structure, of which our research and development costs and general and administrative expenses are a major component.

We believe our ability to successfully develop drug candidates is the primary factor affecting our long-term competitiveness, as well as our future growth and development. Developing quality drug candidates requires significant investments of financial resources over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in this area. As a result of this commitment, we have invested a significant amount of financial resources in research and development to advance and expand our pipeline of clinical- and preclinical-stage drug

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## FINANCIAL INFORMATION

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candidates. The research and development costs we incurred in 2024 and 2025 and for the six months ended June 30, 2025 and 2026 amounted to RMB384.3 million, RMB325.8 million, RMB116.5 million and RMB184.7 million, respectively. See “— Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Research and Development Costs” for detailed information.

We expect our research and development costs to continue to be a major component in our cost structure. As we advance our Core Products and more drug candidates along clinical trials and conduct additional preclinical studies, we expect to incur additional costs in relation to, among other things, preclinical study and clinical trial expenses.

Our general and administrative expenses, which primarily consisted of staff costs, share-based payment expenses and professional services fees, among others, amounted to RMB52.6 million, RMB45.4 million, RMB23.0 million and RMB16.6 million in 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively. We expect our general and administrative expenses to continue to be a major component in our cost structure.

We expect our cost structure to evolve as we continue to develop and expand our business. Beyond research and development costs and general and administrative expenses, we anticipate increasing legal, compliance, accounting, insurance and [REDACTED] expenses associated with being a [REDACTED] company in Hong Kong.

### Funding for Our Operations

During the Track Record Period, we funded our operations primarily through the proceeds from our IPO on the A-share market of the Shanghai Stock Exchange (SSE) STAR Market. Going forward, in the event of the successful commercialization of more of our pipeline products, we expect to supplementally fund our operations with license fee income and sales-based royalties generated from sales of the commercialized drug products by our collaborating partners. However, with the continuing expansion of our business, we may require further funding through public or private [REDACTED], debt financing, collaboration and licensing arrangements or other sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

### MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles that conform with IFRSs. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our material accounting policies and estimates, which are important for an understanding of our financial condition and results of operations, are set forth in detail in Notes 4 and 5 to the Accountants’ Report in Appendix I to this Document.

## FINANCIAL INFORMATION

### DESCRIPTION OF SELECTED COMPONENTS 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'000                 | RMB'000          | RMB'000<br>(unaudited)    | RMB'000          |
| Revenue . . . . .                                                                                               | 168,790                 | 37,290           | 19,164                    | 53,319           |
| Cost of sales . . . . .                                                                                         | (4,016)                 | (5,132)          | (2,546)                   | (3,023)          |
| <b>Gross profit</b> . . . . .                                                                                   | <b>164,774</b>          | <b>32,158</b>    | <b>16,618</b>             | <b>50,296</b>    |
| Other income . . . . .                                                                                          | 38,587                  | 33,811           | 17,781                    | 13,529           |
| Other gains and losses, net . . . . .                                                                           | 2,934                   | 1,997            | 529                       | 692              |
| Provision for impairment losses . . . . .                                                                       | (8,868)                 | (12,566)         | (16,500)                  | (96)             |
| General and administrative expenses . . . . .                                                                   | (52,619)                | (45,398)         | (22,961)                  | (16,627)         |
| Research and development costs . . . . .                                                                        | (384,347)               | (325,792)        | (116,518)                 | (184,716)        |
| Finance costs . . . . .                                                                                         | (665)                   | (835)            | (438)                     | (360)            |
| Loss before tax . . . . .                                                                                       | (240,204)               | (316,625)        | (121,489)                 | (137,282)        |
| Income tax (expense)/credit . . . . .                                                                           | —                       | (240)            | (46)                      | 201              |
| <b>Loss for the year/period</b> . . . . .                                                                       | <b>(240,204)</b>        | <b>(316,865)</b> | <b>(121,535)</b>          | <b>(137,081)</b> |
| <b>Other comprehensive income for the year/period</b> . . . . .                                                 |                         |                  |                           |                  |
| <i>Item that may be reclassified subsequently to profit or loss:</i>                                            |                         |                  |                           |                  |
| Change in foreign currency translation of the financial statements of the subsidiaries of the Company . . . . . | (1,159)                 | (506)            | (464)                     | 502              |
| <b>Other comprehensive income for the year/period, net of tax</b> . . . . .                                     | <b>(1,159)</b>          | <b>(506)</b>     | <b>(464)</b>              | <b>502</b>       |
| <b>Total comprehensive income for the year/period</b> . . . . .                                                 | <b>(241,363)</b>        | <b>(317,371)</b> | <b>(121,999)</b>          | <b>(136,579)</b> |

### Revenue

During the Track Record Period, our revenue was mainly derived from our collaboration with Betta regarding our approved product befotertinib (BPI-D0316) and collaboration with CTTQ regarding our approved product garsorasib (D-1553). We did not generate any revenue from our Core Products during the Track Record Period. For additional information about the relevant agreements, see “Business — Major Collaboration Arrangements.”

All of our revenues during the Track Record Period were generated from Chinese Mainland pursuant to our collaboration agreements with Betta and CTTQ. The following table sets forth the revenue we recognized during the Track Record Period and for the six months ended June 30, 2025:

|                                          | Year Ended December 31, |               | Six months ended June 30, |               |
|------------------------------------------|-------------------------|---------------|---------------------------|---------------|
|                                          | 2024                    | 2025          | 2025                      | 2026          |
|                                          | RMB'000                 | RMB'000       | RMB'000<br>(unaudited)    | RMB'000       |
| Development milestone payments . . . . . | 150,943                 | —             | —                         | —             |
| Upfront payment . . . . .                | —                       | —             | —                         | 28,302        |
| Sales-based royalties . . . . .          | 17,847                  | 37,290        | 19,164                    | 25,017        |
| <b>Total</b> . . . . .                   | <b>168,790</b>          | <b>37,290</b> | <b>19,164</b>             | <b>53,319</b> |

## FINANCIAL INFORMATION

### Cost of Sales

In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, our cost of sales was RMB4.0 million, RMB5.1 million, RMB2.5 million and RMB3.0 million, respectively. During the Track Record Period, our cost of sales represents costs related to licenses of patents. In March 2024, to further enhance production efficiency and ensure product quality of BPI-D0316, we entered into a separate licensing agreement with a domestic pharmaceutical company, to obtain the license to practice certain patents. Under the licensing agreement, we need to pay a royalty fee determined as a fixed percentage of the annual sales of BPI-D0316 in Greater China. We recognize such royal fee as cost of sales, in alignment with the royalties generated by BPI-D0316 from the Betta Agreement, to ensure such cost of sales is aligned with the corresponding net sales of BPI-D0316.

|                                        | For the Year Ended<br>December 31, |                | For the Six Months Ended<br>June 30, |                |
|----------------------------------------|------------------------------------|----------------|--------------------------------------|----------------|
|                                        | 2024                               | 2025           | 2025                                 | 2026           |
|                                        | <i>RMB'000</i>                     | <i>RMB'000</i> | <i>RMB'000</i><br>(unaudited)        | <i>RMB'000</i> |
| Costs related to licenses of patents . | 4,016                              | 5,132          | 2,546                                | 3,023          |
| <b>Total . . . . .</b>                 | <b>4,016</b>                       | <b>5,132</b>   | <b>2,546</b>                         | <b>3,023</b>   |

### Gross Profit

Our gross profit represents our revenue less our cost of sales. In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, our gross profit was RMB164.8 million, RMB32.2 million, RMB16.6 million and RMB50.3 million, respectively. The fluctuation of our gross profit was primarily driven by the nature of the revenue we recognized, which in turn was driven by the payment schedule and royalties stipulated in those collaboration agreements.

### Other Income

Our other income primarily consists of (i) bank interest income, (ii) government grants and (iii) others. The following table sets forth a breakdown of our other income for the years/periods indicated.

|                                | For the Year Ended<br>December 31, |                | For the Six Months Ended<br>June 30, |                |
|--------------------------------|------------------------------------|----------------|--------------------------------------|----------------|
|                                | 2024                               | 2025           | 2025                                 | 2026           |
|                                | <i>RMB'000</i>                     | <i>RMB'000</i> | <i>RMB'000</i><br>(unaudited)        | <i>RMB'000</i> |
| Bank interest income . . . . . | 30,021                             | 24,986         | 9,163                                | 7,694          |
| Government grants . . . . .    | 8,400                              | 8,640          | 8,433                                | 5,622          |
| Others . . . . .               | 166                                | 185            | 185                                  | 213            |
| <b>Total . . . . .</b>         | <b>38,587</b>                      | <b>33,811</b>  | <b>17,781</b>                        | <b>13,529</b>  |

Our government grants mainly represent incentives we received from the local governments. There are no unfulfilled conditions relating to these government grants. These grants are granted primarily for compensating expenditure arising from our various preclinical and clinical research activities.

