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 Sponsor 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 BETTA PHARMACEUTICALS CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

INTRODUCTION

We report on the historical financial information of Betta Pharmaceuticals Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-76, 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 years then ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-3 to I-76 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 the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the 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 statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement 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 persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period 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, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 32(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

BDO Limited
Certified Public Accountants
[Director's name]
Practising Certificate Number [●]

Hong Kong, [Date]

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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	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	4	2,456,196	2,891,950	3,609,338	1,731,413	1,975,928
Cost of sales		(424,719)	(562,919)	(783,437)	(346,007)	(491,020)
Gross profit		2,031,477	2,329,031	2,825,901	1,385,406	1,484,908
Other revenue	5(a)	61,136	37,819	50,022	33,956	34,497
Other gain/(loss), net	5(b)	47,200	(46,866)	(71,763)	(75,563)	20,467
Research and development expenses		(640,139)	(501,902)	(510,868)	(254,658)	(216,927)
Selling and distribution expenses		(853,886)	(1,093,820)	(1,298,225)	(593,574)	(682,293)
Administrative and other operating expenses		(265,670)	(272,310)	(483,922)	(262,352)	(208,462)
Profit from operations		380,118	451,952	511,145	233,215	432,190
Finance costs	6(a)	(44,057)	(45,490)	(76,138)	(38,894)	(36,473)
Share of the results of investments accounted for using equity method	18	(13,987)	(12,302)	(20,644)	(6,505)	(27,401)
Profit before income tax	6	322,074	394,160	414,363	187,816	368,316
Income tax credit/(expenses)	7	11,541	(7,179)	(128,154)	(57,109)	(75,625)
Profit for the year/period		333,615	386,981	286,209	130,707	292,691
Profit for the year/period		333,615	386,981	286,209	130,707	292,691
Other comprehensive income for the year/period (after tax adjustments)						
Item that will not be reclassified to profit or loss:						
Financial assets at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling), net of tax	10	31,698	38,480	728,869	(144,348)	(254,611)
Item that may be reclassified subsequently to profit or loss:						
Exchange difference on translation of financial statements of entities with functional currencies other than RMB	10	29,058	18,435	(19,615)	(3,759)	(21,026)
Other comprehensive income for the year/period		60,756	56,915	709,254	(148,107)	(275,637)
Total comprehensive income the year/period		394,371	443,896	995,463	(17,400)	17,054

The accompanying notes form part of the Historical Financial Information.

	Notes	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*
Attributable to:						
Owners of the Company		348,032	402,571	305,329	139,897	302,135
Non-controlling interests		(14,417)	(15,590)	(19,120)	(9,190)	(9,444)
Profit for the year/period		333,615	386,981	286,209	130,707	292,691
Attributable to:						
Owners of the Company		408,788	459,486	1,014,583	(8,210)	26,498
Non-controlling interests		(14,417)	(15,590)	(19,120)	(9,190)	(9,444)
Total comprehensive income for the year/period		394,371	443,896	995,463	(17,400)	17,054
Earnings per share						
Basic earnings per share (RMB)	*11*	0.83	0.96	0.73	0.33	0.72
Diluted earnings per share (RMB)	*11*	0.83	0.96	0.73	0.33	0.71

The accompanying notes form part of the Historical Financial Information.

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*	2,716,292	3,159,901	3,109,416	3,033,117
Investment properties	*12*	33,784	31,345	28,907	27,688
Intangible assets	*15*	3,019,914	3,008,527	2,676,728	2,721,363
Goodwill	*16*	413,584	413,584	413,584	383,651
Investments accounted for using equity method	*18*	375,210	360,542	651,159	623,758
Prepayments, deposits and other receivables	*22*	16,518	10,649	117,367	77,057
Financial assets at FVOCI	*19(a)*	1,006,597	1,076,067	1,931,530	1,632,292
Deferred tax assets	*29(b)*	39,129	56,732	59,128	58,925
		7,621,028	8,117,347	8,987,819	8,557,851
Current assets					
Inventories	*20*	327,502	290,085	381,156	351,707
Trade receivables	*21*	286,410	98,466	351,260	624,884
Prepayments, deposits and other receivables	*22*	159,432	237,658	349,431	309,197
Financial assets at fair value through profit or loss ("FVPL")	*19(b)*	540	126,439	65,999	567
Cash and cash equivalents	*23*	751,997	471,683	429,981	455,187
		1,525,881	1,224,331	1,577,827	1,741,542
Current liabilities					
Trade payables	*27*	10,674	24,018	63,639	131,550
Other payables and accruals	*28*	1,178,794	1,038,647	922,319	707,858
Interest-bearing borrowings	*24*	599,020	768,931	871,423	1,177,829
Lease liabilities	*25*	4,603	2,103	2,663	2,206
Financial liabilities at FVPL	*26*	10,000	10,000	10,000	10,000
Taxation payable	*29(a)*	66	4,260	47,236	25,755
		1,803,157	1,847,959	1,917,280	2,055,198
Net current liabilities		(277,276)	(623,628)	(339,453)	(313,656)
Total assets less current liabilities		7,343,752	7,493,719	8,648,366	8,244,195
Non-current liabilities					
Interest-bearing borrowings	*24*	1,816,000	1,620,588	1,583,690	1,287,296
Lease liabilities	*25*	8,183	2,543	2,869	2,032
Deferred income	*30*	144,703	150,990	226,219	217,963
Deferred tax liabilities	*29(b)*	23,392	53,488	167,905	100,263
		1,992,278	1,827,609	1,980,683	1,607,554
NET ASSETS		5,351,474	5,666,110	6,667,683	6,636,641
EQUITY					
Share capital	*32(c)*	418,486	418,486	420,734	420,734
Reserves		4,832,591	5,155,320	6,174,423	6,205,104
Total equity attributable to owners of the Company		5,251,077	5,573,806	6,595,157	6,625,838
Non-controlling interests		100,397	92,304	72,526	10,803
TOTAL EQUITY		5,351,474	5,666,110	6,667,683	6,636,641

The accompanying notes form part of the Historical Financial Information.

