

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-2, received from the Company’s reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagements 200, “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF DIZAL PHARMACEUTICAL CO., LTD., GOLDMAN SACHS (ASIA) L.L.C. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

INTRODUCTION

We report on the historical financial information of Dizal Pharmaceutical Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-54, which comprises the consolidated statements of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the periods then ended (the “**Track Record Period**”), and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-54 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “**Document**”) in connection with the initial [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

DIRECTORS’ RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

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

REPORTING ACCOUNTANTS’ RESPONSIBILITY

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

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

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

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OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s and the Company’s financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

REVIEW OF STUB PERIOD COMPARATIVE HISTORICAL FINANCIAL INFORMATION

We have reviewed the stub period comparative historical financial information of the Group which comprises the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the six months ended 30 June 2025 and other explanatory information (together the “Stub Period Comparative Historical Financial Information”).

The directors of the Company are responsible for the preparation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Historical Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

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

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the financial years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

BDO Limited

Certified Public Accountants

[Director’s name]

Practising Certificate Number [●]

Hong Kong, [Date]

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I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

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

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Revenue	5(a)	91,289	359,901	801,136	355,001	522,693
Cost of sales		(3,215)	(9,316)	(34,229)	(15,627)	(20,891)
Gross profit		88,074	350,585	766,907	339,374	501,802
Other income	5(b)	35,261	43,323	64,661	36,408	11,448
Other gains/(losses), net	6	20,661	13,772	23,143	10,027	13,682
Selling and distribution expenses		(210,050)	(445,331)	(570,792)	(268,438)	(241,165)
Research and development expenses		(805,598)	(723,687)	(855,609)	(408,267)	(402,032)
Administrative and other operating expenses		(228,386)	(155,558)	(164,220)	(70,942)	(79,705)
Finance costs	8	(7,574)	(22,755)	(31,216)	(17,152)	(16,492)
Loss before income tax	7	(1,107,612)	(939,651)	(767,126)	(378,990)	(212,462)
Income tax expense	9	(101)	(4)	(1,391)	(52)	(633)
Loss and total comprehensive income for the year/period		<u>(1,107,713)</u>	<u>(939,655)</u>	<u>(768,517)</u>	<u>(379,042)</u>	<u>(213,095)</u>
Loss and total comprehensive income for the year/period attributable to:						
Owners of the Company		(1,107,713)	(845,956)	(764,049)	(377,360)	(210,373)
Non-controlling interests		–	(93,699)	(4,468)	(1,682)	(2,722)
		<u>(1,107,713)</u>	<u>(939,655)</u>	<u>(768,517)</u>	<u>(379,042)</u>	<u>(213,095)</u>
Loss per share						
Basic loss per share (RMB)	11	(2.72)	(2.04)	(1.71)	(0.87)	(0.45)
Diluted loss per share (RMB)	11	(2.72)	(2.04)	(1.71)	(0.87)	(0.45)

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	13	156,891	292,903	426,246	410,770
Intangible assets	14	423,520	389,150	354,885	338,295
Prepayments, deposits and other receivables	18	5,606	37,712	38,721	41,498
		<u>586,017</u>	<u>719,765</u>	<u>819,852</u>	<u>790,563</u>
Current assets					
Inventories	16	23,471	44,115	36,949	42,899
Trade receivables	17	48,040	27,495	143,441	210,666
Prepayments, deposits and other receivables	18	90,651	87,368	66,026	67,707
Financial assets at fair value through profit or loss (“FVPL”)	15	673,998	589,830	1,644,840	1,556,889
Restricted cash	19	275	275	275	275
Cash and cash equivalents	19	73,927	249,890	291,147	178,864
		<u>910,362</u>	<u>998,973</u>	<u>2,182,678</u>	<u>2,057,300</u>
Current liabilities					
Trade payables	22	14,601	17,514	20,051	24,654
Other payables and accruals	23	210,620	328,935	433,221	327,386
Interest-bearing borrowings	20	200,217	415,102	509,427	407,749
Lease liabilities	21	22,946	23,534	21,197	22,750
Taxation payable		52	–	1,339	654
		<u>448,436</u>	<u>785,085</u>	<u>985,235</u>	<u>783,193</u>
Net current assets		<u>461,926</u>	<u>213,888</u>	<u>1,197,443</u>	<u>1,274,107</u>
Total assets less current liabilities .		<u>1,047,943</u>	<u>933,653</u>	<u>2,017,295</u>	<u>2,064,670</u>
Non-current liabilities					
Interest-bearing borrowings	20	138,313	683,762	688,147	913,173
Lease liabilities	21	48,895	34,991	21,981	11,438
Deferred income	25	12,108	14,843	11,476	10,938
		<u>199,316</u>	<u>733,596</u>	<u>721,604</u>	<u>935,549</u>
NET ASSETS		<u>848,627</u>	<u>200,057</u>	<u>1,295,691</u>	<u>1,129,121</u>
EQUITY					
Share capital	27(b)	408,151	417,648	461,188	465,166
Reserves		440,476	(223,892)	832,670	664,844
Total equity attributable to owners of the Company		<u>848,627</u>	<u>193,756</u>	<u>1,293,858</u>	<u>1,130,010</u>
Non-controlling interests	30	–	6,301	1,833	(889)
TOTAL EQUITY		<u>848,627</u>	<u>200,057</u>	<u>1,295,691</u>	<u>1,129,121</u>

The accompanying notes form part of the Historical Financial Information.

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STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	13	83,549	62,012	41,127	40,157
Intangible assets	14	423,520	388,942	354,461	337,841
Interests in subsidiaries	1	85,662	822,830	1,240,945	1,244,830
Prepayments, deposits and other receivables	18	4,713	2,188	2,385	2,586
		597,444	1,275,972	1,638,918	1,625,414
Current assets					
Inventories	16	23,471	44,115	36,949	42,899
Trade receivables	17	48,040	44,980	148,679	221,335
Prepayments, deposits and other receivables	18	88,816	83,400	59,456	61,887
Financial assets at fair value through profit or loss (“FVPL”)	15	673,998	529,810	1,479,626	1,424,649
Restricted cash	19	275	275	275	275
Cash and cash equivalents	19	72,003	237,623	208,328	134,993
		906,603	940,203	1,933,313	1,886,038
Current liabilities					
Trade payables	22	14,601	17,514	20,051	24,654
Other payables and accruals	23	207,056	270,105	398,793	329,289
Interest-bearing borrowings	20	200,217	401,462	466,711	357,972
Lease liabilities	21	15,337	16,152	13,873	15,305
		437,211	705,233	899,428	727,220
Net current assets		469,392	234,970	1,033,885	1,158,818
Total assets less current liabilities .		1,066,836	1,510,942	2,672,803	2,784,232
Non-current liabilities					
Interest-bearing borrowings	20	138,313	566,971	564,493	789,895
Lease liabilities	21	45,598	27,084	13,893	6,539
Deferred income	25	12,108	14,843	11,476	10,938
		196,019	608,898	589,862	807,372
NET ASSETS		870,817	902,044	2,082,941	1,976,860
EQUITY					
Share capital	27(b)	408,151	417,648	461,188	465,166
Reserves		462,666	484,396	1,621,753	1,511,694
TOTAL EQUITY		870,817	902,044	2,082,941	1,976,860

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to owners of the Company							Non- controlling interests	Total equity
Notes	Share capital	Capital reserve	Accumulated	Total				
	RMB' 000	(Note 27 (c)) RMB' 000	losses RMB' 000	RMB' 000				
Balance at 1 January 2023								RMB' 000
Loss and total comprehensive income for the year		407,160	2,757,173	(1,405,852)	1,758,481	–	–	1,758,481
Share issued upon exercise of share options	27(b)(i)	991	258	–	(1,107,713)	–	–	(1,107,713)
Equity-settled share-based payment	26	–	196,610	–	196,610	–	–	196,610
Balance at 31 December 2023 and 1 January 2024		408,151	2,954,041	(2,513,565)	848,627	–	–	848,627
Loss and total comprehensive income for the year		–	–	(845,956)	(845,956)	(93,699)	(93,699)	(939,655)
Share issued upon exercise of share options	27(b)(ii)	9,497	48,769	–	58,266	–	–	58,266
Equity-settled share-based payment	26	–	132,819	–	132,819	–	–	132,819
Capital injection from non-controlling interests		–	–	–	–	100,000	100,000	100,000
Balance at 31 December 2024 and 1 January 2025		417,648	3,135,629	(3,359,521)	193,756	6,301	6,301	200,057
Loss and total comprehensive income for the year		–	–	(764,049)	(764,049)	(4,468)	(4,468)	(768,517)
Equity-settled share-based payment	26	–	73,647	–	73,647	–	–	73,647
Share issued upon exercise of share options	27(b)(iii)	1,775	15,283	–	17,058	–	–	17,058
Shares placement	27(b)(iv)	41,765	1,754,122	–	1,795,887	–	–	1,795,887
Issuance costs related to shares placement	27(b)(iv)	–	(22,441)	–	(22,441)	–	–	(22,441)
Balance at 31 December 2025		461,188	4,956,240	(4,123,570)	1,293,858	1,833	1,833	1,295,691
Balance at 1 January 2026		461,188	4,956,240	(4,123,570)	1,293,858	1,833	1,833	1,295,691
Loss and total comprehensive income for the period		–	–	(210,373)	(210,373)	(2,722)	(2,722)	(213,095)
Equity-settled share-based payment	26	–	8,297	–	8,297	–	–	8,297
Share issued upon exercise of share options	27(b)(v)	3,978	34,250	–	38,228	–	–	38,228
Balance at 30 June 2026		465,166	4,998,787	(4,333,943)	1,130,010	(889)	(889)	1,129,121

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Attributable to owners of the Company						
	Notes	Share capital	Capital reserve	Accumulated losses	Total	Non-controlling interests
			(Note 27 (c))			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025		417,648	3,135,629	(3,359,521)	193,756	6,301
Loss and total comprehensive income for the period		–	–	(377,360)	(377,360)	(1,682)
Equity-settled share-based payment	26	–	34,317	–	34,317	–
Shares placement	27(b)(iv)	41,765	1,754,122	–	1,795,887	–
Issuance costs related to shares placement	27(b)(iv)	–	(22,441)	–	(22,441)	–
Balance at 30 June 2025 (Unaudited)		459,413	4,901,627	(3,736,881)	1,624,159	4,619

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
Loss before income tax		(1,107,612)	(939,651)	(767,126)	(378,990)	(212,462)
Adjustments for:						
Depreciation for property, plant and equipment	7	35,476	37,911	38,889	17,888	28,449
Amortisation of intangible assets	7	36,887	37,691	36,889	18,530	16,843
Fair value gains on financial assets at FVPL	6	(22,519)	(14,451)	(25,327)	(11,219)	(13,673)
Loss/(gain) on disposal of property, plant and equipment	6	8	–	–	–	(84)
Equity settled share-based payment expenses	7	196,610	132,819	73,647	34,317	8,297
Expected credit loss/(reversal of expected credit loss) on trade receivables	6	396	(118)	1,171	552	679
Finance costs	8	7,574	22,755	31,216	17,152	16,492
Interest income	5(b)	(3,641)	(2,242)	(2,136)	(1,460)	(539)
Foreign exchange losses/(gain), net	6	1,454	2,450	1,013	640	(441)
Operating losses before changes in working capital		(855,367)	(722,836)	(611,764)	(302,590)	(156,439)
(Increase)/decrease in inventories		(18,402)	(20,644)	7,165	3,567	(5,949)
(Increase)/decrease in trade receivables		(48,436)	20,664	(117,117)	(55,196)	(67,905)
(Increase)/decrease in prepayments, deposits and other receivables		(39,534)	(28,824)	20,334	40,829	(4,174)
Increase/(decrease) in trade payables		9,532	2,913	2,537	(11,014)	4,603
(Decrease)/increase in other payables and accruals		(21,898)	91,832	113,054	62,153	(44,204)
Increase/(decrease) in deferred income		1,108	2,736	(3,367)	(718)	(538)
Cash used in operations		(972,997)	(654,159)	(589,158)	(262,969)	(274,606)
Income tax paid		(51)	(56)	(52)	(52)	(1,318)
Net cash used in operating activities		(973,048)	(654,215)	(589,210)	(263,021)	(275,924)
Investing activities						
Interest received		3,630	2,242	2,136	1,460	539
Proceeds from disposal of property, plant and equipment		1	–	9	8	95
Payment for the acquisition of property, plant and equipment and intangible assets		(32,128)	(137,576)	(170,469)	(112,832)	(47,297)
Payment for acquisition of financial assets at fair value through profit or loss		(3,736,810)	(3,569,410)	(10,997,000)	(4,036,000)	(3,541,000)
Proceeds from disposal of financial assets at fair value through profit or loss		4,380,127	3,668,029	9,967,317	3,630,906	3,642,624
Net cash generated from/(used in) investing activities		614,820	(36,715)	(1,198,007)	(516,458)	54,961