## FINANCIAL INFORMATION

### Other Gains and Losses, Net

Our other gains and losses, net primarily consists of (i) gain on fair value changes of financial assets at fair value through profit or loss (“FVTPL”), (ii) gains on lease termination and modification, (iii) investment income from financial assets at FVTPL, (iv) exchange gain/(loss) and (v) loss on disposals of property, plant and equipment. The following table sets forth a breakdown of our other gains and losses, net for the years/periods indicated.

|                                                                      | For the Year Ended<br>December 31, |              | For the Six Months Ended<br>June 30, |            |
|----------------------------------------------------------------------|------------------------------------|--------------|--------------------------------------|------------|
|                                                                      | 2024                               | 2025         | 2025                                 | 2026       |
|                                                                      | RMB'000                            | RMB'000      | RMB'000<br>(unaudited)               | RMB'000    |
| Gain on fair value changes of<br>financial assets at FVTPL . . . . . | 1,300                              | 2,488        | 887                                  | 677        |
| Gains on lease termination and<br>modification . . . . .             | 75                                 | —            | —                                    | —          |
| Investment income from financial<br>assets at FVTPL . . . . .        | —                                  | 901          | 84                                   | 448        |
| Exchange gain/(loss) . . . . .                                       | 1,559                              | (1,392)      | (442)                                | (361)      |
| Loss on disposals of property, plant<br>and equipment . . . . .      | —                                  | —            | —                                    | (72)       |
| <b>Total . . . . .</b>                                               | <b>2,934</b>                       | <b>1,997</b> | <b>529</b>                           | <b>692</b> |

Gain on fair value changes of financial assets at FVTPL mainly represents gains resulting from changes in the fair value of our wealth management products purchased from reputable financial institutions. Investment income from financial assets at FVTPL mainly represents realized gains resulting from our wealth management products purchased from reputable financial institutions.

### Provision for Impairment Losses

Provision for impairment losses consists of (i) impairment losses of trade receivables and (ii) (reversal of impairment losses)/impairment loss of other receivables. The following table sets forth a breakdown of our provision for impairment losses for the years/periods indicated.

|                                                                                       | For the Year Ended<br>December 31, |               | For the Six Months Ended<br>June 30, |           |
|---------------------------------------------------------------------------------------|------------------------------------|---------------|--------------------------------------|-----------|
|                                                                                       | 2024                               | 2025          | 2025                                 | 2026      |
|                                                                                       | RMB'000                            | RMB'000       | RMB'000<br>(unaudited)               | RMB'000   |
| <b>Impairment losses/(reversal of<br/>impairment losses) under ECL<br/>model, net</b> |                                    |               |                                      |           |
| Trade receivables . . . . .                                                           | 8,883                              | 12,596        | 16,499                               | 72        |
| Other receivables . . . . .                                                           | (15)                               | (30)          | 1                                    | 24        |
| <b>Total . . . . .</b>                                                                | <b>8,868</b>                       | <b>12,566</b> | <b>16,500</b>                        | <b>96</b> |

### General and Administrative Expenses

During the Track Record Period, our general and administrative expenses primarily consisted of (i) staff costs, (ii) share-based payment expenses, (iii) professional services fees, (iv) depreciation and amortization, (v) office expenses, (vi) travel expenses, and (vii) others. The following table sets forth a breakdown of our general and administrative expenses for the years/periods indicated.

## FINANCIAL INFORMATION

|                                         | For the Year Ended<br>December 31, |               | For the Six Months Ended<br>June 30, |               |
|-----------------------------------------|------------------------------------|---------------|--------------------------------------|---------------|
|                                         | 2024                               | 2025          | 2025                                 | 2026          |
|                                         | RMB'000                            | RMB'000       | RMB'000<br>(unaudited)               | RMB'000       |
| Staff costs . . . . .                   | 16,887                             | 13,632        | 7,454                                | 7,042         |
| Share-based payment expenses . . . . .  | 22,109                             | 18,979        | 11,758                               | 4,804         |
| Professional services fees . . . . .    | 7,739                              | 7,103         | 1,522                                | 1,458         |
| Depreciation and amortization . . . . . | 1,816                              | 1,947         | 931                                  | 1,013         |
| Office expenses . . . . .               | 2,024                              | 2,134         | 804                                  | 1,220         |
| Travel expenses . . . . .               | 730                                | 419           | 219                                  | 436           |
| [REDACTED] expenses . . . . .           | —                                  | 41            | —                                    | 365           |
| Others . . . . .                        | 1,314                              | 1,143         | 273                                  | 289           |
| <b>Total . . . . .</b>                  | <b>52,619</b>                      | <b>45,398</b> | <b>22,961</b>                        | <b>16,627</b> |

### Research and Development Costs

The following table sets forth a breakdown of our R&D costs for the years/periods indicated.

|                                                                      | For the Year Ended<br>December 31, |                | For the Six Months Ended<br>June 30, |                |
|----------------------------------------------------------------------|------------------------------------|----------------|--------------------------------------|----------------|
|                                                                      | 2024                               | 2025           | 2025                                 | 2026           |
|                                                                      | RMB'000                            | RMB'000        | RMB'000<br>(unaudited)               | RMB'000        |
| Clinical and preclinical research and<br>development costs . . . . . | 208,308                            | 165,219        | 38,199                               | 112,112        |
| Staff costs . . . . .                                                | 108,792                            | 104,280        | 49,898                               | 48,208         |
| Share-based payment expenses . . . . .                               | 24,843                             | 16,751         | 9,591                                | 1,375          |
| Depreciation and amortization . . . . .                              | 18,167                             | 14,254         | 7,046                                | 7,097          |
| Material costs . . . . .                                             | 8,130                              | 8,986          | 4,051                                | 6,553          |
| Patent fees . . . . .                                                | 2,791                              | 3,505          | 1,553                                | 1,599          |
| Travel expenses . . . . .                                            | 3,293                              | 2,613          | 1,279                                | 1,822          |
| Others . . . . .                                                     | 10,023                             | 10,184         | 4,901                                | 5,950          |
| <b>Total . . . . .</b>                                               | <b>384,347</b>                     | <b>325,792</b> | <b>116,518</b>                       | <b>184,716</b> |

The decrease in clinical and preclinical R&D costs from RMB208.3 million in 2024 to RMB165.2 million in 2025 is mainly due to the substantial costs incurred in 2024 for the Phase I/II clinical trial of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions, which was completed in November 2024. The increase in clinical and preclinical R&D costs from RMB38.2 million for the six months ended June 30, 2025 to RMB112.1 million for the six months ended June 30, 2026 is primarily related to D-2570.

In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, our R&D costs accounted for 88.0%, 87.8%, 83.5% and 91.7% of our total operating expenses in the corresponding years/periods, respectively. In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, we recorded R&D costs attributable to our Core Products of RMB121.9 million, RMB166.9 million, RMB64.4 million and RMB117.3 million, respectively, representing 31.7%, 51.2%, 55.3% and 63.5% of our total R&D costs, and 27.9%, 45.0%, 46.2% and 58.3% of our total operating expenses in the corresponding years/periods, respectively.

## FINANCIAL INFORMATION

Below is a breakdown of R&D costs by major products during the Track Record Period.

|                                   | For the Year Ended December 31, |              |                |              | For the Six Months Ended June 30, |              |                |              |
|-----------------------------------|---------------------------------|--------------|----------------|--------------|-----------------------------------|--------------|----------------|--------------|
|                                   | 2024                            |              | 2025           |              | 2025                              |              | 2026           |              |
|                                   | RMB'000                         | %            | RMB'000        | %            | RMB'000<br>(unaudited)            | %            | RMB'000        | %            |
| D-0502 . . . . .                  | 72,716                          | 18.9         | 43,321         | 13.3         | 25,992                            | 22.3         | 9,480          | 5.1          |
| D-2570 . . . . .                  | 49,187                          | 12.8         | 123,578        | 37.9         | 38,444                            | 33.0         | 107,793        | 58.4         |
| D-0120 . . . . .                  | 39,722                          | 10.3         | 32,330         | 9.9          | 20,860                            | 17.9         | 7,286          | 3.9          |
| D-1553 <sup>(1)</sup> . . . . .   | 129,263                         | 33.7         | (8,700)        | (2.7)        | (13,962)                          | (12.0)       | 5,143          | 2.8          |
| BPI-D0316 . . . . .               | 12,465                          | 3.2          | 37,772         | 11.6         | 40                                | 0.0          | 6              | 0.0          |
| YF087 . . . . .                   | 15,506                          | 4.0          | 20,853         | 6.4          | 10,537                            | 9.1          | 6,070          | 3.3          |
| YF550 . . . . .                   | 3,648                           | 1.0          | 10,284         | 3.2          | 4,915                             | 4.2          | 4,625          | 2.5          |
| YF057 . . . . .                   | 93                              | 0.0          | 19,270         | 5.9          | 5,241                             | 4.5          | 13,145         | 7.1          |
| Other Programs <sup>(2)</sup> . . | 61,747                          | 16.1         | 47,084         | 14.5         | 24,451                            | 21.0         | 31,168         | 16.9         |
| <b>Total . . . . .</b>            | <b>384,347</b>                  | <b>100.0</b> | <b>325,792</b> | <b>100.0</b> | <b>116,518</b>                    | <b>100.0</b> | <b>184,716</b> | <b>100.0</b> |