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	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*	645,954	535,821	446,348	410,801
Investment properties	*12*	33,784	31,345	28,907	27,688
Intangible assets	*15*	1,503,092	1,452,633	1,355,063	1,532,718
Interests in subsidiaries	*17*	2,666,298	2,666,590	2,679,827	2,703,315
Investments accounted for using equity method	*18*	375,210	360,542	651,159	623,758
Prepayments, deposits and other receivables	*22*	73	9,344	117,367	77,057
Financial assets at FVOCI	*19(a)*	844,900	938,163	1,782,119	1,484,611
		6,069,311	5,994,438	7,060,790	6,859,948
Current assets					
Inventories	*20*	327,502	290,021	299,777	306,234
Trade receivables	*21*	299,667	95,837	331,721	579,315
Prepayments, deposits and other receivables	*22*	1,135,435	1,809,788	2,609,537	2,899,521
Cash and cash equivalents	*23*	511,346	349,330	245,437	173,456
		2,273,950	2,544,976	3,486,472	3,958,526
Current liabilities					
Trade payables	*27*	10,674	23,722	17,937	111,343
Other payables and accruals	*28*	733,454	557,019	576,169	559,220
Interest-bearing borrowings	*24*	582,020	657,931	620,143	874,189
Lease liabilities	*25*	3,910	2,103	1,670	1,198
Financial liabilities at FVPL	*26*	10,000	10,000	10,000	10,000
Taxation payable	*29(a)*	–	3,162	46,056	23,348
		1,340,058	1,253,937	1,271,975	1,579,298
Net current assets		933,892	1,291,039	2,214,497	2,379,228
Total assets less current liabilities		7,003,203	7,285,477	9,275,287	9,239,176
Non-current liabilities					
Interest-bearing borrowings	*24*	776,970	549,058	736,770	550,696
Lease liabilities	*25*	5,647	2,543	898	638
Deferred income	*30*	42,240	35,872	103,782	98,685
Deferred tax liabilities	*29(b)*	8,839	43,161	162,101	96,866
		833,696	630,634	1,003,551	746,885
NET ASSETS		6,169,507	6,654,843	8,271,736	8,492,291
EQUITY					
Share capital	*32(c)*	418,486	418,486	420,734	420,734
Reserves		5,751,021	6,236,357	7,851,002	8,071,557
TOTAL EQUITY		6,169,507	6,654,843	8,271,736	8,492,291

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Company								
	Notes	Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		32(c)	*32(d)(i)*	*32(d)(ii)*	*32(d)(iii)*	*32(d)(iv)*				
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		417,467	2,123,458	209,437	54,273	73,268	1,971,158	4,849,061	108,641	4,957,702
Profit/(loss) for the year		–	–	–	–	–	348,032	348,032	(14,417)	333,615
Other comprehensive income	*10*	–	–	–	29,058	31,698	–	60,756	–	60,756
Total comprehensive income		–	–	–	29,058	31,698	348,032	408,788	(14,417)	394,371
Share issued upon exercise of share option	*32(c)*	1,019	40,774	–	–	–	–	41,793	–	41,793
Dividends declared and paid	*32(b)*	–	–	–	–	–	(29,223)	(29,223)	–	(29,223)
Equity-settled share-based payment	*6(b)*	–	(16,462)	–	–	–	–	(16,462)	(2)	(16,464)
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	42	–	–	–	–	42	–	42
Equity transaction with owners arising from changes in shareholdings		–	(6,175)	–	–	–	3,253	(2,922)	6,175	3,253
Balance at 31 December 2023		418,486	2,141,637	209,437	83,331	104,966	2,293,220	5,251,077	100,397	5,351,474

The accompanying notes form part of the Historical Financial Information.

	Notes	Attributable to owners of the Company							Non-controlling interests	Total equity
		Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total		
		32(c)	*32(d)(i)*	*32(d)(ii)*	*32(d)(iii)*	*32(d)(iv)*				
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2024		418,486	2,141,637	209,437	83,331	104,966	2,293,220	5,251,077	100,397	5,351,474
Profit/(loss) for the year		–	–	–	–	–	402,571	402,571	(15,590)	386,981
Other comprehensive income	*10*	–	–	–	18,435	38,480	–	56,915	–	56,915
Total comprehensive income		–	–	–	18,435	38,480	402,571	459,486	(15,590)	443,896
Dividends declared and paid	*32(b)*	–	–	–	–	–	(71,143)	(71,143)	–	(71,143)
Equity-settled share-based payment	*6(b)*	–	(57,086)	–	–	–	–	(57,086)	(47)	(57,133)
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	1,883	–	–	–	–	1,883	–	1,883
Equity transaction with owners arising from changes in shareholdings	*32(d)*	–	(10,411)	–	–	–	–	(10,411)	7,544	(2,867)
Balance at 31 December 2024		418,486	2,076,023	209,437	101,766	143,446	2,624,648	5,573,806	92,304	5,666,110

The accompanying notes form part of the Historical Financial Information.

		Attributable to owners of the Company								
	Notes	Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		32(c)	*32(d)(i)*	*32(d)(ii)*	*32(d)(iii)*	*32(d)(iv)*				
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2025		418,486	2,076,023	209,437	101,766	143,446	2,624,648	5,573,806	92,304	5,666,110
Profit/(loss) for the year		–	–	–	–	–	305,329	305,329	(19,120)	286,209
Other comprehensive income	*10*	–	–	–	(19,615)	728,869	–	709,254	–	709,254
Total comprehensive income		–	–	–	(19,615)	728,869	305,329	1,014,583	(19,120)	995,463
Share issued upon exercise of share option	*32(c)*	2,248	89,918	–	–	–	–	92,166	–	92,166
Dividends declared and paid	*32(b)*	–	–	–	–	–	(83,697)	(83,697)	–	(83,697)
Equity-settled share-based payment	*6(b)*	–	41,746	–	–	–	–	41,746	–	41,746
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	(1,932)	–	–	–	–	(1,932)	–	(1,932)
Transfer to PRC statutory reserve		–	–	930	–	–	(930)	–	–	–
Equity transaction with owners arising from changes in shareholdings		–	(41,515)	–	–	–	–	(41,515)	(658)	(42,173)
Balance at 31 December 2025		420,734	2,164,240	210,367	82,151	872,315	2,845,350	6,595,157	72,526	6,667,683

The accompanying notes form part of the Historical Financial Information.

		Attributable to owners of the Company								
	Notes	Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		32(c) *RMB'000*	*32(d)(i)* *RMB'000*	*32(d)(ii)* *RMB'000*	*32(d)(iii)* *RMB'000*	*32(d)(iv)* *RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2026		420,734	2,164,240	210,367	82,151	872,315	2,845,350	6,595,157	72,526	6,667,683
Profit/(loss) for the period		–	–	–	–	–	302,135	302,135	(9,444)	292,691
Other comprehensive income	*10*	–	–	–	(21,026)	(254,611)	–	(275,637)	–	(275,637)
Total comprehensive income		–	–	–	(21,026)	(254,611)	302,135	26,498	(9,444)	17,054
Dividends declared and paid	*32(b)*	–	–	–	–	–	(63,110)	(63,110)	–	(63,110)
Equity-settled share-based payment	*6(b)*	–	4,958	–	–	–	–	4,958	–	4,958
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	10,056	–	–	–	–	10,056	–	10,056
Acquisition of interests in a subsidiaries	*a*	–	52,279	–	–	–	–	52,279	(52,279)	–
Balance at 30 June 2026		420,734	2,231,533	210,367	61,125	617,704	3,084,375	6,625,838	10,803	6,636,641

Note:

a. During the six months ended 30 June 2026, the Group repurchase the non-controlling interest in its subsidiary, Meyrx Inc., for a total consideration of USD6,000,000.