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		Year ended 31 December			Six months ended 30 June	
	Notes	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Financing activities						
Capital injection from non-controlling interests		–	100,000	–	–	–
Proceeds from new borrowings raised	29	338,233	963,357	810,718	557,218	434,280
Repayment of borrowings	29	–	(203,726)	(711,907)	(524,178)	(310,924)
Capital element of lease rental paid	29	(22,421)	(24,946)	(25,172)	(12,292)	(14,210)
Interest element of lease rental paid	29	(3,897)	(3,055)	(2,383)	(1,275)	(918)
Payment for [REDACTED]		–	–	–	–	(21,239)
Cash received under share option scheme	27(b)	1,249	58,266	17,058	–	38,228
Proceeds from shares placement	27(b)(iv)	–	–	1,795,887	1,795,887	–
Payment for issuance costs related to shares placement	27(b)(iv)	–	–	(22,441)	(22,441)	–
Interest paid	29	(3,380)	(20,553)	(32,892)	(18,961)	(16,273)
Net cash generated from financing activities		<u>309,784</u>	<u>869,343</u>	<u>1,828,868</u>	<u>1,773,958</u>	<u>108,944</u>
Net (decrease)/increase in cash and cash equivalents		(48,444)	178,413	41,651	994,479	(112,019)
Cash and cash equivalents at the beginning of the year/period		121,400	73,927	249,890	249,890	291,147
Effect of foreign exchange rate changes on cash and cash equivalents		<u>971</u>	<u>(2,450)</u>	<u>(394)</u>	<u>(78)</u>	<u>(264)</u>
Cash and cash equivalents at the end of the year/period		<u>73,927</u>	<u>249,890</u>	<u>291,147</u>	<u>1,244,291</u>	<u>178,864</u>

The accompanying notes form part of the Historical Financial Information.

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Dizal Pharmaceutical Co., Ltd. (迪哲(江蘇)醫藥股份有限公司, the “Company”) was established in the People’s Republic of China (the “PRC”), and converted into a joint stock limited liability company under the PRC laws on 8 September 2020. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and listed on the Shanghai Stock Exchange (stock code: 688192) on 10 December 2021.

During the Track Record Period, the Company and its subsidiaries (together, “the Group”) are principally engaged in the research and development and sales of pharmaceutical products.

As at the date of this report, the Company has direct and indirect interests in its subsidiaries as below:

Name	Place and date of incorporation/ establishment and place of operations	Type of legal entity	Particulars of issued/paid-up capital	Percentage of equity attributable to the Company		Principal activities	Name of auditor
				Direct	Indirect		
Dizal (Beijing) Pharmaceutical Co., Ltd.* (迪哲(北京)醫藥有限公司)	The People’s Republic of China (“PRC”), 18 June 2020	Limited liability company	RMB15,000,000	100%	–	Pharmaceutical research and development	BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Dizal (Shanghai) Pharmaceutical Co., Ltd.* (迪哲(上海)醫藥有限公司)	PRC, 15 December 2017	Limited liability company	RMB50,000,000	100%	–	Pharmaceutical research and development	BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Gewu Bio Co., Ltd.* (格物生物技術(江蘇)有限公司)	PRC, 14 May 2024	Limited liability company	RMB10,000,000	87.5%	–	Pharmaceutical research and development	BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Dizal (Wuxi) Pharmaceutical Co., Ltd.* (迪哲(無錫)醫藥有限公司)	PRC, 11 November 2021	Limited liability company	RMB300,000,000	–	100%	Property holding	BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)

* The official names of these entities are in Chinese. The English names are for identification purposes only.

The carrying amount of the Company’s interests in subsidiaries are as follows:

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Investment cost, at cost	73,000	806,380	1,222,500	1,225,900
Deemed investment arising from share-based payments	12,662	16,450	18,445	18,930
Total	85,662	822,830	1,240,945	1,244,830

2.1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and International Accounting Standards issued by the International Accounting Standards Board (the “IASB”) and Interpretations (collectively “IFRS Accounting Standards”). Further details of accounting policies are set out in Note 2.3. In addition, 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.

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The IASB has issued a number of standards and amendments to standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all IFRS Accounting Standards that are effective for accounting period commencing from 1 January 2026, unless otherwise stated.

The consolidated financial statements of the Group for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2026 were prepared in accordance with China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC. The consolidated financial statements of the Group for the years ended 31 December 2023, 2024 and 2025 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board.

Accounting policies set out below has been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for financial assets at fair value through profit or loss (“FVPL”), which are carried at fair value.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 3.

The Historical Financial Information has been prepared based on the consolidated financial statements of the Group. Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

2.2 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not effective for the Track Record Period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except the new IFRS 18 as set out below.

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ¹
IFRS 18	Presentation and Disclosure in Financial Statements ¹
IFRS 19	Subsidiaries without Public Accountability: Disclosures ¹
IFRS 20	Regulatory Assets and Regulatory Liabilities ²
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

1 Effective for annual periods beginning on or after 1 January 2027

2 Effective for annual periods beginning on or after 1 January 2029

3 Effective for annual periods beginning on or after a date to be determined

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. The new requirements are expected to impact the Group’s presentation of the consolidated statements of profit or loss and disclosures of the Group’s financial performance. However, it is expected that the initial adoption of IFRS 18 would not significantly affect the Group’s financial performance and position.

2.3 ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

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The carrying amount of non-controlling interests that represent present ownership interests is the amount of those interests at initial recognition plus such non-controlling interests’ share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(b) Subsidiaries

In the Company’s statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- interests in subsidiaries in the Company’s statement of financial position

If the recoverable amount (i.e. the higher of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised in profit or loss immediately.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or CGU, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

(d) Property, plant and equipment

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

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

Depreciation is calculated to write off the cost of property, plant and equipment, other than construction in progress (“CIP”), less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold land classified as right-of-use assets	50 years
Plant and buildings classified as right-of-use assets	Over the terms of the leases
Building	20 years
Machinery and equipment	5-10 years
Computer equipment	3 years
Furniture and fixture	5 years or over the terms of the leases, whichever is the shorter
Motor vehicles	4 years

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

CIP, which mainly represents properties under construction, is stated at cost less any impairment losses. CIP is reclassified to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of CIP until it is completed and ready for its intended use.

The gain or loss arising on retirement or disposal is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

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(e) Leasing

Accounting as a lessee

All leases are required to be capitalised in the consolidated statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use assets

The right-of-use assets should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Under the cost model, the Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liabilities

The lease liabilities are recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the lessee’s incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liabilities by: (i) increasing the carrying amount to reflect interest on the lease liabilities; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate.

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

(f) Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with definite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill and brand is recognised as an expenses in the period in which it is incurred.

The amortisation expense is recognised in profit or loss. Amortisation is provided on a straight-line basis over their useful lives as follows:

Patents and intellectual properties	18-19 years
Software use right	2-5 years

Both the period and method of amortisation are reviewed annually.

Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses.

Intangible assets with definite useful lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (note 2.3(c)).

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(ii) Patents and intellectual properties

Patents and intellectual properties acquired separately or as part of a business combination or transferred from development cost are recognised as intangible assets at historical cost and amortised using the straight-line method over their estimated useful lives of 18-19 years, which are determined according to the authorised useful lives and the management’s estimation. The estimation is made considering the duration of the patent right and the technological obsolescence of the intellectual properties. They are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Software use rights

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 2-5 years. The useful lives of the software are assessed by the Group after considering the contractual term, the current functionality equipped by the software, using plan and operation needs of the software.

(iv) Development cost

The expenditure on an internal research and development project is classified into expenditure in the research phase and expenditure in the development phase. Expenditure on research phases is recognised as an expense in the period in which it is incurred. Expenditure on development phase is capitalised and recognised as intangible assets if all the following can be demonstrated:

- The technical feasibility to complete the development project so that it will be available for use or sale;
- the intention to complete the development project to use or sell the product;
- the ability to use or sell the product;
- the manner in which the development project will generate probable future economic benefits for the Group;
- the availability of adequate technical, financial and other resources to complete the development project and use or sell the product; and
- the expenditure attributable to the asset during its development can be reliably measured.

(g) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

FVPL: FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss (“ECL”) on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group measures loss allowances for trade receivables using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets at amortised cost, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument’s external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criteria is more appropriate.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(ii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVPL are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, other payables and accruals, interest-bearing borrowings and lease liabilities issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in accordance with Note 2.3(m).

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(h) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

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Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work in progress, costs include direct labour and appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Income tax

Income tax comprises current tax and deferred tax are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arises from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit and does not rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

the same taxable entity; or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(j) Revenue recognition

Revenue from contract with customers

Sales of pharmaceutical products

The Group sells pharmaceutical products through distributors as customers. Revenue from these sales is recognised when their control has been transferred. This occurs upon the delivery of the products to the designated place specified in the contract and the products have been accepted by the distributors or there is objective evidence that the products meet the required specifications. At this point of time, both ownership and risks of loss have been transferred to the customers in accordance with the sales contract. The customers have full discretion over the manner or use and price to sell the products within a designated area. The Group no longer has physical possession but has a present right to remaining payment.

Contract liability is recognised when the Group receives consideration in advance of transferring the control of the promised goods. A receivable is recognised when the control of the promised goods has been transferred to the customers but the Group did not received consideration in advance, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

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No element of financing is deemed present as the period between when the Group receive consideration and transferring control of the promised goods is generally within 60 days. The Group does not expect to have any contract containing financing components. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The Group allows certain customers sales rebate if certain performance target has been met, prompt payment discount and a right to return the goods for a full refund if they have quality issue. The Group uses an expected value approach to estimates these rebates, discounts and returns, based on its specified terms of the contracts, accumulated experience with customers, their settlement patterns and historical data on returns for specific products. Revenue is recognised only to the extent that it is highly probable that a significant reversal in the cumulative amount of revenue recognised will not occur subsequently. The Group reviews its estimate at each reporting date and updates the amounts of the asset and liability accordingly.

(k) Employee benefits

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

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to local retirement schemes pursuant to the relevant labour rules and regulations in the jurisdictions in which the Group’s entities located are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

(ii) Share-based payments

The fair value of equity instruments such as share options granted to employees is recognised as staff costs with a corresponding increase in a capital reserve within equity, in case they were granted by the Company. Fair value is measured at grant date using the share options valuation models, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the period of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve, as appropriate. On the vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve, as appropriate) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the related equity instruments. The equity amount recognised in the capital reserve is retained until either the option is exercised (when it is then included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to accumulated losses).

(l) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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

(m) Borrowing costs

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

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(n) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to assets are included in non-current liabilities as deferred income and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected useful lives of the related asset.

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(o) Translation of foreign currencies

Foreign currency transactions during the Track Record Period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Research and development costs

All research costs are charged to profit or loss as incurred. Costs incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development costs in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make judgments on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Key sources of estimation uncertainty

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

(i) Impairments of non-current assets

If circumstances indicate that the carrying amount of a non-current asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in accordance with accounting policy for impairment of non-current assets as described in Note 2.3(c).

When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

(ii) Depreciation and amortisation

Items of property, plant and equipment and intangible assets are depreciated or amortised on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation expense to be recorded during any reporting period. The useful lives are based on the Group’s historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expense for future periods are adjusted if there are significant changes from previous estimates.

(iii) Income tax and deferred tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised, management’s judgement is required to assess the probability of future taxable profits. Management’s assessment is constantly reviewed and deferred tax assets are recognised only if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

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(iv) *Recognition of equity-settled share-based payments*

The Group recognises share-based compensation expense for equity-settled employee awards based on the fair value of the Company’s share options at the grant date, adjusted for estimated forfeitures. The awards are subject to service conditions (e.g., continued employment over a specified period) and performance conditions (e.g., achievement of Group’s revenue targets and individual performance metrics). Significant judgment is required to estimate the number of awards expected to vest, particularly due to subjective factors such as:

- likelihood of achieving the research and development milestones;
- individual performance evaluations, and
- expected staff turnover rates.