*Notes:*

- (1) The R&D costs for D-1553 were negative in 2025, because of our adjustment of the R&D costs in connection with the out-licensing of D-1553 in August 2023 pursuant to the CTTQ Agreement, under which CTTQ shall be responsible for the commercial production, sales, and full lifecycle management of D-1553. We continued to incur R&D costs for D-1553 after signing the CTTQ Agreement, which provided that the Company shall remain responsible for costs incurred in clinical trials conducted prior to the signing of the CTTQ Agreement, while CTTQ shall be responsible for clinical trials conducted after signing the CTTQ Agreement. As a result, our payment obligations for R&D services of D-1553 provided by Supplier B after execution of the CTTQ Agreement were transferred to CTTQ. Therefore, in March 2025, pursuant to a tripartite arrangement among CTTQ, Supplier B and us, Supplier B agreed to refund us the expenses for R&D services (RMB23,482 thousand) provided on D-1553 in 2024, and CTTQ agreed to pay such refunded amount to Supplier B. The refund from Supplier B caused the R&D costs in 2025 to turn negative. Such reversal of R&D costs in relation to D-1553 due to the out-licensing arrangement complies with the applicable accounting standards. Without taking into account the refund, we incurred R&D costs of RMB14,782 thousand on D-1553 in 2025.

In 2024, there was no reversal of R&D costs for D-1553. We incurred higher R&D costs for D-1553 than the Core Products in 2024 primarily due to the significant R&D costs associated with our Phase I/II clinical trial of D-1553 in patients with KRAS G12C mutated locally advanced or metastatic solid tumors conducted in multiple regions. Such substantial R&D expenditure on D-1553 was non-recurring in nature. Taking into consideration of the completion of the Phase I/II clinical trial of D-1553 in November 2024 and the CTTQ Agreement we signed in August 2023 that granted CTTQ an exclusive license to develop, register, manufacture and commercialize D-1553 in the PRC, we do not expect to incur significant additional R&D costs in respect of D-1553 going forward. The elevated level of R&D expenditure on D-1553 in 2024 is not indicative of our R&D focus in 2025 and beyond. Also, the R&D costs for the Core Products have been higher than the R&D cost for D-1553 for 2025 and for the six months ended June 30, 2026, even without taking into account the reversal in 2025, and are expected to remain so for the 12 months prior to the [REDACTED].

In the next five years, we expect that a majority of our R&D costs will be incurred for our two Core Products, primarily comprising costs associated with (i) the ongoing Phase III monotherapy clinical trial and Phase II combination therapy clinical trial of taragarestrant (D-0502) for advanced or metastatic ER+/HER2– breast cancer, and (ii) the two ongoing Phase III clinical trials for moderate-to-severe plaque psoriasis and several Phase II clinical trials of D-2570. For details, please refer to “Business – Our Product Pipeline” and “Future Plans and Use of [REDACTED].”

- (2) “Other programs” included 13, 19, 10 and 24 product candidates in 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively. In 2024 and 2025 and for the six months ended June 30, 2025 and 2026, the highest amount of R&D costs incurred by any single product candidate within “Other programs” was RMB17,847 thousand, RMB21,515 thousand, RMB12,249 thousand and RMB12,216 thousand, respectively, which was generally less than the R&D expenses allocated to D-0502 or D-2570 in each year/period during the Track Record Period. However, for the six months ended June 30, 2026, the highest amount of R&D expenses incurred by a single product candidate within “Other Programs” was RMB12.2 million, which exceeded the RMB9.5 million recorded for D-0502 during the same period. This was primarily attributable to timing differences in the recognition of R&D expenses. A substantial portion of the R&D expenses for our clinical programs represents service fees paid or payable to CROs and other third-party service providers, and the timing of recognition of such expenses may not correspond precisely with the timing or level of the underlying R&D activities, particularly over a shorter period (i.e. six months). Such timing differences generally become less pronounced over a longer period as the expenses recognized become more aligned with the underlying R&D activities. Based on our current development plans and expected R&D activities, we expect the R&D expenses for each of D-0502 and D-2570 for the full year of 2026 will exceed those of any single product candidate included within “Other Programs.”

## FINANCIAL INFORMATION

### Finance Costs

Our finance costs consist of interest expenses on lease liabilities. The following table sets forth our finance costs for the years indicated.

|                                                  | For the Year Ended<br>December 31, |         | For the Six Months Ended<br>June 30, |         |
|--------------------------------------------------|------------------------------------|---------|--------------------------------------|---------|
|                                                  | 2024                               | 2025    | 2025                                 | 2026    |
|                                                  | RMB'000                            | RMB'000 | RMB'000<br>(unaudited)               | RMB'000 |
| Interest expenses on lease liabilities . . . . . | 665                                | 835     | 438                                  | 360     |

### Income Tax Expenses

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the Enterprise Income Tax (“**EIT**”) rate of the PRC subsidiaries was 25% during the Track Record Period except for certain members of the Group, which was subject to tax concession set out below.

We were accredited as a “High and New Technology Enterprise” (“**HNTE**”) in 2022. Therefore, our Company was entitled to a preferential EIT rate of 15% during the Track Record Period. The qualification as a HNTE Enterprise is subject to review by the relevant tax authority in the PRC every three years. Our Company’s qualification as a HNTE is subject to review in 2027.

In 2022, the Ministry of Finance and the State Administration of Taxation issued the Notice on the Further Implementation of Preferential Income Tax for Small and Micro Enterprises (Cai Shui [2023] No. 12), which provides that the portion of annual taxable income of small and micro enterprises exceeding RMB1.0 million but not exceeding RMB3.0 million shall be deducted to 25% of the taxable income and subject to income tax at a rate of 20% for the period from January 1, 2022 to December 31, 2027. InventisBio Beijing was recognized as Small and Micro Enterprises and was entitled to a preferential tax rate of 20% during the Track Record Period.

Our U.S. subsidiaries are subject to the federal corporate income tax at a rate of 21%.

Our Hong Kong subsidiary is subject to Hong Kong profits tax at the statutory rate of 16.5%. Except that under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporation in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

## PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

#### Revenue

Our revenue increased from RMB19.1 million for the six months ended June 30, 2025 to RMB53.3 million for the six months ended June 30, 2026, primarily due to the recognition of the second upfront payment of RMB28.3 million in relation to D-1553.

#### Cost of Sales

Our cost of sales increased from RMB2.5 million for the six months ended June 30, 2025 to RMB3.0 million for the six months ended June 30, 2026, which was attributable to cost related to royalties arising from the net sales amount of the products sold by Betta.

#### Gross Profit

Our gross profit increased from RMB16.6 million for the six months ended June 30, 2025 to RMB50.3 million for the six months ended June 30, 2026, primarily due to the increased revenues during the corresponding years.

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## FINANCIAL INFORMATION

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### *Other Income*

Our other income decreased from RMB17.8 million for the six months ended June 30, 2025 to RMB13.5 million for the six months ended June 30, 2026, primarily due to (i) the decreased government grants from RMB8.4 million for the six months ended June 30, 2025 to RMB5.6 million for the six months ended June 30, 2026 and (ii) the decreased bank interest income from RMB9.2 million for the six months ended June 30, 2025 to RMB7.7 million for the six months ended June 30, 2026.

### *Other Gains and Losses, Net*

Our other gains and losses, net increased from net gain of RMB0.5 million for the six months ended June 30, 2025 to net gain of RMB0.7 million for the six months ended June 30, 2026, primarily due to the change of investment income from financial assets at FVTPL of RMB0.1 million for the six months ended June 30, 2025 to exchange loss of RMB0.4 million for the six months ended June 30, 2026, partially offset by the decreased gain on fair value changes of financial assets at FVTPL from RMB0.9 million for the six months ended June 30, 2025 to RMB0.7 million for the six months ended June 30, 2026.