The accompanying notes form part of the Historical Financial Information.

	Notes	Attributable to owners of the Company								
		Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		32(c) *RMB'000* *(Unaudited)*	*32(d)(i)* *RMB'000* *(Unaudited)*	*32(d)(ii)* *RMB'000* *(Unaudited)*	*32(d)(iii)* *RMB'000* *(Unaudited)*	*32(d)(iv)* *RMB'000* *(Unaudited)*	*RMB'000* *(Unaudited)*	*RMB'000* *(Unaudited)*	*RMB'000* *(Unaudited)*	*RMB'000* *(Unaudited)*
Balance at 1 January 2025		418,486	2,076,023	209,437	101,766	143,446	2,624,648	5,573,806	92,304	5,666,110
Profit/(loss) for the period		–	–	–	–	–	139,897	139,897	(9,190)	130,707
Other comprehensive income	*10*	–	–	–	(3,759)	(144,348)	–	(148,107)	–	(148,107)
Total comprehensive income		–	–	–	(3,759)	(144,348)	139,897	(8,210)	(9,190)	(17,400)
Share issued upon exercise of share option	*32(c)*	2,248	89,918	–	–	–	–	92,166	–	92,166
Dividends declared and paid	*32(b)*	–	–	–	–	–	(83,697)	(83,697)	–	(83,697)
Equity-settled share-based payment	*6(b)*	–	20,255	–	–	–	–	20,255	–	20,255
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	44	–	–	–	–	44	–	44
Balance at 30 June 2025		420,734	2,186,240	209,437	98,007	(902)	2,680,848	5,594,364	83,114	5,677,478

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	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*
Operating activities						
Cash generated from operations	*23(b)*	904,181	904,102	1,008,878	503,562	521,442
Interest received		10,235	6,673	3,784	2,759	604
Tax (paid)/refund	*29(a)*	(187)	397	(101,401)	(61,343)	(109,706)
Net cash generated from operating activities		914,229	911,172	911,261	444,978	412,340
Investing activities						
Payment for the acquisition of property, plant, equipment and intangible assets		(1,096,014)	(827,595)	(616,680)	(391,306)	(385,924)
Proceeds from disposal of property, plant and equipment		22,213	142	75	15	366
Payment for investments accounted for using equity method		(281,653)	(500)	(312,260)	–	–
Payment for acquisition of financial assets at fair value		(150,000)	(205,321)	–	–	(40,000)
Proceeds from disposal of financial assets at fair value		–	31,581	–	–	175,583
Dividend received from an associate		–	–	999	–	–
Net cash used in investing activities		(1,505,454)	(1,001,693)	(927,866)	(391,291)	(249,975)

The accompanying notes form part of the Historical Financial Information.

	Notes	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*
Financing activities						
Capital element of lease rental paid		(4,246)	(4,323)	(2,243)	(1,085)	(1,664)
Interest element of lease rental paid		(565)	(314)	(286)	(125)	(128)
Proceeds from new borrowings raised		1,890,000	644,750	917,780	580,000	617,037
Repayment of borrowings		(511,010)	(668,293)	(851,909)	(547,285)	(606,988)
Payment of deposits related to borrowings		–	(11,150)	(3,780)	–	–
Interest paid		(81,060)	(80,911)	(73,358)	(37,959)	(35,021)
[**REDACTED**]		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Cash received under share option scheme		60,788	–	92,166	92,166	–
Settlement of financial liabilities at FVPL		(716,491)	–	–	–	–
Acquisition of non-controlling interests		–	–	–	–	(40,865)
Dividends paid to equity shareholders of the Company		(29,223)	(71,143)	(83,697)	(83,697)	(63,110)
Net cash generated from/(used in) financing activities		608,193	(191,384)	(26,176)	2,015	(135,989)
Net increase/(decrease) in cash and cash equivalents		16,968	(281,905)	(42,781)	55,702	26,376
Cash and cash equivalents at the beginning of the year/period		731,285	751,997	471,683	471,683	429,981
Effect of foreign exchange rate changes on cash and cash equivalents		3,744	1,591	1,079	(196)	(1,170)
Cash and cash equivalents at the end of the year/period		751,997	471,683	429,981	527,189	455,187

The accompanying notes form part of the Historical Financial Information.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司, the "Company") was established on 7 January 2003 in the People's Republic of China (the "PRC"), and converted into a joint stock limited liability company under the PRC laws in August 2013. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and listed on the Shenzhen Stock Exchange (stock code: 300558.SZ) on 7 November 2016.

The Company and its subsidiaries (together, "the Group") are principally engaged in the research and development, manufacturing and sales of pharmaceutical products. Particulars of the subsidiaries are disclosed in Note 17.

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.

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 and for the six months ended 30 June 2026 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 other comprehensive income ("FVOCI"), financial assets at fair value through profit or loss ("FVPL") and financial liabilities at fair value through profit and loss ("FVPL"), which are carried at fair value.

The Historical Financial Information has been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the coming twelve months notwithstanding that as at 30 June 2026, the Group had net current liabilities of RMB313,656,000. In light of this, the Group has performed a working capital forecast for the next twelve months from 30 June 2026 ("Cash Flow Forecast") for assessing the appropriateness of the use of the going concern basis for the preparation of these consolidated financial statements. When preparing the Cash Flow Forecast, the directors of the Company have given careful consideration of the future liquidity and performance of the Group. In the opinion of the directors of the Company, the Group will have the necessary liquid funds to finance its working capital and capital expenditure requirements for the next twelve months after 30 June 2026. Accordingly, it is appropriate to prepare the Historical Financial Information on a going concern basis.

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]
Amendments to IAS 28	Fair value option for investments in associates and joint ventures[1]

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.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Subsequent to acquisition, 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) Investments accounted for using equity method

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost in the consolidated statements of financial position.

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated statements of financial position.

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity

Unrealised gains on transactions between the Group and its equity-accounted investments are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity-accounted investments have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.2(e).

(d) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the fair value of consideration transferred, the amount recognised for non-controlling interests in the acquire and the acquisition date fair value of the Group's previously held equity interest in the acquiree over the fair value of identifiable assets, liabilities and contingent liabilities acquired. The consideration transferred is measured at the aggregate of fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group.

Goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash generating units ("CGU") that are expected to benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets on pro-rata basis over the carrying amount of each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value-in-use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(e) 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;
- investment properties;
- intangible assets;
- goodwill;
- investments accounted for using equity method; and
- 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 (other than goodwill), 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.

(f) Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the buildings could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment, other than construction in progress ("CIP"), are stated at acquisition cost less accumulated depreciation and any identified impairment.