At each reporting date, the Group assesses the probability of meeting performance conditions by reviewing internal forecasts, macroeconomic factors, and grantees’ performance. Forfeiture assumptions are also updated using historical staff turnover data, though these trends may change over time.

These estimates are inherently uncertain, particularly for awards with longer vesting periods, and changes in assumptions could materially affect the Group’s Historical Financial Information. Specifically, higher probability of meeting performance conditions and lower staff turnover would result in additional expenses being recognised as more awards are expected to vest and lower probability of meeting performance conditions and higher staff turnover would result in less expense being recognised as fewer awards are expected to vest.

(v) *Fair value measurement*

A certain asset included in the Group’s Historical Financial Information require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group’s financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the “fair value hierarchy”):

- Level 1: unadjusted quoted prices in active markets for identical assets;
- Level 2: observable inputs other than quoted prices included within Level 1; and
- Level 3: unobservable inputs are inputs for which market data are not available.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the following item at fair value:

- Financial assets at FVPL (note 15)

For more detailed information in relation to the fair value measurement of the items above, please refer to Note 32(e).

(vi) *Leases — Estimating the incremental borrowing rate*

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

4. OPERATING SEGMENT INFORMATION

Operating segment information

The directors of the Company have been identified as the chief operating decision-maker (the “CODM”). Operating segments are identified on the basis of internal reports that the CODM regularly review in allocating resources to segments and in assessing their performance.

For management purposes, the Group has only one reportable operating segment, which is research and development and sale of pharmaceutical products. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

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Geographical information

During the Track Record Period, all Group’s revenue and operating loss were generated from the sale of pharmaceutical products in Chinese Mainland and all Group’s identifiable operating assets and liabilities were located in Chinese Mainland. Therefore, no geographical segment information is presented in accordance with IFRS 8 Operating Segments.

Information about major customers

Revenue from each major customer, including revenue from a group of entities which are known to be under common control with that customer, which accounted for 10% or more of the Group’s revenue during the Track Record Period and the six months ended 30 June 2026 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Customer A	35,861	139,589	335,016	141,951	224,395
Customer B	20,088	80,313	120,749	52,214	80,569
Customer C	12,648	40,250	91,699	42,529	70,939

5. REVENUE AND OTHER INCOME

(a) Revenue

The principal activities of the Group are research and development and sales of pharmaceutical products.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Revenue from contracts with customers within the scope of IFRS 15 Transferred at point in time:					
Sales of pharmaceutical products	<u>91,289</u>	<u>359,901</u>	<u>801,136</u>	<u>355,001</u>	<u>522,693</u>

The Group’s customer contracts are for the delivery of goods within the next 12 months since contracts were entered and the Group had applied the practical expedient in paragraph 121(a) of IFRS 15 for not disclosing amount of transaction price allocated to the remaining performance obligations under the contracts.

(b) Other income

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Government grants (including amortisation of deferred income) (note) . .	31,620	41,081	62,525	34,948	10,909
Interest income	<u>3,641</u>	<u>2,242</u>	<u>2,136</u>	<u>1,460</u>	<u>539</u>
	<u>35,261</u>	<u>43,323</u>	<u>64,661</u>	<u>36,408</u>	<u>11,448</u>

Note: Government grants mainly represent government subsidies for encouragement of research and development projects.

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6. OTHER GAINS/(LOSSES), NET

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Foreign exchange (losses)/gain, net	(1,454)	(2,450)	(1,013)	(640)	441
Fair value gains on financial assets at FVPL	22,519	14,451	25,327	11,219	13,673
(Loss)/gain on disposal of property, plant and equipment, net	(8)	—	—	—	84
(Expected credit loss)/reversal of expected credit loss on trade receivables	(396)	118	(1,171)	(552)	(679)
Others	—	1,653	—	—	163
	<u>20,661</u>	<u>13,772</u>	<u>23,143</u>	<u>10,027</u>	<u>13,682</u>

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Auditors’ remuneration . . .	1,600	800	800	—	—
Cost of inventories recognised as expenses (Note (a))	2,983	8,745	33,061	15,070	20,234
Depreciation charge: – other property, plant and equipment	9,877	13,134	14,980	5,597	16,608
– right-of-use assets	25,599	24,777	23,909	12,291	11,841
Amortisation of intangible assets (Note (b))	36,887	37,691	36,889	18,530	16,843
Research and development expenses (Note (c))	805,598	723,687	855,609	408,267	402,032
[REDACTED]	—	—	—	—	610
Staff costs (including directors’ emoluments): – Salaries and wages	309,101	443,782	564,308	239,717	270,934
– Contributions to defined contribution schemes (Note (d))	31,133	46,285	59,538	28,363	33,251
– Equity settled share-based payment expenses	196,610	132,819	73,647	34,317	8,297
	<u>536,844</u>	<u>622,886</u>	<u>697,493</u>	<u>302,397</u>	<u>312,482</u>

Notes:

- (a) Cost of inventories recognised as expenses mainly includes the cost of raw material consumed and subcontracting fee.
- (b) Amortisation of intangible assets are included in selling and distribution expenses, research and development expenses and administrative and other operating expenses.
- (c) Research and development expenses include amounts relating to staff costs, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above.
- (d) The employees of the Company and the subsidiaries of the Group established in the PRC participate in a defined contribution scheme managed by the local government authority, whereby these companies are required to contribute to the scheme at certain rates of the employees’ basic salaries. Employees of these companies are entitled to benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above-mentioned retirement scheme at their normal retirement age.

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8. FINANCE COST

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Interest charges on bank borrowings	3,677	21,256	32,791	18,776	15,574
Less: amount capitalised in construction in progress . .	—	(1,556)	(3,958)	(2,899)	—
	<u>3,677</u>	<u>19,700</u>	<u>28,833</u>	<u>15,877</u>	<u>15,574</u>
Interest expenses on lease liabilities	3,897	3,055	2,383	1,275	918
	<u>7,574</u>	<u>22,755</u>	<u>31,216</u>	<u>17,152</u>	<u>16,492</u>

9. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current tax					
PRC Corporate Income Tax .	—	—	—	—	—
Provision for the year	101	—	1,339	—	654
Under-provision/(over-provision) in respect of the previous years	—	4	52	52	(21)
Income tax expense	<u>101</u>	<u>4</u>	<u>1,391</u>	<u>52</u>	<u>633</u>

Income tax expense for each of the reporting period can be reconciled to the loss before income tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Loss before income tax . . .	(1,107,612)	(939,651)	(727,126)	(378,990)	(212,462)
Tax calculated at applicable rate in the PRC	(276,903)	(140,948)	(115,069)	(56,848)	(31,869)
Tax effect of different tax rates	(391)	(76,213)	(5,333)	(2,256)	(4,373)
Tax effect of non-deductible expenses	7,727	64,520	24,500	16,287	10,626
Utilisation of previously unrecognised tax losses . .	(7,781)	—	—	—	—
Tax effect of deductible temporary differences and tax losses not recognised .	395,180	270,444	170,728	84,469	60,026
Tax effect of bonus deduction for research and development expenses . . .	(117,731)	(117,803)	(73,487)	(41,652)	(33,756)
Under-provision/(over-provision) in respect of the previous year	—	4	52	52	(21)
Income tax expense	<u>101</u>	<u>4</u>	<u>1,391</u>	<u>52</u>	<u>633</u>

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Note: The Company and its subsidiaries were subject to PRC Corporate Income Tax (“CIT”) at a statutory rate of 25%, except for the Company and certain subsidiary in certain year. The Company and certain subsidiary were qualified as High and New Technology Enterprise to enjoy a preferential tax rate of 15% from 2024 to 2026.

Certain of these subsidiaries were entitled to the preferential tax rate of 20%. According to the renewed Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing Preferential Tax Policies for Small and Micro Enterprises (財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告) (Announcement [2023] No. 13)), the renewed Announcement [2023] No. 12, the annual taxable income amount for small and micro enterprises shall be computed at a reduced rate of 25% as taxable income amount, and shall be levied at a reduced tax rate of 20%. The policy is effective till 31 December 2027.

Certain research and development costs of the Company and its subsidiaries are qualified for additional deduction. According to the Announcement on Further Improving the Policy of Pre-tax Deduction of R&D Expenses (關於進一步完善研發費用稅前加計扣除政策的公告) (No. 7 [2023]) of the State Administration of Taxation of the Ministry of Finance), the Company and its subsidiaries will be deducted before tax at 100% of the actual amount incurred when calculating the taxable income from 1 January 2023.

10. DIRECTORS’ AND SUPERVISORS’ EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

Directors’ and Supervisors’ emoluments are as follows:

Year ended 31 December 2023

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Zhang Xiaolin	–	9,490	–	45	9,535	144,642	154,177
Lu Simon Dazhong	–	–	–	–	–	–	–
Fu Xiao (<i>Note a</i>)	–	–	–	–	–	–	–
Menelas Nicolas Pongalos (<i>Note b</i>)	–	–	–	–	–	–	–
Rodolphe Peter Andre Grepinet	–	–	–	–	–	–	–
Lin Liang (<i>Note c</i>)	–	–	–	–	–	–	–
Lyu Hongbin (<i>Note d</i>)	–	3,998	–	68	4,066	1,402	5,468
Independent directors							
Jiang Bin	100	–	–	–	100	–	100
Wang Xuegong	100	–	–	–	100	–	100
Zhu Guanshan	100	–	–	–	100	–	100
Zhang Xin	100	–	–	–	100	–	100
Supervisors							
Dong Weiwen	–	737	–	68	805	–	805
Kang Xiaojing	–	1,418	–	68	1,486	–	1,486
Sun Yuan	–	–	–	–	–	–	–
	<u>400</u>	<u>15,643</u>	<u>–</u>	<u>249</u>	<u>16,292</u>	<u>146,044</u>	<u>162,336</u>

Notes:

- (a) Fu Xiao retired as a director with effective on 21 August 2023
- (b) Menelas Nicolas Pongalos resigned as a director with effective on 6 March 2023
- (c) Lin Liang retired as a director with effective on 21 August 2023
- (d) Lyu Hongbin retired as a director with effective on 21 August 2023

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Year ended 31 December 2024

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Zhang Xiaolin	–	6,010	–	47	6,057	42,613	48,670
Lu Simon Dazhong	–	–	–	–	–	–	–
Rodolphe Peter Andre Grepinet	–	–	–	–	–	–	–
Independent directors							
Jiang Bin	100	–	–	–	100	–	100
Wang Xuegong	100	–	–	–	100	–	100
Zhu Guanshan	100	–	–	–	100	–	100
Zhang Xin (Note a)	100	–	–	–	100	–	100
An Meixia (Note b)	–	–	–	–	–	–	–
Supervisors							
Dong Weiwen	–	764	–	71	835	–	835
Kang Xiaojing	–	1,034	–	71	1,105	–	1,105
Sun Yuan	–	–	–	–	–	–	–
	<u>400</u>	<u>7,808</u>	<u>–</u>	<u>189</u>	<u>8,397</u>	<u>42,613</u>	<u>51,010</u>

Notes:

- (a) Zhang Xin resigned as an independent director with effective on 30 December 2024
- (b) An Meixia was appointed as an independent director with effective on 31 December 2024

Year ended 31 December 2025

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share- based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Zhang Xiaolin	–	7,881	–	47	7,928	16,931	24,859
Simon Dazhong Lu	–	–	–	–	–	–	–
Rodolphe Peter Andre Grepinet	–	–	–	–	–	–	–
Kang Xiaojing (Note b)	–	112	–	7	119	–	119
Independent directors							
Jiang Bin	100	–	–	–	100	–	100
Wang Xuegong	100	–	–	–	100	–	100
Zhu Guanshan	100	–	–	–	100	–	100
An Meixia	100	–	–	–	100	–	100
Supervisors							
Dong Weiwen (Note a)	–	382	–	35	417	–	417
Kang Xiaojing (Note b)	–	553	–	35	588	–	588
Sun Yuan (Note c)	–	–	–	–	–	–	–
	<u>400</u>	<u>8,928</u>	<u>–</u>	<u>124</u>	<u>9,452</u>	<u>16,931</u>	<u>26,383</u>

Notes:

- (a) Dong Weiwen was retired as a supervisor with effective on 23 June 2025
- (b) Kang Xiaojing was retired as a supervisor with effective on 23 June 2025 and appointed as a director with effective on 21 November 2025
- (c) Sun Yuan was retired as a supervisor with effective on 23 June 2025

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Six months ended 30 June 2026

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share- based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Zhang Xiaolin	—	3,665	—	24	3,689	—	3,689
Simon Dazhong Lu . . .	—	—	—	—	—	—	—
Rodolphe Peter Andre Grepinet	—	—	—	—	—	—	—
Kang Xiaojing	—	577	—	36	613	—	613
Independent directors							
Jiang Bin	50	—	—	—	50	—	50
Wang Xuegong (Note a)	2	—	—	—	2	—	2
Wang Tianyou (Note b)	48	—	—	—	48	—	48
Zhu Guanshan	50	—	—	—	50	—	50
An Meixia	50	—	—	—	50	—	50
	<u>200</u>	<u>4,242</u>	<u>—</u>	<u>60</u>	<u>4,502</u>	<u>—</u>	<u>4,502</u>

Note:

- (a) Wang Xuegong was resigned as an independent director with effective on 9 January 2026
- (b) Wang Tianyou was appointed as an independent director with effective on 10 January 2026

Six months ended 30 June 2025 (Unaudited)

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share- based payments	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Directors							
Zhang Xiaolin	—	3,419	—	24	3,443	8,834	12,277
Simon Dazhong Lu . . .	—	—	—	—	—	—	—
Rodolphe Peter Andre Grepinet	—	—	—	—	—	—	—
Independent directors							
Jiang Bin	50	—	—	—	50	—	50
Wang Xuegong	50	—	—	—	50	—	50
Zhu Guanshan	50	—	—	—	50	—	50
An Meixia	50	—	—	—	50	—	50
Supervisors							
Dong Weiwen (Note a)	—	381	—	35	416	—	416
Kang Xiaojing (Note b)	—	553	—	35	588	—	588
Sun Yuan	—	—	—	—	—	—	—
	<u>200</u>	<u>4,353</u>	<u>—</u>	<u>94</u>	<u>4,647</u>	<u>8,834</u>	<u>13,481</u>

Notes:

- (a) Dong Weiwen resigned as a supervisor with effective on 23 June 2025
- (b) Kang Xiaojing resigned as a supervisor with effective on 23 June 2025

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Individuals with Highest Emoluments

Of the five individuals with the highest emoluments, 2, 1, 1, [1] and [1] are directors during the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026, respectively, whose emoluments are disclosed as above. The aggregate of the emoluments in respect of the remaining individuals with are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
Salaries, allowances and benefits in kind	11,615	17,327	18,402	9,609	9,712
Retirement scheme contributions	181	258	238	118	131
Share-based payments	33,666	51,499	33,191	15,906	6,404
	<u>45,462</u>	<u>69,084</u>	<u>51,831</u>	<u>25,633</u>	<u>16,247</u>

The number of remaining individuals with the highest emoluments during the each of the reporting period, respectively, are within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i> <i>(Unaudited)</i>	<i>Number of individuals</i>
Nil to HKD1,000,000	—	—	—	—	—
HKD1,500,001 to HKD2,000,000	—	—	—	—	1
HKD2,500,001 to HKD3,000,000	—	—	—	1	—
HKD4,000,001 to HKD4,500,000	—	—	—	—	1
HKD4,500,001 to HKD5,000,000	—	—	—	—	1
HKD5,000,001 to HKD5,500,000	1	—	1	—	—
HKD5,500,001 to HKD6,000,000	—	1	—	—	—
HKD6,000,001 to HKD6,500,000	—	—	—	1	—
HKD6,500,001 to HKD7,000,000	—	—	—	1	—
HKD7,000,001 to HKD7,500,000	—	—	—	—	1
HKD9,000,001 to HKD9,500,000	1	—	—	—	—
HKD11,500,001 to HKD12,000,000	—	1	—	—	—
HKD12,000,001 to HKD12,500,000	—	—	1	1	—
HKD13,500,001 to HKD14,000,000	—	1	1	—	—
HKD26,000,001 to HKD26,500,000	—	—	1	—	—
HKD35,500,001 to HKD36,000,000	1	—	—	—	—
HKD43,000,001 to HKD43,500,000	—	1	—	—	—
	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

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11. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of RMB1,107,713,000, RMB845,956,000 and RMB764,049,000 for the years ended 31 December 2023, 2024 and 2025, and RMB377,360,000 and RMB210,373,000 for the six months ended 30 June 2025 and 2026 and the weight average number of ordinary shares for the purpose of calculating basic loss per share is calculated as follows:

Weighted average number of ordinary shares

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	'000	'000	'000	'000	'000
				(Unaudited)	
Issued ordinary shares at 1 January	407,160	408,151	417,648	417,648	461,188
Effect of share options exercised	826	6,581	148	—	3,049
Effect of shares placement	—	—	27,843	13,922	—
Weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year/period	<u>407,986</u>	<u>414,732</u>	<u>445,639</u>	<u>431,570</u>	<u>464,237</u>

(b) Diluted loss per share

Diluted loss per share amount for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026 are equal to the basic loss per share because the impact of exercise of the share option shares was anti-dilutive.

12. DIVIDENDS

No dividends were declared or paid to the owners of the Company during the Track Record Period and for the six months ended 30 June 2025.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Right-of-use assets	Buildings	Machinery and equipment	Computer equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:								
At 1 January 2023	164,709	—	18,903	7,950	9,814	708	7,346	209,430
Additions	8,990	—	14,747	2,149	1,606	—	11,726	39,218
Transfer from/(to) construction in progress	—	—	—	—	5,725	—	(5,725)	—
Disposals	—	—	—	—	(13)	—	—	(13)
Written off (Note (iv))	(3,603)	—	—	(66)	—	—	—	(3,669)
At 31 December 2023 and 1 January 2024	170,096	—	33,650	10,033	17,132	708	13,347	244,966
Additions	14,171	—	2,944	3,272	495	—	156,377	177,259
Lease modification	(2,540)	—	—	—	—	—	—	(2,540)
Written off (Note (iv))	(11,712)	—	—	(41)	(289)	—	—	(12,042)
At 31 December 2024 and 1 January 2025	170,015	—	36,594	13,264	17,338	708	169,724	407,643
Additions	9,825	—	1,700	3,186	96	21	158,209	173,037
Transfer from/(to) construction in progress	—	227,201	90,480	8,781	1,471	—	(327,933)	—
Disposals	—	—	—	(496)	—	—	—	(496)
Written off (Note (iv))	(14,409)	—	—	—	—	—	—	(14,409)
At 31 December 2025 and 1 January 2026	165,431	227,201	128,774	24,735	18,905	729	—	565,775

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ACCOUNTANTS’ REPORT

	Right-of-use assets	Buildings	Machinery and equipment	Computer equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Additions	5,220	–	6,391	1,307	108	–	–	13,026
Disposals	–	–	(121)	(471)	(5,939)	–	–	(6,531)
Written off (Note (iv))	(7,565)	(53)	–	–	–	–	–	(7,618)
At 30 June 2026	163,086	227,148	135,044	25,571	13,074	729	–	564,652
Accumulated depreciation:								
At 1 January 2023	35,130	–	11,313	4,566	4,614	649	–	56,272
Charge for the year	25,599	–	5,056	2,086	2,676	59	–	35,476
Written back on disposals	–	–	–	–	(4)	–	–	(4)
Written off (Note (iv))	(3,603)	–	–	(66)	–	–	–	(3,669)
At 31 December 2023 and 1 January 2024	57,126	–	16,369	6,586	7,286	708	–	88,075
Charge for the year (Note (i))	25,573	–	5,298	2,115	5,721	–	–	38,707
Written off (Note (iv))	(11,712)	–	–	(41)	(289)	–	–	(12,042)
At 31 December 2024 and 1 January 2025	70,987	–	21,667	8,660	12,718	708	–	114,740
Charge for the year (Note (i))	24,705	1,799	6,469	3,320	3,392	–	–	39,685
Written back on disposals	–	–	–	(487)	–	–	–	(487)
Written off (Note (iv))	(14,409)	–	–	–	–	–	–	(14,409)
At 31 December 2025 and 1 January 2026	81,283	1,799	28,136	11,493	16,110	708	–	139,529
Charge for the period (Note (i))	11,841	5,396	7,240	2,931	1,038	3	–	28,449
Written back on disposals	–	–	(121)	(471)	(5,939)	–	–	(6,531)
Written off (Note (iv))	(7,565)	–	–	–	–	–	–	(7,565)
At 30 June 2026	85,559	7,195	35,255	13,953	11,209	711	–	153,882
Net book value:								
At 31 December 2023	112,970	–	17,281	3,447	9,846	–	13,347	156,891
At 31 December 2024	99,028	–	14,927	4,604	4,620	–	169,724	292,903
At 31 December 2025	84,148	225,402	100,638	13,242	2,795	21	–	426,246
At 30 June 2026	77,527	219,953	99,789	11,618	1,865	18	–	410,770

The Company

	Right-of-use assets	Electronic equipment	Computer equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:							
At 1 January 2023	93,087	17,676	7,145	4,186	708	–	122,802
Additions	7,565	14,747	2,149	622	–	5,725	30,808
Transfer from construction in progress	–	–	–	5,725	–	(5,725)	–
Written off (Note (iv))	(3,600)	–	(66)	–	–	–	(3,666)
At 31 December 2023 and 1 January 2024	97,052	32,423	9,228	10,533	708	–	149,944
Additions	341	2,863	3,228	496	–	–	6,928
Lease modification	(2,540)	–	–	–	–	–	(2,540)
Written off (Note (iv))	(825)	–	(41)	(289)	–	–	(1,155)
At 31 December 2024 and 1 January 2025	94,028	35,286	12,415	10,740	708	–	153,177
Additions	347	1,634	2,831	–	–	–	4,812
Disposals	–	–	(488)	(265)	–	–	(753)
At 31 December 2025 and 1 January 2026	94,375	36,920	14,758	10,475	708	–	157,236

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	Right-of-use assets	Electronic equipment	Computer equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Additions	5,220	4,541	1,250	8	—	—	11,019
Disposals	—	(121)	(471)	(5,937)	—	—	(6,529)
Written off (<i>Note (iv)</i>)	(7,565)	—	—	—	—	—	(7,565)
At 30 June 2026	<u>92,030</u>	<u>41,340</u>	<u>15,537</u>	<u>4,546</u>	<u>708</u>	<u>—</u>	<u>154,161</u>
Accumulated depreciation:							
At 1 January 2023	28,087	10,272	4,517	3,137	649	—	46,662
Charge for the year	16,125	4,871	1,818	526	59	—	23,399
Written off (<i>Note (iv)</i>)	(3,600)	—	(66)	—	—	—	(3,666)
At 31 December 2023 and 1 January 2024	<u>40,612</u>	<u>15,143</u>	<u>6,269</u>	<u>3,663</u>	<u>708</u>	<u>—</u>	<u>66,395</u>
Charge for the year	15,434	5,295	1,839	3,357	—	—	25,925
Written off (<i>Note (iv)</i>)	(825)	—	(41)	(289)	—	—	(1,155)
At 31 December 2024 and 1 January 2025	<u>55,221</u>	<u>20,438</u>	<u>8,067</u>	<u>6,731</u>	<u>708</u>	<u>—</u>	<u>91,165</u>
Charge for the year	15,358	4,855	2,547	2,928	—	—	25,688
Written back on disposals	—	—	(479)	(265)	—	—	(744)
At 31 December 2025 and 1 January 2026	<u>70,579</u>	<u>25,293</u>	<u>10,135</u>	<u>9,394</u>	<u>708</u>	<u>—</u>	<u>116,109</u>
Charge for the period	7,479	2,317	1,397	796	—	—	11,989
Written back on disposals	—	(121)	(471)	(5,937)	—	—	(6,529)
Written off (<i>Note (iv)</i>)	(7,565)	—	—	—	—	—	(7,565)
At 30 June 2026	<u>70,493</u>	<u>27,489</u>	<u>11,061</u>	<u>4,253</u>	<u>708</u>	<u>—</u>	<u>114,004</u>
Net book value:							
At 31 December 2023	<u>56,440</u>	<u>17,280</u>	<u>2,959</u>	<u>6,870</u>	<u>—</u>	<u>—</u>	<u>83,549</u>
At 31 December 2024	<u>38,807</u>	<u>14,848</u>	<u>4,348</u>	<u>4,009</u>	<u>—</u>	<u>—</u>	<u>62,012</u>
At 31 December 2025	<u>23,796</u>	<u>11,627</u>	<u>4,623</u>	<u>1,081</u>	<u>—</u>	<u>—</u>	<u>41,127</u>
At 30 June 2026	<u>21,537</u>	<u>13,851</u>	<u>4,476</u>	<u>293</u>	<u>—</u>	<u>—</u>	<u>40,157</u>