### *Provision for Impairment Losses*

Our provision for impairment losses decreased from RMB16.5 million for the six months ended June 30, 2025 to RMB0.1 million for the six months ended June 30, 2026 primarily driven by the decreased impairment losses on the trade receivables from RMB16.5 million for the six months ended June 30, 2025 to RMB0.1 million for the six months ended June 30, 2026, mainly due to the decrease in trade receivables from Betta.

### *General and Administrative Expenses*

Our general and administrative expenses decreased from RMB23.0 million for the six months ended June 30, 2025 to RMB16.6 million for the six months ended June 30, 2026. The decrease was mainly due to (i) a decrease of RMB7.0 million in share-based payment expenses due to the amortization of share-based payment expenses related to the ESOP awards, (ii) and a decrease of RMB0.4 million in staff costs, due to the decrease in accrued year-end bonuses.

### *Research and Development Costs*

Our research and development costs increased by 58.5% from RMB116.5 million for the six months ended June 30, 2025 to RMB184.7 million for the six months ended June 30, 2026, primarily attributable to the increase of clinical trial expenses related to D-2570.

### *Finance Costs*

Our finance costs remained relatively stable at RMB0.4 million and RMB0.4 million for the six months ended June 30, 2025 and 2026, primarily attributable to the amortization of unrecognized financing expenses on lease liabilities using the effective interest method, with the amortization amount showing a decreasing trend on a year-by-year basis.

### *Income Tax Expense*

We recorded income tax expense of RMB46 thousand for the six months ended June 30, 2025 but income tax credit of RMB0.2 million for the six months ended June 30, 2026.

### *Loss for the Period*

For the reasons described above, our loss for the period increased from RMB121.5 million for the six months ended June 30, 2025 to RMB137.1 million for the six months ended June 30, 2026.

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

### *Revenue*

Our revenue decreased from RMB168.8 million in 2024 to RMB37.3 million in 2025, primarily due to a lack of recognition of development milestone payments deriving from our collaboration agreements in 2025, and such recognition of development milestone payments occurred in 2024.

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## FINANCIAL INFORMATION

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### *Cost of Sales*

Our cost of sales increased from RMB4.0 million in 2024 to RMB5.1 million in 2025, which was attributable to cost related to royalties arising from the net sales amount of the products sold by Betta.

### *Gross Profit*

Our gross profit decreased from RMB164.8 million in 2024 to RMB32.2 million in 2025, primarily due to the decreased revenues during the corresponding years.

### *Other Income*

Our other income decreased from RMB38.6 million in 2024 to RMB33.8 million in 2025 primarily due to the decreased bank interest income from RMB30.0 million 2024 to RMB25.0 million in 2025.

### *Other Gains and Losses, Net*

Our other gains and losses, net decreased from net gain of RMB2.9 million in 2024 to net gain of RMB2.0 million in 2025, primarily due to the change of exchange gain of RMB1.6 million in 2024 to exchange loss of RMB1.4 million in 2025, partially offset by the increased gain on fair value changes of financial assets at FVTPL from RMB1.3 million in 2024 to RMB2.5 million in 2025.

### *Provision for Impairment Losses*

Our provision for impairment losses increased from RMB8.9 million in 2024 to RMB12.6 million in 2025 primarily driven by the increased impairment losses on the trade receivables from RMB8.9 million in 2024 to RMB12.6 million in 2025, mainly due to the longer aging of trade receivables from Betta.

### *General and Administrative Expenses*

Our general and administrative expenses decreased from RMB52.6 million in 2024 to RMB45.4 million in 2025. The decrease was mainly due to (i) a decrease of RMB3.1 million in share-based payment expenses due to the amortization of share-based payment expenses related to the ESOP awards, (ii) and a decrease of RMB3.3 million in staff costs, due to fewer working hours incurred.

### *Research and Development Costs*

Our research and development costs decreased by 15.2% from RMB384.3 million in 2024 to RMB325.8 million in 2025, primarily attributable to substantial R&D costs incurred in 2024 for the Phase I/II clinical trial of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions, which was completed in November 2024.

### *Finance Costs*

Our finance costs increased from RMB0.7 million 2024 to RMB0.8 million 2025, primarily attributable to the increased interest expenses on lease liabilities in 2025 associated with our rental properties.

### *Income Tax Expense*

Our income tax expense increased from nil in 2024 to RMB0.2 million in 2025.

## FINANCIAL INFORMATION

### Loss for the Period

For the reasons described above, our loss for the year increased from RMB240.2 million in 2024 to RMB316.9 million in 2025.

### DISCUSSION OF CERTAIN 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.

|                                                          | At December 31,  |                  | At June 30,      |
|----------------------------------------------------------|------------------|------------------|------------------|
|                                                          | 2024             | 2025             | 2026             |
|                                                          | RMB'000          | RMB'000          | RMB'000          |
| <b>Non-current assets</b>                                |                  |                  |                  |
| Property, plant and equipment . . . . .                  | 19,669           | 18,610           | 17,254           |
| Intangible assets . . . . .                              | 592              | 1,429            | 839              |
| Right-of-use assets . . . . .                            | 25,147           | 21,465           | 18,311           |
| Prepayments . . . . .                                    | 679              | 587              | 5,024            |
| Deferred tax assets . . . . .                            | 3,439            | 3,188            | 2,641            |
| <b>Total non-current assets</b> . . . . .                | <u>49,526</u>    | <u>45,279</u>    | <u>44,069</u>    |
| <b>Current assets</b>                                    |                  |                  |                  |
| Trade receivables . . . . .                              | 165,342          | 84,666           | 86,037           |
| Prepayments, deposits and other<br>receivables . . . . . | 23,181           | 43,392           | 66,668           |
| Financial assets at FVTPL . . . . .                      | 101,300          | 153,677          | 152,960          |
| Time deposits . . . . .                                  | 667,521          | 653,711          | 531,210          |
| Cash and bank balances . . . . .                         | 913,947          | 723,120          | 641,249          |
| <b>Total current assets</b> . . . . .                    | <u>1,871,291</u> | <u>1,658,566</u> | <u>1,478,124</u> |
| <b>Total assets</b> . . . . .                            | <u>1,920,817</u> | <u>1,703,845</u> | <u>1,522,193</u> |
| <b>Current liabilities</b>                               |                  |                  |                  |
| Trade payables . . . . .                                 | 59,964           | 115,480          | 75,878           |
| Other payables and accruals . . . . .                    | 22,229           | 26,272           | 13,226           |
| Lease liabilities . . . . .                              | 7,788            | 7,150            | 6,453            |
| <b>Total current liabilities</b> . . . . .               | <u>89,981</u>    | <u>148,902</u>   | <u>95,557</u>    |
| <b>Net current assets</b> . . . . .                      | <u>1,781,310</u> | <u>1,509,664</u> | <u>1,382,567</u> |
| <b>Total assets less current liabilities</b> . . . . .   | <u>1,830,836</u> | <u>1,554,943</u> | <u>1,426,636</u> |
| <b>Non-current liabilities</b>                           |                  |                  |                  |
| Deferred income . . . . .                                | 480              | 480              | 480              |
| Lease liabilities . . . . .                              | 16,134           | 14,919           | 12,350           |
| Deferred tax liabilities . . . . .                       | 3,439            | 3,428            | 2,680            |
| <b>Total non-current liabilities</b> . . . . .           | <u>20,053</u>    | <u>18,827</u>    | <u>15,510</u>    |
| <b>NET ASSETS</b> . . . . .                              | <u>1,810,783</u> | <u>1,536,116</u> | <u>1,411,126</u> |

### Property, plant and equipment

Our property, plant and equipment primarily consist of laboratory equipment, machinery and office equipment, construction in progress and leasehold improvement. Our property, plant and equipment decreased from RMB19.7 million as of December 31, 2024 to RMB18.6 million as of

## FINANCIAL INFORMATION

December 31, 2025, primarily attributable to the increase of RMB10.0 million in leasehold improvement, partially offset by (i) the decrease of RMB6.5 million in construction in progress due to the completion of the construction and (ii) the decrease of RMB4.6 million in laboratory equipment mainly due to the depreciation charged for the period. Our property, plant and equipment decreased from RMB18.6 million as of December 31, 2025 to RMB17.3 million as of June 30, 2026, primarily attributable to (i) the decrease of RMB2.0 million in laboratory equipment mainly due to the depreciation charged for the period and (ii) the decrease of RMB1.1 million in leasehold improvement, partially offset by the increase of RMB1.8 million in construction in progress due to newly added renovation projects pending completion and acceptance.