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, 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 lease
Plant and buildings	10-40 years after plant and buildings completed
Machinery and equipment	5-10 years
Furniture, fixture and office equipment	3 years
Motor vehicles	5 years

The assets' estimated useful lives estimated residual values and depreciation method are reviewed, and adjusted if appropriate, at the end of each financial year.

CIP, which mainly represents properties under construction and machinery and equipment pending installation, 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.

(g) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for currently undetermined future use and property that is being constructed or developed for future use as investment properties.

Investment properties are stated at cost less accumulated depreciation and impairment losses. Any gain or loss arising from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in Note 2.3(h). Depreciation is calculated to write off the cost of investment properties, less their estimated residual value, using the straight-line method over their estimated useful lives.

Transfers to investment properties shall be made when there is a change in use, evidenced by end of owner-occupation, for a transfer from owner-occupied property to investment property. Since the Group uses the cost model, transfers between investment properties and owner-occupied properties do not change the carrying amount of the property transferred and they do not change the cost of those properties for measurement or disclosure purposes.

Depreciation is calculated to write off the cost of investment properties, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold land	over the period of leases
Plant and buildings	20 years

(h) 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.

The Group accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under IAS 40 and are carried at cost less accumulated depreciation and accumulated impairment losses.

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.

Sales and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group. For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Accounting as a lessor

The Group has leased out its investment properties to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(i) 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 exclusive licenses	10 years
Software use right	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(e)).

(ii) Patents and exclusive licenses

Patents and exclusive licenses 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 10 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 technique advancement of the licenses. 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 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.

Development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

The Group determines the specific criteria for the classification of expenditures on the research phase and expenditures on the development phase of each drug category which is classified in accordance with Drug Registration Regulation issued by National Medical Products Administration of China, including State Category 1 innovative products, State Category 2 innovative products, State Category 3 generic products and State Category 4 generic products, and drug category classified by Center for Drug Evaluation and Research ("CDER") under U.S. Food and Drug Administration, including New molecular entity innovative products:

As for State Category 1 and State Category 2 innovative products and New molecular entity innovative products classified by CDER, expenditures on the research phase are all the expenditures incurred before the commencement of the last phase clinical trial before commercial production, i.e. phase II or phase III clinical trial for the medicines. Expenditures on the development phase are all the expenditures incurred after the commencement of the last phase clinical trial before commercial production for the medicines.

As for State Category 3 generic products and biosimilar products, expenditures on the research phase are all the expenditures incurred before the commencement of Phase I clinical trial for the medicines. Expenditures on the development phase are all the expenditures incurred after the commencement of Phase I clinical trial for the medicines. Commencement of Phase I clinical trial is determined based on the approval by authorities.

As for State Category 4 generic products, expenditure on the research and development phase are all expensed.

For Phase II clinical trial express supports products recognised by CDER, expenditures on the research phase are all the expenditures incurred before the commencement of Phase II clinical trial. Expenditures on the development phase are all the expenditures incurred after the commencement of clinical trial and before commercial production for the medicines.

(j) 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.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the

investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

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.

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 FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at FVPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at FVPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

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(p).

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.

(k) 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.

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.

(l) 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, associates and joint ventures, 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.

(m) Revenue recognition

Revenue from contract with customers

Sales of pharmaceutical products

The Group manufactures and sells pharmaceutical products through distributors and retailer as customers. Revenue from these sales is recognised when their control has been transferred. This occurs upon the collection by the distributors/retailer or a specified carrier at the Group's warehouse, provided that the Group had issued documents to the customers evidencing the shipment and there is objective evidence that the products meet the required specification. 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.

Customers are either required to provide upfront payments to the Group to secure an order, or is required to pay when the control of promised goods are transferred, usually payable within 30 to 60 days. 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.

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 one month. 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, an early settlement discount if payment is made before the period end agreed in the contract; 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.

License fee income

The Group provides license of its patented intellectual property ("IP") or commercialisation license to customers. License fee income is recognised when the customers obtain rights to use the underlying IP or license.

For the license which the Group will not undertake any activities that significantly affect the IP to which the customer has rights, the customers obtain a right to use the IP as it exists at the point in time at which the license is granted. The fixed element of the contract is recognised as revenue when the customers can use the underlying IP. Variable elements are recognised as revenue when the Group can conclude that it is highly probable that there will not be a subsequent reversal of a significant amount of revenue.

(n) 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 subsidiaries 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 and in non-controlling interests, in case they were granted by the subsidiary. Fair value is measured at grant date using the Black-Scholes model, 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 and non-controlling interests, 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 and non-controlling interests, 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 retained profits).

(o) 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.

(p) Borrowing costs

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

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.

(q) 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 profit or loss on a straight-line basis over the expected useful lives of the related asset.

(r) 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.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(s) Contract costs

Contract costs include costs to fulfil a contract and costs to obtain a contract.

Costs incurred in fulfilling a contract with a customer, which do not fall within the scope of another IFRS Accounting Standard (for example, Inventories, Property, Plant and Equipment or Intangible Assets), are recognised as a contract fulfillment cost asset only if those costs meet all of the following criteria:

- The costs relate directly to an existing contract or to a specifically identifiable anticipated contract;
- The costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- The costs are expected to be recovered.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Key sources of estimation uncertainty

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.

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(e). For non-current assets other than goodwill and intangible assets that are not yet available for use, these assets are tested for impairment whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

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, investment properties 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. 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 unused tax credits 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.

(iv) Development cost

Development costs are capitalised in accordance with the accounting policy for research and development costs in Note 2.3(i)(iv). In determining the amounts to be capitalised, management makes assumptions regarding the future economic benefits generated from the research and development projects.

(v) 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 meeting revenue targets,
- 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 financial statements. 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.

(vi) Fair value measurement

A number of assets and liabilities 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 and non-financial assets and liabilities 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 or liabilities;

– 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 items at fair value:

– Financial assets at FVOCI (note 19(a))

– Financial assets at FVPL (note 19(b))

– Financial liabilities at FVPL (note 26)

For more detailed information in relation to the fair value measurement of the items above, please refer to the respective notes.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are research and development, manufacturing 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	2,416,783	2,827,001	3,577,669	1,715,875	1,963,415
License fee income	–	35,634	–	–	–
Others	23,281	14,350	16,120	8,777	6,456
	2,440,064	2,876,985	3,593,789	1,724,652	1,969,871
Revenue from other sources					
Rental income	16,132	14,965	15,549	6,761	6,057
Total revenue	2,456,196	2,891,950	3,609,338	1,731,413	1,975,928

The Group has not recognised any revenue, which is the aggregated amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of each reporting period.