Notes:

- (i) During the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025, depreciation of RMB796,000, RMB796,000 and RMB478,000 have been capitalised into the Group’s construction in progress.
- (ii) During the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Company leased the properties from AstraZeneca Investment (China) Limited, a related company of the Company and the leased properties were recognised as right-of-use assets.
- (iii) As at 31 December 2024 and 2025 and 30 June 2026 certain right of use assets with carrying amount of RMB45,201,000, RMB44,246,000 and RMB43,769,000, respectively, and buildings with carrying amount of nil, RMB225,402,000 and RMB219,953,000, respectively, were pledged to secure the Group’s interest bearing borrowings of RMB116,791,000, RMB124,031,000 and RMB124,031,000, respectively.
- (iv) Written off of right-of-use assets represented the expiry of the relevant leases. Written off of computer equipment and furniture and fixtures represented fully depreciated assets and were retired from use.
- (v) For the purpose of impairment testing, the management of the Company with the assistance of independent professional valuer have performed impairment assessments on non-current assets including property, plant and equipment and intangible assets. The management has identified the group as a CGU. The recoverable amount of this CGU is determined based on value-in-use calculation which uses cash flow projections based on financial budgets approved by the management covering a forecast period of a five year budget and extrapolate till the end of the useful live of the drug licenses. Key assumptions used for the value in use calculations are the discount rate. The discount rate was a pre-tax measure based on the risk-free rate in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the Group. A discount rate of 15.84% per annum, 16.35% per annum, 15.72% per annum and 14.71% per annum have been applied for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, respectively. Based on the result of assessment, as the recoverable amount of the CGU is higher than the net carrying amount, there was no impairment loss on the property, plant and equipment and intangible assets made during the Track Record Period.

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The analysis of net book value of right-of-use assets by class of underlying assets is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Leasehold land	46,156	45,201	44,246	43,769
Plant and buildings	66,730	53,515	39,704	33,616
Motor vehicles	84	312	198	142
	<u>112,970</u>	<u>99,028</u>	<u>84,148</u>	<u>77,527</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Depreciation charge of right-of-use assets by class of underlying assets:					
Leasehold land	955	955	955	477	477
Plant and buildings	24,533	24,506	23,636	12,235	11,307
Motor vehicles	111	112	114	57	57
	<u>25,599</u>	<u>25,573</u>	<u>24,705</u>	<u>12,769</u>	<u>11,841</u>
Interest on lease liabilities (Note 8)	3,897	3,055	2,383	1,275	918
Expense relating to short-term leases	<u>444</u>	<u>52</u>	<u>167</u>	<u>274</u>	<u>64</u>

The analysis of total cash outflow for leases is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Within operating cash flows	444	52	167	274	64
Within financing cash flows	<u>26,318</u>	<u>28,001</u>	<u>27,555</u>	<u>13,567</u>	<u>15,128</u>
	<u>26,762</u>	<u>28,053</u>	<u>27,722</u>	<u>13,841</u>	<u>15,192</u>

Details of the maturity analysis of lease liabilities are set out in Note 21.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Plant and buildings	56,357	38,496	23,598	21,395
Motor vehicles	83	311	198	142
	<u>56,440</u>	<u>38,807</u>	<u>23,796</u>	<u>21,537</u>

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14. INTANGIBLE ASSETS

The Group

	Patents and intellectual properties (Note (i))	Software use rights	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At 1 January 2023	565,249	17,652	582,901
Additions	–	11,418	11,418
At 31 December 2023 and 1 January 2024	565,249	29,070	594,319
Additions	–	3,321	3,321
Written off (Note (ii))	–	(5,880)	(5,880)
At 31 December 2024 and 1 January 2025	565,249	26,511	591,760
Additions	–	2,624	2,624
Written off (Note (ii))	–	(9,782)	(9,782)
At 31 December 2025 and 1 January 2026	565,249	19,353	584,602
Additions	–	253	253
Written off (Note (ii))	–	(347)	(347)
At 30 June 2026	565,249	19,259	584,508
Accumulated amortisation:			
At 1 January 2023	125,039	8,873	133,912
Charge for the year	30,555	6,332	36,887
At 31 December 2023 and 1 January 2024	155,594	15,205	170,799
Charge for the year	30,555	7,136	37,691
Written off (Note (ii))	–	(5,880)	(5,880)
At 31 December 2024 and 1 January 2025	186,149	16,461	202,610
Charge for the year	30,555	6,334	36,889
Written off (Note (ii))	–	(9,782)	(9,782)
At 31 December 2025 and 1 January 2026	216,704	13,013	229,717
Charge for the period	15,286	1,557	16,843
Written off (Note (ii))	–	(347)	(347)
At 30 June 2026	231,990	14,223	246,213
Net book value:			
At 31 December 2023	409,655	13,865	423,520
At 31 December 2024	379,100	10,050	389,150
At 31 December 2025	348,545	6,340	354,885
At 30 June 2026	333,259	5,036	338,295

The Company

	Patents and intellectual properties (Note (i))	Software use rights	Total
	RMB'000	RMB'000	RMB'000
Cost:			
At 1 January 2023	565,249	15,869	581,118
Additions	–	11,418	11,418
At 31 December 2023 and 1 January 2024	565,249	27,287	592,536
Additions	–	3,077	3,077
Written off (Note (ii))	–	(5,474)	(5,474)
At 31 December 2024 and 1 January 2025	565,249	24,890	590,139
Additions	–	2,357	2,357
Written off (Note (ii))	–	(9,835)	(9,835)
At 31 December 2025 and 1 January 2026	565,249	17,412	582,661

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	Patents and intellectual properties (Note (i))	Software use rights	Total
	RMB'000	RMB'000	RMB'000
Additions	—	128	128
Written off (Note (ii))	—	(347)	(347)
At 30 June 2026	565,249	17,193	582,442
Accumulated amortisation:			
At 1 January 2023	125,039	7,375	132,414
Charge for the year (Note (iii))	30,555	6,047	36,602
At 31 December 2023 and 1 January 2024	155,594	13,422	169,016
Charge for the year (Note (iii))	30,555	7,100	37,655
Written off (Note (ii))	—	(5,474)	(5,474)
At 31 December 2024 and 1 January 2025	186,149	15,048	201,197
Charge for the year (Note (iii))	30,555	6,208	36,763
Written off (Note (ii))	—	(9,760)	(9,760)
At 31 December 2025 and 1 January 2026	216,704	11,496	228,200
Charge for the period (Note (iii))	15,286	1,462	16,748
Written off (Note (ii))	—	(347)	(347)
At 30 June 2026	231,990	12,611	244,601
Net book value:			
At 31 December 2023	409,655	13,865	423,520
At 31 December 2024	379,100	9,842	388,942
At 31 December 2025	348,545	5,916	354,461
At 30 June 2026	333,259	4,582	337,841

Notes:

- (i) As at 31 December 2023, 2024 and 2025 and 30 June 2026, an intellectual property of AZD0095 with carrying amount of RMB87,902,000, RMB82,169,000, RMB76,436,000 and RMB73,570,000, respectively having the remaining amortisation period of 15.3 years, 14.3 years and 13.3 years and 12.8 years, respectively.
- As at 31 December 2023, 2024 and 2025 and 30 June 2026, an intellectual property of TrpC6 with carrying amount of RMB120,486,000, RMB111,449,000, RMB102,413,000 and RMB97,886,000, respectively having the remaining amortisation period of 11.7 years, 10.7 years and 9.7 years and 9.2 years, respectively.
- As at 31 December 2023, 2024 and 2025 and 30 June 2026, an intellectual property of JACK1 4205 with carrying amount of RMB201,267,000, RMB185,482,000, RMB169,696,000 and RMB161,803,000, respectively having the remaining amortisation period of 12.8 years, 11.8 years and 10.8 years and 10.3 years, respectively.
- (ii) Written off represented the expiry of the relevant software use rights.
- (iii) The amortisation of intangible assets are included in selling and distribution expenses, research and development expenses and administrative and other operating expenses.
- (iv) For the impairment assessment of intangible assets, please refer to note 13 (v) for the details.

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15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products	673,998	589,830	1,644,840	1,556,889

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products	673,998	529,810	1,479,626	1,424,649

The analysis on the fair value measurement of the above financial assets is disclosed in Note 32(e).

16. INVENTORIES

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	1,840	3,748	3,520	362
Work in progress	17,273	28,370	24,027	32,526
Finished goods	4,358	11,997	9,402	10,011
	23,471	44,115	36,949	42,899

17. TRADE RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	48,436	27,773	144,890	212,794
Less: loss allowance	(396)	(278)	(1,449)	(2,128)
	48,040	27,495	143,441	210,666

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	48,436	27,773	144,890	212,794
Amounts due from subsidiaries (Note 31)	–	17,485	5,238	10,669
Less: loss allowance	(396)	(278)	(1,449)	(2,128)
	48,040	44,980	148,679	221,335

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Aging analysis

As of the end of the reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	48,040	27,495	143,441	210,666

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	48,040	44,980	148,679	221,335

Trade receivables are due within 60 days from the date of billing. Further details on the Group’s credit policy and credit risk arising from trade receivables are set out in Note 32(a).

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Prepayments for research and development service	44,123	49,612	32,968	28,380
Prepayments	9,020	11,732	14,324	9,887
Value added tax recoverable	32,739	20,749	–	–
Deferred [REDACTED].	–	–	15,423	25,613
Other deposits and receivables	4,769	5,275	3,311	3,827
	<u>90,651</u>	<u>87,368</u>	<u>66,026</u>	<u>67,707</u>
Non-current				
Prepayments for property, plant and equipment	2,569	22,413	–	285
Other deposits and receivables	812	332	627	667
Value added tax recoverable	2,225	14,967	38,094	40,546
	<u>5,606</u>	<u>37,712</u>	<u>38,721</u>	<u>41,498</u>

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The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Prepayments for research and development service	43,667	49,580	31,649	26,717
Prepayments	8,257	10,779	11,794	8,514
Value added tax recoverable	32,739	20,431	–	–
Deferred [REDACTED]	–	–	15,423	25,613
Amounts due from subsidiaries (Note 31)	2,129	–	–	–
Other deposits and receivables	2,024	2,610	590	1,043
	<u>88,816</u>	<u>83,400</u>	<u>59,456</u>	<u>61,887</u>
Non-current				
Prepayments for property, plant and equipment	2,569	–	–	42
Other deposits and receivables	812	332	374	486
Value added tax recoverable	1,332	1,856	2,011	2,058
	<u>4,713</u>	<u>2,188</u>	<u>2,385</u>	<u>2,586</u>

Except for prepayments for property, plant and equipment, certain other deposits and receivables and value added tax recoverable, all other current balances of the prepayments, deposits and other receivables are expected to be recovered or recognised as expenses within one year.

19. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	73,927	249,890	291,147	178,864
Restricted cash	275	275	275	275
Cash at bank	<u>74,202</u>	<u>250,165</u>	<u>291,422</u>	<u>179,139</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	72,003	237,623	208,328	134,993
Restricted cash	275	275	275	275
Cash at bank	<u>72,278</u>	<u>237,898</u>	<u>208,603</u>	<u>135,268</u>

Bank balances carried interest at prevailing market rates ranging from 0.05% to 5.45%, 0.05% to 4.66% and 0.05% to 3.7% per annum and 0.05% to 3.5% per annum as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

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20. INTEREST-BEARING BORROWINGS

The maturity profile for the interest-bearing borrowings of the Group and the Company at the end of each reporting period is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Unsecured short-term bank borrowings	199,920	360,000	175,110	—
Unsecured current portion of long-term bank borrowings	—	40,603	290,862	357,225
Secured short-term bank borrowings	—	13,500	42,180	48,880
Secured current portion of long-term bank loans	—	—	377	753
Interest payable	297	999	898	891
Within 1 year or on demand	<u>200,217</u>	<u>415,102</u>	<u>509,427</u>	<u>407,749</u>
Non-current				
Unsecured long-term bank borrowings:				
– After 1 year but within 2 years	440	295,470	247,627	[316,660]
– After 2 years but within 5 years	137,873	271,501	316,866	[473,235]
Secured long-term bank borrowings:				
– After 1 year but within 2 years	—	1,000	1,327	[1,892]
– After 2 years but within 5 years	—	86,745	51,538	[60,715]
– More than 5 years	—	29,046	70,789	[60,671]
	<u>138,313</u>	<u>683,762</u>	<u>688,147</u>	<u>[913,173]</u>
	<u>338,530</u>	<u>1,098,864</u>	<u>1,197,574</u>	<u>[1,320,922]</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Unsecured short-term bank borrowings	199,920	360,000	175,110	[—]
Unsecured current portion of long-term bank borrowings	—	40,603	290,862	[357,225]
Interest payable	297	859	739	[747]
Within 1 year or on demand	<u>200,217</u>	<u>401,462</u>	<u>466,711</u>	<u>[357,972]</u>
Non-current				
Unsecured long-term bank borrowings:				
– After 1 year but within 2 years	440	295,470	247,627	[316,660]
– After 2 years but within 5 years	137,873	271,501	316,866	[473,235]
	<u>138,313</u>	<u>566,971</u>	<u>564,493</u>	<u>[789,895]</u>
	<u>338,530</u>	<u>968,433</u>	<u>1,031,204</u>	<u>[1,147,867]</u>

Certain of the Group’s interest-bearing borrowings are secured by the Group’s right-of-use assets and buildings included in property, plant and equipment as at 31 December 2024 and 2025 and 30 June 2026. Please refer to note 13 for the details.

The interest rate of the Group’s interest-bearing borrowings were 2.8%-3.6%, 2.2%-3.8%, 2.1%-3.35% and 2.1%-3.35% per annum as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

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21. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group and the Company’s lease liabilities at the end of each reporting period:

The Group

	At 31 December						At 30 June	
	2023		2024		2025		2026	
	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year . .	22,946	26,688	23,534	25,207	21,197	22,787	22,750	23,987
After 1 year but within 2 years	20,198	20,352	18,015	20,013	20,285	20,978	9,342	9,646
After 2 years but within 5 years	28,697	28,916	16,976	17,562	1,696	1,711	2,096	2,112
	<u>71,841</u>	<u>75,956</u>	<u>58,525</u>	<u>62,782</u>	<u>43,178</u>	<u>45,476</u>	<u>34,188</u>	<u>35,745</u>
Less: total future interest expenses . . .		(4,115)		(4,257)		(2,298)		(1,557)
Present value of lease liabilities . . .		<u>71,841</u>		<u>58,525</u>		<u>43,178</u>		<u>34,188</u>

The Company

	At 31 December						At 30 June	
	2023		2024		2025		2026	
	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year . .	15,337	18,763	16,152	17,459	13,873	15,083	15,305	16,282
After 1 year but within 2 years	16,902	17,010	13,370	15,190	13,831	14,381	5,261	5,508
After 2 years but within 5 years	28,696	28,916	13,714	14,260	62	62	1,278	1,293
	<u>60,935</u>	<u>64,689</u>	<u>43,236</u>	<u>46,909</u>	<u>27,766</u>	<u>29,526</u>	<u>21,844</u>	<u>23,083</u>
Less: total future interest expenses . . .		(3,754)		(3,673)		(1,760)		(1,239)
Present value of lease liabilities . . .		<u>60,935</u>		<u>43,236</u>		<u>27,766</u>		<u>21,844</u>

None of the lease include variable lease payment, extension or early termination options.

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22. TRADE PAYABLES

As of the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	13,481	15,021	11,741	23,316
3 to 12 months	1,120	2,493	8,310	1,338
	<u>14,601</u>	<u>17,514</u>	<u>20,051</u>	<u>24,654</u>

23. OTHER PAYABLES AND ACCRUALS

The Group

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Accrued expenses and other payables	(i)	27,799	46,293	52,920	31,500
Contract liabilities	(ii)	982	2,930	5,505	8,850
Payables for research and development		94,331	121,573	191,789	174,918
Payables for property, plant and equipment		17,512	76,515	51,859	15,793
Payables for staff costs		55,957	69,830	98,549	75,214
Other tax payables		12,384	10,233	17,176	15,303
Amounts due to related companies (Note 31)		1,655	1,561	–	1,434
[REDACTED] payable		–	–	15,423	4,374
		<u>210,620</u>	<u>328,935</u>	<u>433,221</u>	<u>327,386</u>

The Company

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Accrued expenses and other payables	(i)	20,268	43,705	46,435	27,585
Contract liabilities	(ii)	982	2,930	5,505	8,850
Payables for research and development		93,271	118,505	184,808	167,823
Payables for property, plant and equipment		17,512	14,547	1,336	1,289
Payables for staff costs		40,792	48,849	76,149	59,503
Other tax payables		9,702	7,120	13,803	12,889
[REDACTED] payable		–	–	15,423	4,374
Amounts due to related companies (Note 31)		1,655	1,561	–	1,434
Amounts due to subsidiaries (Note 31)		22,874	32,888	55,334	45,542
		<u>207,056</u>	<u>270,105</u>	<u>398,793</u>	<u>329,289</u>

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

Notes:

- (i) Accrued expenses and other payables represent marketing and promotion expenses, electronic equipment maintenance expenses and other expenses. It included accrued expenses in amount of RMB25,498,000, RMB42,013,000, RMB50,879,000 and RMB30,177,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.
- (ii) Contract liabilities represent customers’ advances received for goods that have not yet been transferred to the customers. The amount of revenue recognised for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2026 that were included in the contract liabilities as at 31 December 2023, 2024, 2025 and 30 June 2026 were RMB982,000, RMB2,930,000, RMB5,505,000 and RMB8,850,000, respectively. Information related to the aggregated amount of transaction price allocated to the remaining performance obligations has not been disclosed as the Group had applied the practical expedients under IFRS 15.

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24. DEFERRED TAXATION

Deferred tax assets and liabilities recognised represents:

(i) *Movements of each component of deferred tax assets and liabilities*

The deferred tax assets/(liabilities) recognised in the Group’s and the Company’s statement of financial position and the movements during each of the reporting period are as follows:

The Group

	Lease liabilities	Right-of-use assets	Financial assets at FVPL	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January 2023	20,617	(20,617)	(934)	934	—
Recognised in profit or loss	(3,913)	3,913	662	(662)	—
At 31 December 2023 and 1 January 2024	16,704	(16,704)	(272)	272	—
Recognised in profit or loss	(8,413)	8,492	146	(225)	—
At 31 December 2024 and 1 January 2025	8,291	(8,212)	(126)	47	—
Recognised in profit or loss	(1,518)	1,387	(321)	452	—
At 31 December 2025 and 1 January 2026	6,773	(6,825)	(447)	499	—
Recognised in profit or loss	(994)	1,079	(11)	(74)	—
At 30 June 2026	5,779	(5,746)	(458)	425	—

The Company

	Lease liabilities	Right-of-use assets	Financial assets at FVPL	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January 2023	16,250	(16,250)	(934)	934	—
Recognised in profit or loss	(2,140)	2,140	662	(662)	—
At 31 December 2023 and 1 January 2024	14,110	(14,110)	(272)	272	—
Recognised in profit or loss	(8,209)	8,288	151	(230)	—
At 31 December 2024 and 1 January 2025	5,901	(5,822)	(121)	42	—
Recognised in profit or loss	(2,155)	2,252	(272)	175	—
At 31 December 2025 and 1 January 2026	3,746	(3,570)	(393)	217	—
Recognised in profit or loss	(469)	339	(4)	134	—
At 30 June 2026	3,277	(3,231)	(397)	351	—

(ii) *Reconciliations to the Group’s and the Company’s statements of financial position*

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Net deferred tax assets recognised in the consolidated statements of financial position	—	—	—	—
Net deferred tax liabilities recognised in the consolidated statements of financial position	—	—	—	—
	—	—	—	—
	—	—	—	—

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The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Net deferred tax assets recognised in the statements of financial position of the Company	–	–	–	–
Net deferred tax liabilities recognised in the statements of financial position of the Company	–	–	–	–
	–	–	–	–
	–	–	–	–

(iii) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2.3(i), the Group did not recognise deferred tax assets in respect of cumulative tax losses of RMB5,231,114,000, RMB6,516,636,000, RMB7,140,844,000 and RMB7,582,987,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Those tax losses will expire within 5 to 10 years starting from the year in which they were incurred.

The Group did not recognise deferred tax assets in respect of deductible temporary difference of RMB287,732,000, RMB150,037,000, RMB174,355,000 and RMB188,509,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

25. DEFERRED INCOME

As at 31 December 2023, 2024 and 2025 and 30 June 2026, deferred income of the Group and the Company represented unamortised government grants for encouragement of research and development.

26. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company currently has two share option schemes — 2020 Share Option Scheme and 2022 Class II Restricted Share Scheme, both of them include option features and are therefore in effect, share option scheme. The details of those share option schemes are as follows:

2020 Share Option Scheme

On 15 December 2020, a share incentive scheme (“2020 Share Option Scheme”) was approved at the Company’s annual general meeting of 2020 with 12,600,000 share options to be granted to the eligible director and employees (the “Participants”) in total. Each option gives the Participants the right to subscribe for one ordinary share of the Company at an exercise price of RMB1.26. The assessed market price of the Company’s shares on the date to approve 2020 Share Option Scheme (“Date of Offer”) was RMB20.56. The options vest upon the later of 12 to 36 months after the date of grant and the date of successful listing in Shanghai Stock Exchange.

2020 share options shall be vested in three exercise periods within 3 years after the grant date, and when the performance appraisal target is achieved by the Participants. The vesting schedule for each phase is shown in the following table:

Exercise period	Vesting period	Percentage of exercisable
First exercise period	From the first trading day after 12 months from the grant date to the last trading day within 24 months from the grant date	34%
Second exercise period . . .	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date	33%
Third exercise period	From the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date	33%

On 15 December 2020, share options at an exercise price of RMB1.26 were granted to the following participants as shown in the following table:

The Participants	Number of 2020 Share Options
Director	3,600,000
Other eligible employees	9,000,000
	<u>12,600,000</u>

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2022 Class II Restricted Share Scheme

On 13 December 2022, a share incentive scheme (“2022 Class II Restricted Share Scheme”) was approved at the Company’s first extraordinary general meeting of 2022 with 14,146,409 Class II Restricted Shares, in which 11,480,931 is the first batch and 2,665,478 is the reserve batch, to be granted to the eligible director and employees (the “Participants”). Under 2022 Class II Restricted Share Scheme, the eligible director is classified as category I participant (“Category I Participant”) and other employees is classified as category II participants (“Category II Participants”).

The first batch of 2022 Class II Restricted Shares shall be vested in three exercise periods within 5 to 6 years after the grant date, and when the performance appraisal target is achieved by the Participants. The grant price of each 2022 Class II Restricted Share is RMB9.61.

The vesting schedule of Category I Participant for each phase is shown in the following table:

Exercise period	Vesting period	Percentage of exercisable
First exercise period	From the first trading day after 12 months from the grant date to the last trading day within 24 months from the grant date	50%
Second exercise period . . .	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date	25%
Third exercise period	From the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date	25%

The vesting schedule of Category II Participants for each phase is shown in the following table:

Exercise period	Vesting period	Percentage of exercisable
First exercise period	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date	50%
Second exercise period . . .	From the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date	25%
Third exercise period	From the first trading day after 48 months from the grant date to the last trading day within 60 months from the grant date	25%

On 15 December 2022, the first batch of 2022 Class II Restricted Shares at an exercise price of RMB9.61 were granted to the following participants as shown in the following table:

The Participants	Number of 2022 Class II Restricted Shares
Director	7,100,000
Other eligible employees	4,380,931
	<u>11,480,931</u>

The vesting schedule of the reserve batch of 2022 Class II Restricted Share Scheme Participants for each phase is shown in the following table:

Exercise period	Vesting period	Percentage of exercisable
First exercise period	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date	50%
Second exercise period . . .	From the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date	50%

On 11 December 2023, the board of directors approved the reserve batch of 2022 Class II Restricted Share Scheme to 2,665,478, and granted to the “Participants” at an exercise price of RMB9.61.