### Intangible assets

Our intangible assets consist of computer software related to our business operations. The net carrying amount of our intangible assets increased from RMB0.6 million as of December 31, 2024 to RMB1.4 million as of December 31, 2025, primarily attributable to the increased costs relating to the purchase of new software, including software used for clinical trials. The net carrying amount of our intangible assets decreased from RMB1.4 million as of December 31, 2025 to RMB0.8 million as of June 30, 2026, primarily attributable to the amortization charged for such intangible assets during the period.

### Right-of-use assets

Our right-of-use assets are primarily related to our leased office premises used in our operations. Our right-of-use assets decreased from RMB25.1 million as of December 31, 2024 to RMB21.5 million as of December 31, 2025 and further to RMB18.3 million as of June 30, 2026, primarily due to the depreciation charged for such right-of-use assets during the respective period.

### Prepayments

Our prepayments are primarily related to prepaid hospital and investigator service fees made in connection with our clinical trials. Our non-current portion of the prepayments remained relatively stable at RMB0.7 million and RMB0.6 million as of December 31, 2024 and 2025, respectively. Our prepayments increased from RMB28.1 million as of December 31, 2025 to RMB47.6 million as of June 30, 2026, primarily due to the expansion of the clinical project scale and prepaid [REDACTED] expenses.

### Deferred tax assets

Our deferred tax assets are primarily related to our lease liabilities. Our deferred tax assets remained relatively stable at RMB3.4 million and RMB3.2 million as of December 31, 2024 and 2025, respectively. Our deferred tax assets decreased from RMB3.2 million as of December 31, 2025 to RMB2.6 million as of June 30, 2026, primarily because the deferred tax assets recognized as of June 30, 2026 only related to lease-related items.

### Trade receivables

During the Track Record Period, our trade receivables represent receivables from our collaboration partners for payment obligations set out in the relevant agreements. In particular, during the Track Record Period, we received RMB80.0 million milestone payment from Betta, out of the milestone payments in an aggregate amount of RMB180.0 million we are entitled to receive under our collaboration agreement. The following table sets forth the details of our trade receivables as of the dates indicated.

|                                                         | As of December 31, |               | As of June 30, |
|---------------------------------------------------------|--------------------|---------------|----------------|
|                                                         | 2024               | 2025          | 2026           |
|                                                         | RMB'000            | RMB'000       | RMB'000        |
| Trade receivables . . . . .                             | 183,518            | 115,438       | 116,881        |
| Less: loss allowance for trade<br>receivables . . . . . | (18,176)           | (30,772)      | (30,844)       |
| <b>Total . . . . .</b>                                  | <b>165,342</b>     | <b>84,666</b> | <b>86,037</b>  |

## FINANCIAL INFORMATION

Our trade receivables decreased from RMB165.3 million as of December 31, 2024 to RMB84.7 million as of December 31, 2025, primarily due to the decrease of trade receivables resulting from our receipt of RMB80.0 million milestone payment from Betta in 2025 and the increase in loss allowance for trade receivables resulting from the longer aging of such trade receivables. Our trade receivables remained relatively stable at RMB84.7 million and RMB86.0 million as of December 31, 2025 and June 30, 2026.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated.

|                                                         | As of December 31, |               | As of June 30, |
|---------------------------------------------------------|--------------------|---------------|----------------|
|                                                         | 2024               | 2025          | 2026           |
|                                                         | RMB'000            | RMB'000       | RMB'000        |
| Within 1 year . . . . .                                 | 3,518              | 15,438        | 16,881         |
| 1 to 2 years . . . . .                                  | 180,000            | —             | —              |
| 2 to 3 years . . . . .                                  | —                  | 100,000       | 100,000        |
|                                                         | 183,518            | 115,438       | 116,881        |
| Less: loss allowance for trade<br>receivables . . . . . | (18,176)           | (30,772)      | (30,844)       |
| <b>Total . . . . .</b>                                  | <b>165,342</b>     | <b>84,666</b> | <b>86,037</b>  |

As of July 31, 2026, RMB5.5 million, or 6.3% of our trade receivables as of June 30, 2026 had been subsequently settled. The relatively low subsequent settlement rate of trade receivables and the relatively high balance in the “2 to 3 years” aging bucket were both attributable to the outstanding RMB100.0 million milestone payment receivable from Betta. We have received milestone payment from Betta in the amount of RMB80.0 million on December 26, 2025. We are in active discussion with Betta on the settlement of the remaining balance of the milestone payments. Accordingly, we do not expect any material recoverability issues with respect to the Company’s trade receivables.

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

|                                                          | Year Ended December 31, |       | Six Months<br>Ended June 30, |
|----------------------------------------------------------|-------------------------|-------|------------------------------|
|                                                          | 2024                    | 2025  | 2026                         |
| Trade receivables turnover days <sup>(1)</sup> . . . . . | 399                     | 1,463 | 394                          |

Note:

- (1) Trade receivables turnover days for a period equals the average of the gross value of the opening and closing trade receivables balance divided by revenue for the relevant period and multiplied by the number of days in the relevant period (i.e. 365 days for a fiscal year and 181 days for the six months ended June 30).

## FINANCIAL INFORMATION

### Prepayments, deposits and other receivables

Our prepayments are primarily related to prepaid hospital and investigator service fees made in connection with our clinical trials. Our deposits and other receivables mainly represent (i) deposits for business operations, such as rental deposits, (ii) interest receivables and (iii) value-added input tax credit. The following table sets forth the components of our prepayments (current portion), deposits and other receivables as of the dates indicated:

|                                                         | As of December 31, |               | As of June 30, |
|---------------------------------------------------------|--------------------|---------------|----------------|
|                                                         | 2024               | 2025          | 2026           |
|                                                         | RMB'000            | RMB'000       | RMB'000        |
| Deposits and other receivables . . . . .                | 11,610             | 15,968        | 24,240         |
| Less: loss allowance for other<br>receivables . . . . . | (121)              | (91)          | (115)          |
| Prepayments (current portion) . . . . .                 | 11,692             | 27,515        | 42,543         |
| <b>Total . . . . .</b>                                  | <b>23,181</b>      | <b>43,392</b> | <b>66,668</b>  |

Our prepayments (current portion), deposits and other receivables increased from RMB23.2 million as of December 31, 2024 to RMB43.4 million as of December 31, 2025, primarily due to the increase of prepayments result from expansion of our clinical trials and [REDACTED] expenses. Our prepayments (current position), deposits and other receivables subsequently increased from RMB43.4 million as of December 31, 2025 to RMB66.7 million as of June 30, 2026, mainly due to the increase of prepayments result from expansion of our clinical trials and [REDACTED] expenses. As of July 31, 2026, RMB2.5 million, or 3.7% of the current portion of our prepayments, deposits and other receivables as of June 30, 2026 had been subsequently utilized/settled.

### Financial assets at FVTPL

Our financial assets at FVTPL during the Track Record Period represents the wealth management products we purchased as part of our wealth management to generate reasonable low risk returns. The purchases of such products were approved by our senior management team. We had financial assets at FVTPL of RMB101.3 million and RMB153.7 million as of December 31, 2024 and 2025, respectively. The increase was due to the purchase of new wealth management products. Our financial assets at FVTPL remained relatively stable at 153.0 million as of June 30, 2026.

With regards to the purchase of wealth management products, we have formulated the investment policy of diversifying risks and generating steady returns on the premise of ensuring the safety of funds. Our finance manager and the finance department are mainly responsible for making, implementing and supervising our investment decisions. We have implemented the following treasury policies and internal authorization controls: we have formulated the internal control measures to control our process of investment in wealth management products; our Board authorizes and supervises the finance manager to approve through a strict review and decision-making process, and our General Manager and/or Chairman of the Board are responsible for the approval of our material investments in wealth management products; our finance department is responsible for the analysis and research of investments in wealth management products, as well as the long-term routine management of such investments; and investments in wealth management products could be made when we have surplus cash that is not required for our short-term working capital purposes and in no event beyond the amount authorized by our senior management team.

Prior to making an investment, we evaluate the sufficiency of our remaining working capital for our business needs, operating activities, research and development and capital expenditures following the proposed investment. We adopt a prudent approach in selecting financial assets. Our investment strategy related to financial assets focuses on minimizing the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash

## FINANCIAL INFORMATION

needs, while generating desirable investment returns for the benefits of our shareholders. We make investment decisions related to financial assets on a case-by-case basis after thoroughly considering a number of factors, including the macro-economic environment, general market conditions, risk control and credit of invested subjects, our own working capital conditions, and the expected profit or potential loss of the investment. To control our risk exposure, we have in the past sought and may continue in the future to seek other low-risk wealth management products.