For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, revenue from two customers of the Group exceeded 10% of the Group's revenue, in which Customer A contributed 31.6%, 32.2%, 33.5%, 33.1% and 35.5% of total revenue and Customer B contributed 17.2%, 16.7%, 17.1%, 17.7% and 16.8% of total revenue, respectively. Details of concentrations of credit risk arising from the customers are set out in Note 35(a).

(b) Segment reporting

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.

The Group's CODM makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment.

Geographical information

(i) Revenue from external customers

	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*
PRC	2,455,147	2,856,314	3,588,557	1,731,409	1,968,623
United States	1,049	35,636	20,781	4	7,305
	2,456,196	2,891,950	3,609,338	1,731,413	1,975,928

(ii) Non-current assets

	At 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
PRC	5,180,014	5,538,751	5,767,909	5,763,296
United States	1,395,288	1,445,797	1,229,252	1,103,338
	6,575,302	6,984,548	6,997,161	6,866,634

Non-current assets (other than financial assets and deferred tax assets) include property, plant and equipment, investment properties, intangible assets, goodwill, investments accounted for using equity method and prepayments for property, plant and equipment. The non-current assets information above is based on the physical locations of the assets or the locations of the operations.

5. OTHER REVENUE AND OTHER (LOSS)/GAIN, NET

(a) Other revenue

	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)*	46,828	27,953	42,537	29,289	31,221
Dividend income	630	–	–	–	–
Interest income	10,235	6,782	4,294	3,063	1,010
Others	3,443	3,084	3,191	1,604	2,266
	61,136	37,819	50,022	33,956	34,497

Note: Government grants mainly represent (i) government subsidies in various forms of government financial incentives to reward the Group's support and contribution for the development of local economy, which were recognised in profit or loss when received; (ii) government subsidies for the construction of production facilities as well as for encouragement of research and development projects, which were recognised in profit or loss when amortised over the estimated useful lives of the relevant assets.

(b) Other gain/(loss), 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 gain/(loss), net	6,722	4,137	(12,624)	(2,251)	(17,528)
Compensation *(note)*	56,377	–	–	–	–
Unrealised loss from financial assets at FVPL	(313)	(26,305)	(58,683)	(76,016)	9
Realised (loss)/gain from financial assets at FVPL	–	(2,362)	–	–	72,679
(Loss)/gain on disposal or written off of investment properties and property, plant and equipment, net	(1,078)	(1,181)	370	69	(349)
(Expected credit loss)/reversal of expected credit loss on trade receivables	(5,427)	6,294	200	396	(4,431)
(Expected credit loss)/reversal of expected credit loss on deposits and other receivables	(3,373)	10	345	2,251	(52)
Impairment loss on intangible assets	–	(27,460)	–	–	–
Impairment loss on goodwill	–	–	–	–	(29,933)
Others	(5,708)	1	(1,371)	(12)	72
	47,200	(46,866)	(71,763)	(75,563)	20,467

Note: The amount represents the compensation arising from the settlement agreement with the third party.

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

(a) Finance costs

	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	77,104	78,082	69,553	35,536	33,650
Less: amount capitalised in construction in progress and development costs	(33,612)	(34,087)	–	–	–
Interest expenses on bank borrowings	43,492	43,995	69,553	35,536	33,650
Interest expenses on other borrowings	–	1,181	6,299	3,233	2,695
Interest expenses on lease liabilities	565	314	286	125	128
	44,057	45,490	76,138	38,894	36,473

(b) Staff costs

	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*
Salaries and wages	536,654	559,582	563,360	260,977	272,704
Contributions to defined contribution schemes	105,628	97,294	98,095	46,219	57,100
Equity settled share-based payment expenses	(16,464)	(57,133)	41,746	20,255	4,958
	625,818	599,743	703,201	327,451	334,762

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.

The subsidiaries in the United States maintain multiple qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the United States. These plans are defined contribution plans covering substantially all its qualifying employees and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employee compensation. The only obligation of the subsidiary in the United States with respect to the retirement benefit plans is to make the specified contributions under the plans.

(c) Other items

	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	1,250	1,250	1,250	1,250	1,250
Cost of inventories recognised as expenses *(Note (i))*	256,616	336,622	408,456	194,011	254,801
Depreciation charge:					
– investment properties	1,996	2,439	2,438	1,219	1,219
– other property, plant and equipment	95,140	112,766	184,848	92,506	84,684
– right-of-use assets	6,095	5,278	5,988	2,814	3,162
Amortisation of intangible assets	200,256	251,484	357,489	174,565	191,039
Research and development expenses *(Note (ii))*	640,139	501,902	510,868	254,658	216,927
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Notes:

(i) Cost of inventories recognised as expenses includes amounts relating to staff costs, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) 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 or in Note 6(b) for each of these types of expenses.

7. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax (credit)/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/period	(95)	1,315	113,455	55,266	76,897

	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*
Under-provision in respect of previous year	304	2,482	30,922	10,128	11,328
	209	3,797	144,377	65,394	88,225
Deferred tax					
(Reversal of)/origination of temporary differences *(Note 29(b)(i))*	(11,750)	3,382	(16,223)	(8,285)	(12,600)
Total income tax (credit)/expense	(11,541)	7,179	128,154	57,109	75,625

Income tax for the Track Record Period can be reconciled to the profit 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*
Profit before income tax	322,074	394,160	414,363	187,816	368,316
Tax calculated at applicable rate of 15% in the PRC	48,311	59,124	62,154	28,172	55,247
Tax effect of different tax rates	(28,896)	(12,774)	(41,325)	(20,540)	(19,721)
Tax effect of non-deductible expenses	15,293	6,811	7,110	1,893	6,994
Utilisation of previously unrecognised tax losses	(1,797)	(12,174)	–	–	–
Tax effect of deductible temporary differences not recognised	35,901	23,881	129,097	66,251	51,189
Tax effect of bonus deduction for research and development expenses *(Note (i))*	(80,657)	(60,171)	(59,804)	(28,795)	(29,412)
Under-provision in the previous year	304	2,482	30,922	10,128	11,328
Income tax (credit)/expense	(11,541)	7,179	128,154	57,109	75,625

Notes:

(i) The Company and its subsidiaries established in the PRC ("PRC subsidiaries") are subject to PRC Corporate Income Tax ("CIT") at a statutory rate of 25%. The Company is entitled to the preferential tax rate of 15%. Certain of these subsidiaries are entitled to the preferential tax rate of 20%. Certain research and development costs of the Company and its PRC subsidiaries are qualified for additional deduction, details are as follows:

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 PRC subsidiaries will be deducted before tax at 100% of the actual amount incurred when calculating the taxable income from 1 January 2023, and 200% of the cost of the intangible assets will be amortised before tax from 1 January 2023.

(ii) Betta Investment (Hong Kong) Limited ("Betta Investment (HK)") was liable to the Hong Kong Profits Tax at a rate of 8.25% on the first Hong Kong dollars ("HK$") HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million during the Track Record Period. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Track Record Period.