The Participants	Number of 2022 Class II Restricted Shares
Other eligible employees	<u>2,665,478</u>

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(a) The number and weighted average exercise prices of share options are as follows:

	Year ended 31 December						Six months ended 30 June			
	2023		2024		2025		2025		2026	
	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options
	RMB	'000	RMB	'000	RMB	'000	RMB	'000	RMB	'000
							(Unaudited) (Unaudited)			
Outstanding at the beginning of the year/period	7.09	16,440	7.75	17,712	9.61	8,178	9.61	8,178	9.61	6,180
Exercised during the year/period	1.26	(991)	6.14	(9,497)	9.61	(1,775)	9.61	–	9.61	(3,978)
Forfeited during the year/period	9.26	(402)	9.61	(37)	9.61	(223)	9.61	(214)	9.61	(120)
Granted during the year/period	9.61	<u>2,665</u>	–	<u>–</u>	–	<u>–</u>	–	<u>–</u>	–	<u>–</u>
Outstanding at the end of the year/period	5.21	<u>17,712</u>	9.61	<u>8,178</u>	9.61	<u>6,180</u>	9.61	<u>7,964</u>	9.61	<u>2,082</u>
Exercisable at the end of the year/period	5.21	<u>7,502</u>	9.61	<u>1,775</u>	9.61	<u>3,445</u>	9.61	<u>1,775</u>	–	<u>–</u>

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the average remaining contractual life of the options granted under the share option scheme of the Company was 5.22 years, 4.00 years, 3.00 years and 2.5 years.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the weighted average share price at the date of the options exercised under the share option scheme of the Company was RMB48.34, RMB47.24, RMB59.77, nil and RMB65.03 respectively.

(b) **Fair value of share options granted**

The grant-date fair value of the share options granted is measured based on Monte Carlo simulations method for 2020 Share Option Scheme and Black-Scholes-Merton model for 2022 Class II Restricted Shares Scheme.

	2020 Share Option Scheme	2022 Class II Restricted Shares
Fair value at measurement date	RMB5.44-RMB8.79	RMB29-RMB42.48
Market price of Company’s share	RMB20.56	RMB38.38 - 51.30
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes-Merton model)	41.39%-45.16%	47.99%-54.48%
Expected dividends	0%	0%
Risk-free interest rate	2.910%-3.025%	2.317%-2.613%
Option life (expressed as weighted average life used in the modeling)	1 year to 6 years	1 year to 5 years

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

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27. CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company’s each component of equity between the beginning and the end of each reporting period are set out below:

The Company

		Share capital	Capital reserve	Accumulated losses	Total
	Notes	RMB’000	RMB’000	RMB’000	RMB’000
Balance at 1 January 2023		407,160	2,757,173	(1,393,090)	1,771,243
Loss and total comprehensive income for the year		–	–	(1,098,285)	(1,098,285)
Share issued upon exercise of share options	27(b)(i)	991	258	–	1,249
Equity-settled shares-based transaction	26	–	196,610	–	196,610
Balance at 31 December 2023 and 1 January 2024		408,151	2,954,041	(2,491,375)	870,817
Loss and total comprehensive income for the year		–	–	(159,858)	(159,858)
Share issued upon exercise of share options	27(b)(ii)	9,497	48,769	–	58,266
Equity-settled shares-based transaction	26	–	132,819	–	132,819
Balance at 31 December 2024 and 1 January 2025		417,648	3,135,629	(2,651,233)	902,044
Loss and total comprehensive income for the year		–	–	(683,254)	(683,254)
Equity-settled shares-based transaction	26	–	73,647	–	73,647
Share issued upon exercise of share options	27(b)(iii)	1,775	15,283	–	17,058
Shares placement	27(b)(iv)	41,765	1,754,122	–	1,795,887
Issuance costs related to shares placement	27(b)(iv)	–	(22,441)	–	(22,441)
Balance at 31 December 2025 and 1 January 2026		461,188	4,956,240	(3,334,487)	2,082,941
Loss and total comprehensive income for the period		–	–	(152,606)	(152,606)
Equity-settled shares-based transaction	26	–	8,297	–	8,297
Share issued upon exercise of share options	27(b)(iv)	3,978	34,250	–	38,228
Balance at 30 June 2026		465,166	4,998,787	(3,487,093)	1,976,860
Balance at 1 January 2025		417,648	3,135,629	(2,651,233)	902,044
Loss and total comprehensive income for the period		–	–	(350,495)	(350,495)
Equity-settled shares-based transaction	26	–	34,317	–	34,317
Shares placement	27(b)(iv)	41,765	1,731,681	–	1,773,446
Balance at 30 June 2025 (Unaudited)		459,413	4,901,627	(3,001,728))	2,359,312

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(b) Share capital

	Notes	Number of shares	
		‘000	RMB’000
Ordinary shares, registered, issued and fully paid:			
At 1 January 2023		407,160	407,160
Shares issued upon exercise of share option	(i)	991	991
At 31 December 2023 and 1 January 2024		408,151	408,151
Shares issued upon exercise of share option	(ii)	9,497	9,497
At 31 December 2024 and 1 January 2025		417,648	417,648
Shares issued upon exercise of share option	(iii)	1,775	1,775
Shares placement	(iv)	41,765	41,765
At 31 December 2025 and 1 January 2026		461,188	461,188
Shares issued upon exercise of share option	(v)	3,978	3,978
At 30 June 2026		465,166	465,166

Notes:

- (i) During the year ended 31 December 2023, share options were exercised to subscribe for 991,073 ordinary shares of the Company at a consideration of RMB1,249,000. An amount of RMB991,000 was credited to share capital and an excess amount of RMB258,000 was credited to capital reserve.
- (ii) During the year ended 31 December 2024, share options were exercised to subscribe for 9,496,716 ordinary shares of the Company at a consideration of RMB58,266,000. An amount of RMB9,497,000 was credited to share capital and an excess amount of RMB48,769,000 was credited to capital reserve.
- (iii) During the year ended 31 December 2025, share options were exercised to subscribe for 1,775,000 ordinary shares of the Company at a consideration of RMB17,058,000. An amount of RMB1,775,000 was credited to share capital and an excess amount of RMB15,283,000 was credited to capital reserve.
- (iv) During the year ended 31 December 2025, the Company entered into share placement agreements with several independent third parties in relation to placement of 41,764,808 new ordinary shares at RMB43. Total proceeds for this placement were RMB1,795,887,000. The amount of RMB1,754,122,000, representing the excess of the proceeds received over the nominal value of the ordinary shares of RMB41,765,000, was included in capital reserve. Issuance costs related to shares placement as RMB22,441,000, which was dealt with capital reserve.
- (v) During the six months ended 30 June 2026, share options were exercised to subscribe for 3,977,948 ordinary shares of the Company at a consideration of RMB38,228,000. An amount of RMB3,978,000 was credited to share capital and an excess amount of RMB34,250,000 was credited to capital reserve.

(c) Nature and purpose of reserves

Capital reserve

Capital reserve primarily comprises the following:

- capital premium of share issued;
- the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2.3(k)(ii).

(d) Capital management

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

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

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The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including interest-bearing borrowings and lease liabilities) less cash and cash equivalents. Total equity is calculated as equity as shown in the consolidated statements of financial position.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing borrowings	338,530	1,098,864	1,197,574	1,320,922
Lease liabilities	71,841	58,525	43,178	34,188
Less: Cash and cash equivalents	(73,927)	(249,890)	(291,147)	(178,864)
Net debt	336,444	907,499	949,605	1,176,246
Total equity	848,627	200,057	1,295,691	1,129,121
Net debt to equity ratio	0.40	4.54	0.73	1.04

28. CAPITAL COMMITMENTS

Save as disclosed elsewhere, capital commitments outstanding at the end of each reporting period not provided for in the Historical Financial Information were as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted for:				
Acquisition of machinery and equipment	5,476	73,245	892	1,023
Construction of plants and buildings	—	36,304	—	—
	5,476	109,549	892	1,023

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	85,272	85,272
Changes from financing cash flows:			
Proceeds from new borrowings raised	338,233	—	338,233
Capital element of lease rentals paid	—	(22,421)	(22,421)
Interest element of lease rentals paid	—	(3,897)	(3,897)
Interest paid	(3,380)	—	(3,380)
Total changes from financing cash flows	334,853	(26,318)	308,535
Other changes:			
Effect on new leases during the year	—	8,990	8,990
Finance costs	3,677	3,897	7,574
Total other changes	3,677	12,887	16,564
At 31 December 2023	338,530	71,841	410,371
At 1 January 2024	338,530	71,841	410,371
Changes from financing cash flows:			
Proceeds from new borrowings raised	963,357	—	963,357
Repayment of borrowings	(203,726)	—	(203,726)
Capital element of lease rentals paid	—	(24,946)	(24,946)
Interest element of lease rentals paid	—	(3,055)	(3,055)
Interest paid	(20,553)	—	(20,553)
Total changes from financing cash flows	739,078	(28,001)	711,077
Other changes:			
Finance costs	19,700	3,055	22,755
Effect on new leases during the year	—	14,170	14,170
Effect on lease modification during the year	—	(2,540)	(2,540)

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	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
Other changes arising from interest capitalisation . .	1,556	–	1,556
Total other changes	21,256	14,685	35,941
At 31 December 2024	1,098,864	58,525	1,157,389
At 1 January 2025	1,098,864	58,525	1,157,389
Changes from financing cash flows:			
Proceeds from new borrowings raised	810,718	–	810,718
Repayment of borrowings	(711,907)	–	(711,907)
Capital element of lease rentals paid	–	(25,172)	(25,172)
Interest element of lease rentals paid	–	(2,383)	(2,383)
Interest paid	(32,892)	–	(32,892)
Total changes from financing cash flows	65,919	(27,555)	38,364
Other changes:			
Effect on new leases during the year	–	9,825	9,825
Finance costs	28,833	2,383	31,216
Other changes arising from interest capitalisation . .	3,958	–	3,958
Total other changes	32,791	12,208	44,999
At 31 December 2025	1,197,574	43,178	1,240,752
At 1 January 2026	1,197,574	43,178	1,240,752
Changes from financing cash flows:			
Proceeds from new borrowings raised	434,280	–	434,280
Repayment of borrowings	(310,924)	–	(310,924)
Capital element of lease rentals paid	–	(14,210)	(14,210)
Interest element of lease rentals paid	–	(918)	(918)
Interest paid	(16,273)	–	(16,273)
Total changes from financing cash flows	107,083	(15,128)	91,955
Other changes:			
Effect on new leases during the period	–	5,220	5,220
Finance costs	15,574	918	16,492
Other changes	691	–	691
Total other changes	16,265	6,138	22,403
At 30 June 2026	1,320,922	34,188	1,355,110
At 1 January 2025	1,098,864	58,525	1,157,389
Changes from financing cash flows:			
Proceeds from new borrowings raised	(524,178)	–	(524,178)
Repayment of borrowings	557,218	–	557,218
Capital element of lease rentals paid	–	(12,292)	(12,292)
Interest element of lease rentals paid	–	(1,275)	(1,275)
Interest paid	(18,961)	–	(18,961)
Total changes from financing cash flows	14,079	(13,567)	512
Other changes:			
Finance costs	15,877	1,275	17,152
Other changes arising from interest capitalisation . .	2,899	–	2,899
Total other changes	18,776	1,275	20,051
At 30 June 2025 (Unaudited)	1,131,719	46,233	1,177,952

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30. MATERIAL NON-CONTROLLING INTERESTS (“NCI”)

The following table lists out the information relating to Gewu Bio Co., Ltd., which has NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
	RMB'000	RMB'000	RMB'000	RMB'000	
NCI percentage	—	12.5%	12.5%	12.5%	
Current assets	—	64,158	18,093	8,810	
Non-current assets	—	2,911	5,080	6,448	
Current liabilities	—	(16,660)	(8,480)	(22,352)	
Non-current liabilities	—	—	(28)	(18)	
Net assets/(liabilities)	—	50,409	14,665	(7,112)	
Carrying amount of NCI	—	6,301	1,833	(889)	

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue	—	—	—	—	—
Loss for the year/period . . .	—	(749,591)	(35,744)	(13,458)	(21,777)
Total comprehensive income	—	(749,591)	(35,744)	(13,458)	(21,777)
Total comprehensive income allocated to NCI	—	(93,699)	(4,468)	(1,682)	(2,722)
Cash flows used in operating activities	—	(736,731)	(47,800)	(32,858)	(9,679)
Cash flows (used in)/generated from investing activities	—	(59,138)	45,567	(20,227)	15,077
Cash flows generated from/(used in) financing activities	—	800,000	(15)	—	(10)

31 MATERIAL RELATED PARTY TRANSACTIONS

a. Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors and certain of the highest paid employees as disclosed in Note 10, is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Short-term employee benefits	36,410	35,216	39,280	19,511	19,307
Retirement scheme contributions	588	610	618	306	274
Equity-settled share-based payment expenses	182,932	100,341	53,963	26,583	7,328
	219,930	136,167	93,861	46,400	26,909

Total remuneration is included in “staff costs” (see Note 7).