To the extent that we will have surplus cash that is not required for our short-term working capital purposes, we will continue to consider investing in wealth management products taking into account the considerations above as appropriate to be in our best interest. Our investments in wealth management products after the [REDACTED] will be subject to compliance with Chapter 14 of the Listing Rules.

### Time deposits

All time deposits held at bank with original maturity less than one year with corresponding interest receivables are classified as our current assets. Our time deposits remained relatively stable at RMB667.5 million and RMB653.7 million as of December 31, 2024 and 2025, respectively. Our time deposits decreased from RMB653.7 million as of December 31, 2025 to RMB531.2 million as of June 30, 2026, primarily due to the increase in expenses.

### Cash and bank balances

Our cash and bank balances decreased from RMB913.9 million as of December 31, 2024 to RMB723.1 million as of December 31, 2025 and further to RMB641.2 million as of June 30, 2026. For an analysis on cash flows during the Track Record Period, see “— Liquidity and Capital Resources.”

### Trade payables

Our trade payables primarily related to payables in relation to our research and development activities. Our trade payables increased from RMB60.0 million as of December 31, 2024 to RMB115.5 million as of December 31, 2025, primarily due to additional clinical trials that resulted in payment obligations to certain suppliers. Our trade payables subsequently decreased from RMB115.5 million as of December 31, 2025 to RMB75.9 million as of June 30, 2026, primarily due to (i) the RMB40.0 million payable to Betta in 2025 had been settled and (ii) part of the [REDACTED]-related expenses had been paid, partially offset by the increase of accounts payable as a result of increased R&D expenditures. The following table sets forth an aging analysis of our trade payables as of the dates indicated.

|                         | As of December 31, |                | As of June 30, |
|-------------------------|--------------------|----------------|----------------|
|                         | 2024               | 2025           | 2026           |
|                         | RMB'000            | RMB'000        | RMB'000        |
| Within 1 year . . . . . | 59,964             | 115,480        | 75,878         |
| <b>Total . . . . .</b>  | <b>59,964</b>      | <b>115,480</b> | <b>75,878</b>  |

Our trade payables are non-interest-bearing and are typically settled on terms of within one month of the invoice date. As of July 31, 2026, RMB11.5 million, or 15.2%, of our trade payables as of June 30, 2026 had been subsequently settled.

## FINANCIAL INFORMATION

### Other payables and accruals

Our other payables and accruals consist of (i) salary and bonus payables, (ii) other taxes payables and (iii) others. The following table sets forth a breakdown of our other payables and accruals.

|                                       | As of December 31,   |                      | As of June 30,       |
|---------------------------------------|----------------------|----------------------|----------------------|
|                                       | 2024                 | 2025                 | 2026                 |
|                                       | RMB'000              | RMB'000              | RMB'000              |
| Other payables and accruals           |                      |                      |                      |
| – Salary and bonus payables . . . . . | 20,310               | 23,629               | 11,132               |
| – Other taxes payables . . . . .      | 15                   | 13                   | 80                   |
| – Others . . . . .                    | 1,904                | 2,630                | 2,014                |
| <b>Total . . . . .</b>                | <b><u>22,229</u></b> | <b><u>26,272</u></b> | <b><u>13,226</u></b> |

Our other payables and accruals increased from RMB22.2 million as of December 31, 2024 to RMB26.3 million as of December 31, 2025, primarily due to the increase in salary and bonus payables of RMB3.3 million. Our other payables and accruals subsequently decreased from RMB26.3 million as of December 31, 2025 to RMB13.2 million as of June 30, 2026, primarily due to the decrease in salary and bonus payables of RMB12.5 million. As of July 31, 2026, RMB9.1 million, or 68.5%, of our other payables and accruals as of June 30, 2026 had been subsequently settled.

### Lease liabilities

Our lease liabilities primarily consisted of leases of offices and laboratories. Our lease liabilities decreased from RMB23.9 million as of December 31, 2024 to RMB22.1 million as of December 31, 2025 due to our lease payments made in the 2025. Our lease liabilities decreased from RMB22.1 million as of December 31, 2025 to RMB18.8 million as of June 30, 2026 due to our lease payments made in the 2026.

### Deferred income

Our deferred income primarily consists of incentives provided by local authorities for compensating of research and development costs incurred. Our deferred income remained stable at RMB0.5 million, RMB0.5 million and RMB0.5 million as of December 31, 2024 and 2025 and June 30, 2026, respectively.

### Deferred tax liabilities

Our deferred tax liabilities arising from financial asset at FVTPL and right-of-use assets. Our deferred tax liabilities remained relatively stable at RMB3.4 million and RMB3.4 million as of December 31, 2024 and 2025, respectively. Our deferred tax liabilities decreased from RMB3.4 million as of December 31, 2025 to RMB2.7 million as of June 30, 2026, primarily due to the decrease in right-of-use assets of RMB0.5 million.

## FINANCIAL INFORMATION

### LIQUIDITY AND CAPITAL RESOURCES

#### Overview

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. We relied on equity financing as the major sources of liquidity during the Track Record Period. During the Track Record Period, we incurred negative cash flows from our operations and our operating cash outflows mainly resulted from our research and development costs. Our operating activities used RMB242.0 million, RMB155.4 million, RMB105.8 million and RMB188.2 million in 2024 and 2025 and for the six months ended June 30, 2025 and 2026, respectively. As of June 30, 2026, being the latest practicable date for determining our indebtedness, we had cash and bank balances, time deposits and financial assets at FVTPL of RMB1,325.4 million.

#### Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

|                                                          | As of December 31, |                  | As of June 30,   |
|----------------------------------------------------------|--------------------|------------------|------------------|
|                                                          | 2024               | 2025             | 2026             |
|                                                          | RMB'000            | RMB'000          | RMB'000          |
| <b>CURRENT ASSETS</b>                                    |                    |                  |                  |
| Trade receivables . . . . .                              | 165,342            | 84,666           | 86,037           |
| Prepayments, deposits and other<br>receivables . . . . . | 23,181             | 43,392           | 66,668           |
| Financial assets at FVTPL . . . . .                      | 101,300            | 153,677          | 152,960          |
| Time deposits . . . . .                                  | 667,521            | 653,711          | 531,210          |
| Cash and bank balances . . . . .                         | 913,947            | 723,120          | 641,249          |
| <b>Total current assets . . . . .</b>                    | <b>1,871,291</b>   | <b>1,658,566</b> | <b>1,478,124</b> |
| <b>CURRENT LIABILITIES</b>                               |                    |                  |                  |
| Trade payables . . . . .                                 | 59,964             | 115,480          | 75,878           |
| Other payables and accruals . . . . .                    | 22,229             | 26,272           | 13,226           |
| Lease liabilities . . . . .                              | 7,788              | 7,150            | 6,453            |
| <b>Total current liabilities . . . . .</b>               | <b>89,981</b>      | <b>148,902</b>   | <b>95,557</b>    |
| <b>NET CURRENT ASSETS . . . . .</b>                      | <b>1,781,310</b>   | <b>1,509,664</b> | <b>1,382,567</b> |

We had net current assets position as of December 31, 2024 and 2025 and June 30, 2026.

Our net current assets decreased by RMB271.6 million from RMB1,781.3 million as of December 31, 2024 to RMB1,509.7 million as of December 31, 2025, primarily because of the increase in current liabilities. Our net current assets decreased by RMB127.1 million from RMB1,509.7 million as of December 31, 2025 to RMB1,382.6 million as of June 30, 2026, primarily due to the decrease in current assets, partially offset by the decrease in current liabilities. Our current assets decreased from RMB1,871.3 million as of December 31, 2024 to RMB1,658.6 million as of December 31, 2025, primarily due to the decrease in cash and bank balances of RMB190.8 million, partially offset by the increase of financial assets at FVTPL of RMB52.4 million and the increase of prepayments, deposits and other receivables of RMB20.2 million. Our current assets decreased from RMB1,658.6 million as of December 31, 2025 to RMB1,478.1 million as of June 30, 2026, primarily due to the decrease in time deposits of RMB122.5 million and the decrease in cash and bank balances of RMB81.9 million, partially offset by the the increase of prepayments, deposits and other receivables of RMB23.3 million.