(iii) Xcovery Betta Pharmaceuticals, Inc. ("Xcovery Betta"), Xcovery Holdings, Inc. ("Xcovery"), Equinox Sciences, LLC ("Equinox") and Meryx Inc. ("Meryx") were liable to United States federal income tax at a rate of 21% during the Track Record Period. The Group's subsidiaries in the United States did not have any assessable profits during the Track Record Period.

8. DIRECTORS' AND SUPERVISORS' 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							
Ding Lieming	–	1,001	1,900	119	3,020	59	3,079
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	854	1,700	148	2,702	12	2,714
Wang Jiabing	–	865	1,700	48	2,613	12	2,625
Tong Jia	–	1,461	–	119	1,580	23	1,603
Yu Zhihua	–	–	–	–	–	–	–
Fan Jianxun	–	1,461	–	119	1,580	23	1,603
Independent directors							
Jiangnan Cai	120	–	–	–	120	–	120
Wang Wei	120	–	–	–	120	–	120
Huang Xinqi	120	–	–	–	120	–	120
Xiao Jiajia	120	–	–	–	120	–	120
Supervisors							
Zhang Yangnan	–	331	540	105	976	–	976
Wu Fei	–	510	350	119	979	–	979
Wang Rong	–	–	–	–	–	–	–
	480	6,483	6,190	777	13,930	129	14,059

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							
Ding Lieming	–	1,001	1,650	132	2,783	3,610	6,393
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	854	1,500	148	2,502	722	3,224
Wang Jiabing *(note (a))*	–	540	–	32	572	–	572
Tong Jia	–	661	650	132	1,443	714	2,157
Yu Zhihua	–	–	–	–	–	–	–
Fan Jianxun	–	661	650	132	1,443	714	2,157
Ding Shizhe *(note (b))*	–	128	100	28	256	911	1,167
Independent directors							
Jiangnan Cai	120	–	–	–	120	–	120
Wang Wei	120	–	–	–	120	–	120
Huang Xinqi	120	–	–	–	120	–	120
Xiao Jiajia	120	–	–	–	120	–	120
Supervisors							
Zhang Yangnan	–	331	470	117	918	–	918
Wu Fei	–	510	280	129	919	–	919
Wang Rong	–	–	–	–	–	–	–
	480	4,686	5,300	850	11,316	6,671	17,987

Notes:

(a) Wang Jiabing resigned as director with effective on 12 September 2024.

(b) Ding Shizhe was appointed as director with effective on 10 October 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							
Ding Lieming	–	1,001	1,710	134	2,845	2,148	4,993
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	855	1,550	147	2,552	430	2,982
Tong Jia	–	1,215	300	146	1,661	1,281	2,942
Yu Zhihua *(note (a))*	–	–	–	–	–	–	–
Fan Jianxun	–	1,215	300	146	1,661	1,281	2,942
Ding Shizhe	–	513	420	116	1,049	469	1,518
Independent directors							
Jiangnan Cai *(note (b))*	120	–	–	–	120	–	120
Wang Wei *(note (c))*	120	–	–	–	120	–	120
Huang Xinqi	120	–	–	–	120	–	120
Xiao Jiajia	120	–	–	–	120	–	120
Supervisors							
Zhang Yangnan *(note (d))*	–	331	490	117	938	–	938
Wu Fei *(note (e))*	–	493	320	134	947	–	947
Wang Rong *(note (f))*	–	–	–	–	–	–	–
	480	5,623	5,090	940	12,133	5,609	17,742

Notes:

(a) Yu Zhihua was resigned as director with effective on 31 December 2025.

(b) Jiangnan Cai was resigned as independent director with effective on 31 December 2025.

(c) Wang Wei was resigned as independent director with effective on 31 December 2025.

(d) Zhang Yangnan was retired as a supervisor with effective on on 31 December 2025.

(e) Wu Fei was retired as a supervisor with effective on on 31 December 2025.

(f) Wang Rong was retired as a supervisor with effective on on 31 December 2025.

Six months 30 June 2025

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Directors							
Ding Lieming	–	501	825	66	1,392	1,083	2,475
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	427	750	74	1,251	217	1,468
Tong Jia	–	549	234	70	853	665	1,518
Yu Zhihua	–	–	–	–	–	–	–
Fan Jianxun	–	549	234	70	853	665	1,518
Ding Shizhe	–	256	200	58	514	237	751
Independent directors							
Jiangnan Cai	60	–	–	–	60	–	60
Wang Wei	60	–	–	–	60	–	60
Huang Xinqi	60	–	–	–	60	–	60
Xiao Jiajia	60	–	–	–	60	–	60
Supervisors							
Zhang Yangnan	–	165	235	59	459	–	459
Wu Fei	–	237	140	66	443	–	443
Wang Rong	–	–	–	–	–	–	–
	240	2,684	2,618	463	6,005	2,867	8,872

Six months 30 June 2026

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Directors							
Ding Lieming	–	500	855	67	1,422	516	1,938
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	427	775	74	1,276	103	1,379
Tong Jia	–	665	150	75	890	263	1,153
Fan Jianxun	–	665	150	75	890	263	1,153
Ding Shizhe	–	256	210	62	528	104	632
Li Mao *(note (a))*	–	501	694	–	1,195	–	1,195
Liu Youngjun *(note (b))*	–	–	–	–	–	–	–
Independent directors							
Huang Xinqi	60	–	–	–	60	–	60
Xiao Jiajia	60	–	–	–	60	–	60
Xuan Jianwei *(note (c))*	60	–	–	–	60	–	60
Ye Jianliang *(note (d))*	60	–	–	–	60	–	60
	240	3,014	2,834	353	6,441	1,249	7,690

Notes:

(a) Li Mao was appointed as director with effective on 31 December 2025.

(b) Liu Youngjun was appointed as director with effective on 31 December 2025.

(c) Xuan Jianwei was appointed as independent director with effective on 31 December 2025.

(d) Ye Jianliang was appointed as independent director with effective on 31 December 2025.