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- b. Names and relationships of the related party that had other material transactions with the Group during the Track Record Period:

Name of related party	Relationship
AstraZeneca Investment (China) Limited (“AstraZeneca China”)	Controlled by AstraZeneca PLC, being the actual beneficial owner of the substantial shareholder, AstraZeneca AB, of the Company

- c. Other significant related party transactions

During each of the reporting period, the Group had the following transactions with a related party:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000
Property management services					
AstraZeneca China	10,453	9,479	8,922	4,137	4,153
Rental paid for leased properties					
AstraZeneca China	14,869	14,869	14,869	7,435	11,152

- d. Significant related party balances

At 31 December 2023, 2024 and 2025 and 30 June 2026, balances with related parties of the Group and the Company were as follows:

The Group

As at 31 December 2023, 2024 and 2025 and 30 June 2026, balances with AstraZeneca China included in other payables, a related company were RMB1,655,000, RMB1,561,000, nil and RMB1,434,000 and included in lease liabilities were RMB51,830,000, RMB38,937,000, RMB26,585,000 and RMB16,639,000 and included in prepayments were nil, nil, nil and RMB625,000. Balance with AstraZeneca China included in other payables would be settled quarterly according to the term pursuant to the agreement as entered into between the Group and AstraZeneca China.

The above related party balances are of non-trade nature.

The Company

As at 31 December 2023, amounts due from subsidiaries included in prepayments, deposits and other receivables of RMB2,129,000 were the balance with Dizal (Beijing) Pharmaceutical Co., Ltd..

The above related party balance is of non-trade nature.

As at 31 December 2024 and 2025 and 30 June 2026, amounts due from subsidiaries included in trade receivables of RMB17,485,000, RMB5,238,000 and RMB10,669,000 respectively, in which balances with Dizal (Beijing) Pharmaceutical Co., Ltd. were RMB1,132,000, RMB1,078,000 and nil as at 31 December 2024 and 2025 and 30 June 2026; balances with Dizal (Shanghai) Pharmaceutical Co., Ltd. was RMB1,784,000, RMB1,897,000 and nil as at 31 December 2024 and 2025 and 30 June 2026; and balances with Gewu Bio Co., Ltd. were RMB14,569,000 and RMB2,263,000 and RMB10,669,000 as at 31 December 2024 and 2025 and 30 June 2026.

The above related party balances are of trade nature

As at 31 December 2023, 2024 and 2025 and 30 June 2026, amounts due to subsidiaries included in other payables of RMB22,874,000, RMB32,888,000, RMB55,334,000 and RMB45,542,000, respectively, in which balances with Dizal (Beijing) Pharmaceutical Co., Ltd. were RMB13,870,000, RMB8,560,000, RMB11,478,000 and RMB8,303,000; and balances with Dizal (Shanghai) Pharmaceutical Co., Ltd. were RMB9,004,000; RMB24,328,000, RMB43,856,000 and RMB37,239,000, respectively.

The above related party balances are of non-trade nature.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, amount due to AstraZeneca China included in other payables, a related company were RMB1,655,000, RMB1,561,000, nil and RMB1,434,000, respectively, and included in lease liabilities were RMB51,084,000, RMB38,937,000, RMB26,585,000 and RMB16,639,000, respectively. Balance with AstraZeneca China included in other payables would be settled quarterly according to the term pursuant to the agreement as entered into between the Group and AstraZeneca China.

The above related party balances are of non-trade nature.

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32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit risk, liquidity risk, interest rate risk and currency risks arise in the normal course of the Group’s business. The Group’s exposure to these risks and financial risk management policies and practices used by the Group to manage these risks are described below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables, deposits and other receivables. The Group’s exposure to credit risk arising from cash and cash equivalents and restricted cash is limited because the counterparties are reputable financial institutions with high credit standing, for which the Group considers having low credit risk. The management of the Group makes periodic assessments on the recoverability of trade receivables, deposits and other receivables based on historical settlement records, past experience, and also available reasonable and supportable forward-looking information under ECL model of IFRS 9.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

As at 31 December 2023, 2024, 2025 and 30 June 2026, 39.65%, 38.13%, 46.64% and 44.06%, respectively, of trade receivables were due from the Group’s largest customer and 92.28%, 87.77%, 82.68% and 85.77%, respectively, of trade receivables were due from the Group’s five largest customers.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Evaluation is performed on an ongoing basis and the credit terms could be adjusted when necessary. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group’s different customer bases.

The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables at the end of each reporting period:

As at 31 December 2023			
Expected loss rate	Gross carrying amount	Loss allowance	
%	RMB’000	RMB’000	
Current (not past due)	1%	48,436	396
As at 31 December 2024			
Expected loss rate	Gross carrying amount	Loss allowance	
%	RMB’000	RMB’000	
Current (not past due)	1%	27,773	278
As at 31 December 2025			
Expected loss rate	Gross carrying amount	Loss allowance	
%	RMB’000	RMB’000	
Current (not past due)	1%	144,890	1,449

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As at 30 June 2026			
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	1%	212,794	2,128

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance in respect of trade receivables during each of the reporting period is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
At the beginning of the year/period	–	396	278	278	1,449
Impairment loss recognised/(reversal of impairment loss) (Note 6)	396	(118)	1,171	552	679
At the end of the year/period	396	278	1,449	830	2,128

Deposits and other receivables

For deposits and other receivables, impairment loss is recognised based on 12-month ECL since the Group assesses that there has not been a significant increase in credit risk since initial recognition. In determining the ECL, the directors of the Company have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers operate and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss given default. No impairment had been provided under 12-month expected credit loss assessment.

The credit risk on cash and bank balances is limited because the majority of the counterparties are banks with good reputation. No impairment had been provided under 12-month expected credit loss assessment.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company’s board when the borrowings exceed certain predetermined levels of authority. The Group’s policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting periods of the Group’s financial liabilities (excluding non-financial liabilities of contract liabilities, payables for staff costs and other tax payables), which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

As at 31 December 2023					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Carrying amount at 31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing borrowings	207,014	3,873	141,788	–	352,675
Lease liabilities	26,688	20,352	28,916	–	75,956
Trade payables	14,601	–	–	–	14,601
Accrued expenses and other payables	141,297	–	–	–	141,297
	389,600	24,225	170,704	–	584,529

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As at 31 December 2024						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December 2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing borrowings	451,994	304,234	374,287	29,484	1,159,999	1,098,864
Lease liabilities	25,207	20,013	17,562	–	62,782	58,525
Trade payables	17,514	–	–	–	17,514	17,514
Accrued expenses and other payables	245,942	–	–	–	245,942	245,942
	<u>740,657</u>	<u>324,247</u>	<u>391,849</u>	<u>29,484</u>	<u>1,486,237</u>	<u>1,420,845</u>
As at 31 December 2025						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 31 December 2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing borrowings	533,167	263,910	385,752	75,225	1,258,054	1,197,574
Lease liabilities	22,787	20,978	1,711	–	45,476	43,178
Trade payables	20,051	–	–	–	20,051	20,051
Accrued expenses and other payables	311,991	–	–	–	311,991	311,991
	<u>887,996</u>	<u>284,888</u>	<u>387,463</u>	<u>75,225</u>	<u>1,635,572</u>	<u>1,572,794</u>
As at 30 June 2026						
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount at 30 June 2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing borrowings	436,058	337,383	550,660	63,978	1,388,079	1,320,922
Lease liabilities	23,987	9,646	2,112	–	35,745	34,188
Trade payables	24,654	–	–	–	24,654	24,654
Accrued expenses and other payables	228,019	–	–	–	228,019	228,019
	<u>712,718</u>	<u>347,029</u>	<u>552,772</u>	<u>63,978</u>	<u>1,676,497</u>	<u>1,607,783</u>

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk due to fluctuations in the prevailing market interest rate on interest-bearing borrowings and cash and cash equivalents. During the Track Record Period, the Group’s cash flow interest rate risk mainly concentrates on the fluctuation of Central bank benchmark interest rate arising from the Group’s interest bearing borrowings and cash and cash equivalents.

Sensitivity Analysis

At 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group’s loss after income tax and accumulated loss by approximately RMB644,000, RMB4,560,000, RMB4,798,000 and RMB10,323,000. The assumed changes have no impact on the Group’s other components of equity.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period. The assumed changes in interest rates are considered to be reasonably possible changes on observation of current market conditions and represent management’s assessment of a reasonably possible change in interest rates over the next twelve-month period.

The calculation is based on a change in average market interest rates for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. The sensitivity analysis has been prepared on the same basis throughout the Track Record Period.

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(d) Currency risk

The Group is exposed to currency risk primarily through purchase which give rise to payables and cash balances that is denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD.

i. Exposure to currency risk

The following table details the Group’s exposure as at 31 December 2023, 2024 and 2025 and 30 June 2026, to currency risk arising from the recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of exposure are shown in RMB translated using the spot rate of the end of each reporting period. Differences resulting from the translation of the financial statements of the Group’s subsidiaries with functional currency other than RMB into the Group’s presentation currency are excluded.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
USD				
Cash and cash equivalents	35,825	23,362	11,896	5,050
Other payables and accruals	(41,442)	(31,448)	(55,143)	(41,339)
Net exposure	(5,617)	(8,086)	(43,247)	(36,289)

ii. Sensitivity analysis

The following table indicates the instantaneous change in the Group’s loss after tax (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of each reporting period changed at that date, assuming all other risk variables remained constant.

	As at 31 December						As at 30 June	
	2023		2024		2025		2026	
	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses
	%	RMB’000	%	RMB’000	%	RMB’000	%	RMB’000
USD	10%	(421)	10%	(687)	10%	(3,676)	10%	(3,085)
USD	(10%)	421	(10%)	687	(10%)	3,676	(10%)	3,085

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group subsidiaries’ profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of each reporting period for presentation purpose.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk as at 31 December 2023, 2024 and 2025 and 30 June 2026. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group’s presentation currency. The analysis is performed on the same basis for the respective previous year/period.

(e) Fair value measurement

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

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

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Analysis on recurring fair value measurement of financial instruments as at 31 December 2023, 2024 and 2025 and 30 June 2026 are as follows:

Fair value measurement at 31 December 2023 categorised into				
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Financial assets at FVPL	–	673,998	–	673,998
	=	=	=	=

Fair value measurement at 31 December 2024 categorised into				
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Financial assets at FVPL	–	589,830	–	589,830
	=	=	=	=

Fair value measurement at 31 December 2025 categorised into				
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Financial assets at FVPL	–	1,644,840	–	1,644,840
	=	=	=	=

Fair value measurement at 30 June 2026 categorised into				
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets:				
Financial assets at FVPL	–	1,556,889	–	1,556,889
	=	=	=	=

The fair value of financial assets at FVPL are determined by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the years ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

33. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities at the end of each reporting periods.

34. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

During the Track Record Period and the six months ended 30 June 2025, the directors consider the Group does not have immediate parent and ultimate controlling party.

35. EVENT AFTER THE REPORTING PERIOD

Subsequent to 30 June 2026, the Group entered the license agreement with AstraZeneca UK Limited (“AstraZeneca UK”), a subsidiary of AstraZeneca PLC, in which the Group granted the exclusive license to AstraZeneca UK to manufacture, sales and distribute of the medicine — ZEGFROVY for one-off non-refundable fee of US\$600 million, up to US\$400 million’s development milestone income and US\$500 million’s sales milestone income.

36. SUBSEQUENT FINANCIAL STATEMENT

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