## FINANCIAL INFORMATION

### Consolidated Statements of Cash Flows

The following table sets forth key items of our consolidated statements of cash flows for the years/periods indicated:

|                                                                                                                 | For the Year Ended<br>December 31, |                  | For the Six Months Ended<br>June 30, |                 |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------|------------------|--------------------------------------|-----------------|
|                                                                                                                 | 2024                               | 2025             | 2025                                 | 2026            |
|                                                                                                                 | <i>RMB'000</i>                     | <i>RMB'000</i>   | <i>RMB'000</i><br><i>(unaudited)</i> | <i>RMB'000</i>  |
| Net cash used in operating activities . . . . .                                                                 | (241,972)                          | (155,444)        | (105,751)                            | (188,176)       |
| Net cash (used in)/generated from investing activities . . . . .                                                | (53,929)                           | (26,330)         | (292,923)                            | 123,905         |
| Net cash (used in)/generated from financing activities . . . . .                                                | (6,482)                            | (6,220)          | 1,686                                | (17,378)        |
| <b>Net decrease in cash and cash equivalents . . . . .</b>                                                      | <b>(302,383)</b>                   | <b>(187,994)</b> | <b>(396,988)</b>                     | <b>(81,649)</b> |
| Cash and cash equivalents at the beginning of the year/period . . . .                                           | 1,215,826                          | 913,947          | 913,947                              | 723,120         |
| Effect of exchange rate changes . . .                                                                           | 504                                | (2,833)          | (2,210)                              | (222)           |
| <b>Cash and cash equivalents at the end of the year/period, represented by bank balances and cash . . . . .</b> | <b>913,947</b>                     | <b>723,120</b>   | <b>514,749</b>                       | <b>641,249</b>  |

### Net Cash Used in Operating Activities

For the six months ended June 30, 2026, our net cash used in operating activities was RMB188.2 million, which was primarily attributable to our loss before tax of RMB137.3 million, adjusted by certain non-cash and working capital items, including (i) bank interest income of RMB7.7 million, (ii) share-based payment expense of RMB6.2 million, (iii) depreciation of right-of-use assets of RMB4.3 million, and (iv) decrease in trade payables of RMB39.6 million.

In 2025, our net cash used in operating activities was RMB155.4 million, which was primarily attributable to our loss before tax of RMB316.6 million, adjusted by certain non-cash and working capital items, including (i) share-based payment expense of RMB35.7 million, (ii) bank interest income of RMB25.0 million, (iii) impairment losses on trade receivables of RMB12.6 million, and (iv) decrease in trade receivables of RMB68.1 million.

In 2024, our net cash used in operating activities was RMB242.0 million, which was primarily attributable to our loss before tax of RMB240.2 million, adjusted by certain non-cash and working capital items, including (i) decrease in contract liabilities of RMB47.2 million, (ii) share-based payment expense of RMB47.0 million, (iii) bank interest income of RMB30.0 million, (iv) decrease in prepayments, deposits and other receivables of RMB18.7 million, (v) depreciation of right-of-use assets of RMB13.1 million, (vi) decrease in trade payables of RMB12.6 million, and (vii) impairment losses on trade receivables of RMB8.9 million.

Going forward, we intend to improve our net operating cash outflows through a combination of revenue enhancement and cost discipline measures.

On the revenue side, we plan to increase collaboration-based revenues by leveraging our R&D capabilities and existing strategic partnerships. For our approved products, revenue generation is dependent on commercial sales activities carried out by our respective partners, who are responsible for market development and promotion. Accordingly, our nearterm cash inflows from such products will be linked to the performance and execution of these partners in the relevant markets.

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## FINANCIAL INFORMATION

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In parallel, we are actively exploring and advancing potential collaboration opportunities in respect of our pipeline products, including garsorasib (D-1553), D-2570 and darbinurad (D-0120). Under such collaboration arrangements, we may receive upfront payments, research service fees, milestone payments tied to the achievement of development progress, and potential downstream royalties.

On the cost management side, we intend to optimize our operating cash outflows by (i) prioritizing core and high-probability R&D programs and deferring or discontinuing non-core early-stage projects following periodic portfolio reviews, (ii) enhancing operational efficiency through improved resource allocation and streamlined internal processes, including greater use of standardized and scalable R&D platforms to reduce marginal development costs, and (iii) implementing tighter controls over discretionary spending, particularly in administrative and non-essential expenditures. We also plan to actively manage third-party service expenses, including CRO-related costs, through vendor selection, scope optimization and negotiation of more cost-efficient service arrangements.

Through the combined effect of increasing collaboration-driven cash inflows and disciplined management of operating expenditures, we aim to progressively narrow our net operating cash outflows and improve our overall cash flow position.

### *Net Cash (Used in)/Generated from Investing Activities*

For the six months ended June 30, 2026, our net cash generated from investing activities was RMB123.9 million, primarily attributable to the (i) proceeds from time deposits of RMB653.7 million and (ii) proceeds from financial assets at FVTPL of RMB537.0 million partially offset by (iii) investments in financial assets at FVTPL of RMB535.1 million and (iv) investments in time deposits of RMB531.2 million.

In 2025, our net cash used in investing activities was RMB26.3 million, primarily attributable to the (i) investments in time deposits of RMB653.7 million, (ii) investments in financial assets at FVTPL of RMB646.8 million, partially offset by (iii) proceeds from time deposits of RMB667.5 million, and (iv) proceeds from financial assets at FVTPL of RMB597.4 million.

For the year of 2024, our net cash used in investing activities was RMB53.9 million, primarily attributable to the (i) investments in time deposits of RMB667.5 million and (ii) investments in financial assets at FVTPL of RMB100.0 million, partially offset by (iii) the proceeds from time deposits of RMB700.0 million.

### *Net Cash (Used in)/Generated from Financing Activities*

For the six months ended June 30, 2026, we had RMB17.4 million of net cash outflow from financing activities, primarily attributable to the payment of [REDACTED] expenses of RMB[REDACTED] and the principal portion of lease payments of RMB4.4 million, partially offset by the proceeds from Restricted Share Incentive Schemes of RMB5.4 million.

In 2025, we had RMB6.2 million of net cash outflow from financing activities, primarily attributable to the principal portion of lease payments of RMB9.0 million and the payment of [REDACTED] expenses of RMB[REDACTED], partially offset by the proceeds from Restricted Share Incentive Schemes of RMB7.0 million.

In 2024, we had RMB6.5 million of net cash outflow from financing activities, primarily attributable to the principal portion of lease payments of RMB13.4 million, partially offset by proceeds from 2022 Restricted Share Incentive Scheme of RMB7.6 million.

## FINANCIAL INFORMATION

### CASH OPERATING COSTS

The following table sets forth information on our cash operating costs for the years indicated.

|                                                                        | For the Year Ended<br>December 31, |                | For the Six Months Ended<br>June 30, |                |
|------------------------------------------------------------------------|------------------------------------|----------------|--------------------------------------|----------------|
|                                                                        | 2024                               | 2025           | 2025                                 | 2026           |
|                                                                        | RMB'000                            | RMB'000        | RMB'000<br>(unaudited)               | RMB'000        |
| <b>Research and development costs</b>                                  |                                    |                |                                      |                |
| <i>Research and development costs for<br/>Core Products</i>            |                                    |                |                                      |                |
| – Clinical and preclinical research<br>development costs . . . . .     | 61,175                             | 97,017         | 35,260                               | 93,241         |
| – Staff costs . . . . .                                                | 33,036                             | 44,977         | 20,755                               | 21,250         |
| – Rental and other research and<br>development costs . . . . .         | 4,630                              | 8,121          | 3,260                                | 4,927          |
| <i>Research and development costs for<br/>other product candidates</i> |                                    |                |                                      |                |
| – Clinical and preclinical research<br>development costs . . . . .     | 161,736                            | 32,668         | 12,859                               | 74,075         |
| – Staff costs . . . . .                                                | 75,756                             | 59,303         | 29,143                               | 26,958         |
| – Rental and other research and<br>development costs . . . . .         | 23,050                             | 15,585         | 8,396                                | 7,913          |
| <b>Workforce employment costs . . . .</b>                              | <b>16,887</b>                      | <b>13,633</b>  | <b>7,454</b>                         | <b>6,985</b>   |
| <b>Total . . . . .</b>                                                 | <b>376,270</b>                     | <b>271,304</b> | <b>117,127</b>                       | <b>235,349</b> |

In 2024, we incurred higher R&D costs for our other product candidates than for the Core Products primarily due to the significant R&D costs associated with the Phase I/II clinical trial of garsorasib (D-1553) in patients with KRAS G12C mutated locally advanced or metastatic solid tumors in multiple regions sponsored by us, which was completed in November 2024. This trial enrolled approximately 180 subjects, was conducted across multiple regions, and comprised both a Phase Ia and a Phase Ib component, as well as a Phase II part, with different trial protocols. Given its scale, geographic scope and complexity, the Phase I/II clinical trial of D-1553 resulted in substantial R&D expenditure in 2024. Such substantial weight on R&D costs attributable to other product candidates was non-recurring in nature. Taking into consideration of the completion of the Phase I/II clinical trial of D-1553 in November 2024 and us having granted CTTQ an exclusive license to develop, register, manufacture and commercialize D-1553 in the PRC in August 2023, we do not expect to incur significant additional R&D costs in respect of D-1553 going forward, and the elevated level of R&D expenditure for other product candidates in 2024 is not indicative of our R&D focus in 2025 and beyond.