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

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 3, 2, 2, 2 and 3 are directors for 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
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,793	3,865	2,981	1,465	933
Discretionary bonuses	2,535	3,062	3,945	2,125	1,279
Retirement scheme contributions	287	359	286	143	143
Share-based payments	365	3,638	3,383	1,746	679
	5,980	10,924	10,595	5,479	3,034

The number of remaining individuals with the highest emoluments during the Track Record Period respectively, are within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals (unaudited)*	*Number of individuals*
Nil to HK$1,000,000	–	–	–	–	–
HK$1,000,001 to HK$2,000,000	–	–	–	2	2
HK$2,000,001 to HK$2,500,000	1	1	1	–	–
HK$2,500,001 to HK$3,000,000	–	–	–	–	–
HK$3,000,001 to HK$3,500,000	–	–	–	–	–

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals (unaudited)*	*Number of individuals*
HK$3,500,001 to HK$4,000,000	–	–	1	–	–
HK$4,000,001 to HK$4,500,000	1	1	–	–	–
HK$5,000,001 to HK$5,500,000	–	1	–	–	–
HK$5,500,001 to HK$6,000,000	–	–	1	–	–
	2	3	3	3	2

10. OTHER COMPREHENSIVE INCOME

Tax effects relating to each component of other comprehensive income are as follows:

	Exchange differences on translation of financial statements	Financial assets at FVOCI – net movement in fair value reserve (non-recycling)	Total
	RMB'000	*RMB'000*	*RMB'000*
For the year ended 31 December 2023			
Before-tax amount	29,058	41,845	70,903
Effect of deferred tax *(Note 29(b))*	–	(10,147)	(10,147)
Net-of-tax amount	29,058	31,698	60,756
For the year ended 31 December 2024			
Before-tax amount	18,435	49,470	67,905
Effect of deferred tax *(Note 29(b))*	–	(10,990)	(10,990)
Net-of-tax amount	18,435	38,480	56,915
For the year ended 31 December 2025			
Before-tax amount	(19,615)	855,463	835,848
Effect of deferred tax *(Note 29(b))*	–	(126,594)	(126,594)
Net-of-tax amount	(19,615)	728,869	709,254
For the six months ended 30 June 2025 (Unaudited)			
Before-tax amount	(3,759)	(170,381)	(174,140)
Effect of deferred tax *(Note 29(b))*	–	26,033	26,033
Net-of-tax amount (Unaudited)	(3,759)	(144,348)	(148,107)
For the six months ended 30 June 2026			
Before-tax amount	(21,026)	(299,237)	(320,263)
Effect of deferred tax *(Note 29(b))*	–	44,626	44,626
Net-of-tax amount	(21,026)	(254,611)	(275,637)

11 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB348,032,000, RMB402,571,000 and RMB305,329,000 for the years ended 31 December 2023, 2024 and 2025 and RMB139,897,000 and RMB302,135,000 for the six months ended 30 June 2025 and 2026 and the weight average number of ordinary shares for the purpose of calculating basic earnings 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 (unaudited)*	*'000*
Issued ordinary shares at 1 January	417,467	418,486	418,486	418,486	420,734
Effect of share options exercised	334	–	1,130	562	–
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	417,801	418,486	419,916	419,048	420,734

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profits attributable to owners of the Company of RMB348,032,000, RMB402,571,000 and RMB305,329,000 for the years ended 31 December 2023, 2024 and 2025 and RMB139,897,000 and RMB302,135,000 for the six months ended 30 June 2025 and 2026 and the weight average number of ordinary shares for the purpose of calculating diluted earnings per share is calculated as follows:

(i) Profits attributable to owners of the Company is equal to profits attributable to owners used in basic earnings per share calculation as the share options are equity-settled whose effect are reflected in the denominator below.

(ii) Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	'000	*'000*	*'000*	*'000 (unaudited)*	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	417,801	418,486	419,916	419,048	420,734
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	3,073	215	27	1,855	3,399
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	420,874	418,701	419,943	420,903	424,133

12 INVESTMENT PROPERTIES

The Group and the Company

	RMB'000
Cost:	
At 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	50,296
Accumulated depreciation:	
At 1 January 2023	13,479
Charge for the year	1,996
Transfers from property, plant and equipment	1,037
At 31 December 2023 and 1 January 2024	16,512
Charge for the year	2,439
At 31 December 2024 and 1 January 2025	18,951
Charge for the year	2,438
At 31 December 2025 and 1 January 2026	21,389
Charge for the period	1,219
At 30 June 2026	22,608
Net book value:	
At 31 December 2023	33,784
At 31 December 2024	31,345
At 31 December 2025	28,907
At 30 June 2026	27,688

Notes:

(i) The fair value of investment properties are valued by independent professionally qualified valuer to be RMB67,784,000, RMB64,200,000 and RMB60,808,000 and RMB56,897,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026.

All the Group's investment properties are located in the PRC. The fair value measurement of the Group's investment properties is categorised into Level 3 of fair value measurement. The fair value was determined by taking into account the net rental incomes of the properties derived from the existing tenancies with due allowance for the reversionary income potential of the tenancies, which are then capitalised into the values at appropriate capitalisation rates.

(ii) The Group leases out investment property under operating leases. The leases typically run for an initial period of 3 to 5 years. Lease payments are usually increased every 3 years to reflect market rentals. Certain leases include variable lease payment terms that are based on the revenue of tenants.

Undiscounted lease payments under non-cancellable operating leases in place at the end of each reporting period will be receivable by the Group and the Company in future periods 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 1 year	8,699	8,491	4,086	4,814
After 1 year but within 2 years	7,607	2,626	1,632	2,771
After 2 year but within 3 years	1,742	442	–	978
	18,048	11,559	5,718	8,563

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Right-of-use assets *(Note 14)*	Plant and buildings	Machinery and equipment	Furniture, fixtures and office equipment	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	180,477	585,594	359,985	13,498	28,769	1,451,408	2,619,731
Additions	6,070	900	2,822	247	–	616,581	626,620
Transfers in/(out) from construction in progress	–	3,784	23,673	425	–	(27,882)	–
Transfers to investment properties	–	(4,135)	–	–	–	–	(4,135)
Disposals or written off	(8,714)	–	(3,582)	(1,347)	(229)	–	(13,872)
Exchange adjustments	102	–	–	3	–	–	105
At 31 December 2023 and 1 January 2024	177,935	586,143	382,898	12,826	28,540	2,040,107	3,228,449
Additions	16,034	–	702	95	–	557,561	574,392
Transfers in/(out) from construction in progress	–	2,365,509	36,000	–	–	(2,401,509)	–
Disposals or written off	(12,258)	–	(11,136)	(115)	(176)	(767)	(24,452)
Exchange adjustments	(3,241)	–	–	3	–	–	(3,238)
At 31 December 2024 and 1 January 2025	178,470	2,951,652	408,464	12,809	28,364	195,392	3,775,151
Additions	3,700	–	333	776	9,350	131,642	145,801
Transfers in/(out) from construction in progress	–	92,607	3,032	–	–	(95,639)	–
Disposals or written off	(1,957)	–	(885)	(41)	(1,017)	(565)	(4,465)
Adjustment	–	(3,126)	–	–	–	–	(3,126)
Exchange adjustments	–	–	–	(5)	–	–	(5)
At 31 December 2025 and 1 January 2026	180,213	3,041,133	410,944	13,539	36,697	230,830	3,913,356
Additions	–	–	104	196	433	10,920	11,653
Transfers in/(out) from construction in progress	–	2,825	29	–	–	(2,854)	–
Disposals or written off	–	–	(1,870)	(94)	(368)	–	(2,332)
Lease modification	462	–	–	–	–	–	462
Exchange adjustments	(95)	–	–	(7)	–	–	(102)
At 30 June 2026	180,580	3,043,958	409,207	13,634	36,762	238,896	3,923,037
Accumulated depreciation and impairment losses:							
At 1 January 2023	21,841	201,339	162,705	11,559	17,058	3,522	418,024
Charge for the year	9,011	38,920	55,045	725	3,793	–	107,494