Notwithstanding the above, we have remained primarily engaged in the research and development of its Core Products. As of the Latest Practicable Date, our pipeline comprises eight differentiated drug candidates at various stages of development, of which two are designated as Core Products. In addition, throughout the Track Record Period, the aggregate R&D expenditure incurred for the Core Products has been substantially higher than that incurred for any single non-Core Product candidate, and our R&D strategy, resource allocation and management focus have been consistently centered on advancing the Core Products. We expect that majority of the R&D costs in the year of 2026 will be incurred in connection with the development of Core Products, which is expected be top ranked among our product pipeline. This has further supported the fact that our R&D strategy, resource allocation and management focus have been consistently centered on advancing the Core Products.

## FINANCIAL INFORMATION

### WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents, the expected revenue from commercialization of beforterinib (BPI-D0316) and garsorasib (D-1553) in China by our partners, and the estimated net [REDACTED] from the [REDACTED], as well as our cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including research and development costs and general and administrative expenses for at least the next 12 months from the date of this Document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. As we continue to advance the development of our pipeline products, assuming an average cash burn rate going forward of [REDACTED] times the level in 2024 and 2025 and for the six months ended June 30, 2026, we estimate that our cash at bank and on hand as of June 30, 2026 will be able to maintain our financial viability for [REDACTED] months from June 30, 2026 taking into account the estimated net [REDACTED] from the [REDACTED]; or we estimate that we will be able to maintain our financial viability for [REDACTED] months from June 30, 2026 without taking into account the estimated net [REDACTED] from the [REDACTED] (based on the low-end of the [REDACTED] and assuming the [REDACTED] is not exercised). 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.

### INDEBTEDNESS

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

|                             | As of December 31, |               | As of June 30, |
|-----------------------------|--------------------|---------------|----------------|
|                             | 2024               | 2025          | 2026           |
|                             | RMB'000            | RMB'000       | RMB'000        |
| <b>Current</b>              |                    |               |                |
| Lease liabilities . . . . . | 7,788              | 7,150         | 6,453          |
| <b>Non-current</b>          |                    |               |                |
| Lease liabilities . . . . . | 16,134             | 14,919        | 12,350         |
| <b>Total</b> . . . . .      | <b>23,922</b>      | <b>22,069</b> | <b>18,803</b>  |

As of December 31, 2024 and 2025 and June 30, 2026, except as discussed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. We do not have any banking loans, as such no unutilised banking facilities were noted during the Track Record Period. Since June 30, 2026, being the latest practicable date for the purpose of the indebtedness statement, and up to the date of this Document, there had been no material change in our indebtedness.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

## FINANCIAL INFORMATION

### CAPITAL EXPENDITURES

The following table sets forth our capital expenditures for the years indicated:

|                                           | For the Year Ended December 31, |              | For the Six Months Ended June 30, |
|-------------------------------------------|---------------------------------|--------------|-----------------------------------|
|                                           | 2024                            | 2025         | 2026                              |
|                                           | RMB'000                         | RMB'000      | RMB'000                           |
| Purchase of property, plant and equipment | 9,235                           | 5,483        | 2,046                             |
| Purchase of intangible assets . . . . .   | —                               | 1,535        | —                                 |
| <b>Total . . . . .</b>                    | <b>9,235</b>                    | <b>7,018</b> | <b>2,046</b>                      |

Our historical capital expenditures during the Track Record Period primarily included purchases of property, plant and equipment and intangible assets. We funded our capital expenditure requirements during the Track Record Period mainly from our IPO on the A-share market of the Shanghai Stock Exchange (SSE) STAR Market. We plan to fund our planned capital expenditures using our cash at bank and the net [REDACTED] received from the [REDACTED]. Please refer to the section headed “Future Plans and Use of [REDACTED]” in this document for more details. We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

### CONTRACTUAL COMMITMENTS

As of December 31, 2024 and 2025 and June 30, 2026, we did not have any contractual commitments.

### CONTINGENT LIABILITIES

As of December 31, 2024 and 2025 and June 30, 2026, we did not have any contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

### OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

### RELATED PARTY TRANSACTIONS

During the Track Record Period, we entered into certain transactions with certain related parties. Details of our transactions with the related parties during the Track Record Period are set out in Note 35 to the Accountants’ Report included in Appendix I to this Document. Our Directors confirm that the material related party transactions during the Track Record Period were conducted on an arm’s length basis, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

### KEY FINANCIAL RATIOS

Our current ratio was 20.8, 11.1 and 15.5 as of December 31, 2024 and 2025 and June 30, 2026, respectively. Current ratio equals total current assets divided by total current liabilities as of the end of the year.

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## FINANCIAL INFORMATION

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### MARKET RISK DISCLOSURE

We are exposed to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk, as set out below. We manage and monitor these risks to ensure that appropriate measures can be implemented in a timely and effective manner. For further details, see Note 32 to the Accountants’ Report in Appendix I to this Document. The discussion below provides a summary of our market risks.

#### Foreign Currency Risk

Foreign currency risk means the risk relating to the fluctuation of fair value or future cash flows of financial instruments, which arises from changes in exchange rates. We have transactional currency exposures. Such exposures arise from financing activities by subsidiaries in currencies other than the subsidiaries’ functional currencies. For further details, including relevant sensitivity analysis, see Note 32 to the Accountants’ Report in Appendix I to this Document.

#### Interest Rate Risk

We are exposed to fair value interest rate risk in relation to its time deposits, cash and bank balances and lease liabilities. We have no cash flow interest rate risk as there are no borrowings.

#### Credit Risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade receivables, bank balances, time deposits and other receivables. We do not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets. In order to minimise the credit risk, our management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that our credit risk is significantly reduced.

We have concentration of credit risk as approximately 99.15%, 91.5% and 92.3% of the total trade receivables was due from our largest debtor as of December 31, 2024 and 2025 and June 30, 2026, respectively. We have concentration of credit risk as all the total trade receivables was due from our top two largest debtors as of December 31, 2024 and 2025 and June 30, 2026, respectively.

For trade receivables, we have applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. We determine the ECL on these items by using a provision matrix as at December 31, 2024 and 2025 and June 30, 2026 within lifetime ECL (not credit impaired) estimated based on the financial quality of debtors and historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

We consider that there is no significant change in credit risk rating of the debtors, their historical payment pattern and forward-looking information during the Track Record Period. We make full provision for a trade receivable when there is information indicating that the receivable is in severe financial difficulty and there is no realistic prospect of recovery.

#### Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows. For further details, see Note 32 to the Accountants’ Report set out in Appendix I to this Document.

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## FINANCIAL INFORMATION

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### DIVIDEND

We have never declared or paid any dividends on our ordinary shares or any other securities. As of the Latest Practicable Date, we have a formal dividend policy, and we do not have a pre-determined dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not intend to declare or pay any dividends in the foreseeable future. [REDACTED] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors subject to our Articles of Association and the PRC Company Law, and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. As advised by our PRC Legal Adviser, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents.

As confirmed by our PRC Legal Adviser, according to the PRC law, 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 net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

### DISTRIBUTABLE RESERVES

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

### [REDACTED] EXPENSE INCURRED AND TO BE INCURRED

Our [REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Based on an [REDACTED] of HK\$[REDACTED] per H Share (being the midpoint of the range of the indicative [REDACTED] stated in this Document), we estimated that the total [REDACTED] expenses for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming no H Shares are issued pursuant to the [REDACTED]), of which approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss and other comprehensive income upon the completion of [REDACTED], and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the completion of [REDACTED]. The above expenses comprise of (i) [REDACTED] expenses, including [REDACTED] and other expenses, of HK\$[REDACTED]; and (ii) [REDACTED] expenses of HK\$[REDACTED], including (a) fee paid and payable to legal advisers and reporting accountants of HK\$[REDACTED], and (b) other fees and expenses of HK\$[REDACTED]. [REDACTED], approximately HK\$[REDACTED] and HK\$[REDACTED] of the [REDACTED] expenses have been recognized in profit or loss for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026, respectively. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

### UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

[REDACTED]

## **FINANCIAL INFORMATION**

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**[REDACTED]**

### **NO MATERIAL ADVERSE CHANGE**

Our Directors have confirmed that, up to the date of the Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2026, being the end date of the periods reported on in the Accountants’ Report set out in Appendix I to this Document, and there had been no event since June 30, 2026, that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this Document.

### **DISCLOSURE UNDER RULES 13.13 TO 13.19 OF 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.