	Right-of-use assets *(Note 14)*	Plant and buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Transfer to investment properties	–	(1,037)	–	–	–	–	(1,037)
Written back on disposals or written off	(8,281)	–	(2,579)	(1,271)	(218)	–	(12,349)
Exchange adjustments	22	–	–	3	–	–	25
At 31 December 2023 and 1 January 2024	22,593	239,222	215,171	11,016	20,633	3,522	512,157
Charge for the year	7,183	54,214	56,004	682	3,022	–	121,105
Written back on disposals or written off	(7,234)	–	(10,552)	(106)	(158)	–	(18,050)
Exchange adjustments	34	–	–	4	–	–	38
At 31 December 2024 and 1 January 2025	22,576	293,436	260,623	11,596	23,497	3,522	615,250
Charge for the year	6,232	127,931	52,830	657	3,727	–	191,377
Written back on disposals or written off	(1,332)	–	(348)	(38)	(955)	–	(2,673)
Exchange adjustments	(9)	–	–	(5)	–	–	(14)
At 31 December 2025 and 1 January 2026	27,467	421,367	313,105	12,210	26,269	3,522	803,940
Charge for the period	3,284	65,039	17,865	225	1,560	–	87,973
Written back on disposals or written off	–	–	(1,522)	(89)	(350)	–	(1,961)
Exchange adjustments	(25)	–	–	(7)	–	–	(32)
At 30 June 2026	30,726	486,406	329,448	12,339	27,479	3,522	889,920
Net book value:							
At 31 December 2023	155,342	346,921	167,727	1,810	7,907	2,036,585	2,716,292
At 31 December 2024	155,894	2,658,216	147,841	1,213	4,867	191,870	3,159,901
At 31 December 2025	152,746	2,619,766	97,839	1,329	10,428	227,308	3,109,416
At 30 June 2026	149,854	2,557,552	79,759	1,295	9,283	235,374	3,033,117

The Company

	Right-of-use assets *(Note 14)*	Plant and buildings	Machinery and equipment	Furniture, fixtures and office equipment	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	59,900	585,594	359,126	12,559	28,075	82,462	1,127,716
Additions	5,830	900	2,822	233	–	26,662	36,447
Transfers in/(out) from construction in progress	–	3,784	23,099	425	–	(27,308)	–
Transfers to investment properties	–	(4,135)	–	–	–	–	(4,135)
Disposals or written off	(8,486)	–	(3,582)	(1,347)	(229)	–	(13,644)
At 31 December 2023 and 1 January 2024	57,244	586,143	381,465	11,870	27,846	81,816	1,146,384
Additions	1,413	–	702	54	–	1,786	3,955
Transfers in/(out) from construction in progress	–	16,547	42,564	–	–	(59,111)	–
Disposals or written off	(6,700)	–	(17,700)	(114)	–	(767)	(25,281)
At 31 December 2024 and 1 January 2025	51,957	602,690	407,031	11,810	27,846	23,724	1,125,058
Additions	623	–	332	588	9,349	1,961	12,853
Transfers in/(out) from construction in progress	–	560	3,032	–	–	(3,592)	–
Disposals or written off	(1,957)	–	(885)	(40)	(1,173)	(565)	(4,620)
At 31 December 2025 and 1 January 2026	50,623	603,250	409,510	12,358	36,022	21,528	1,133,291
Additions	–	–	104	178	433	5,020	5,735
Transfers in/(out) from construction in progress	–	–	29	–	–	(29)	–
Disposals or written off	–	–	(1,870)	(94)	(368)	–	(2,332)
Lease modification	462	–	–	–	–	–	462

	Right-of-use assets *(Note 14)*	Plant and buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2026	51,085	603,250	407,773	12,442	36,087	26,519	1,137,156
Accumulated depreciation and impairment losses:							
At 1 January 2023	16,391	201,339	161,378	10,682	16,660	3,522	409,972
Charge for the year	5,356	38,920	54,905	713	3,722	–	103,616
Transfer to investment properties	–	(1,037)	–	–	–	–	(1,037)
Written back on disposals or written off	(8,053)	–	(2,580)	(1,270)	(218)	–	(12,121)
At 31 December 2023 and 1 January 2024	13,694	239,222	213,703	10,125	20,164	3,522	500,430
Charge for the year	4,631	40,150	55,849	664	2,953	–	104,247
Written back on disposals or written off	(4,782)	–	(10,552)	(106)	–	–	(15,440)
At 31 December 2024 and 1 January 2025	13,543	279,372	259,000	10,683	23,117	3,522	589,237
Charge for the year	3,033	40,549	52,696	592	3,658	–	100,528
Written back on disposals or written off	(1,332)	–	(348)	(38)	(1,104)	–	(2,822)
At 31 December 2025 and 1 January 2026	15,244	319,921	311,348	11,237	25,671	3,522	686,943
Charge for the period	1,588	20,277	17,798	185	1,525	–	41,373
Written back on disposals or written off	–	–	(1,522)	(89)	(350)	–	(1,961)
At 30 June 2026	16,832	340,198	327,624	11,333	26,846	3,522	726,355
Net book value:							
At 31 December 2023	43,550	346,921	167,762	1,745	7,682	78,294	645,954
At 31 December 2024	38,414	323,318	148,031	1,127	4,729	20,202	535,821
At 31 December 2025	35,379	283,329	98,162	1,121	10,351	18,006	446,348
At 30 June 2026	34,253	263,052	80,149	1,109	9,241	22,997	410,801

In the prior year, the directors of the Company performed the impairment assessment on certain construction in progress. Full impairment loss on such construction in progress has been recognised. As the relevant research project has not been resumed, no reversal should be made for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2026.

During the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026, depreciation expenses of RMB6,259,000, RMB3,061,000, RMB541,000, RMB476,000 and RMB127,000 have been capitalised into the Group's construction in progress and development costs.

As at 31 December 2023, certain construction in progress with carrying amount of RMB1,313,873,000 were pledged to secure Group's interest bearing borrowings of RMB606,500,000.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain right of use assets with carrying amount of RMB48,361,000, RMB47,332,000, RMB46,303,000, and RMB45,788,000, respectively were pledged to secure the Group's interest bearing borrowings of RMB606,500,000, RMB700,000,000, RMB650,000,000 and RMB600,000,000, respectively.

As at 31 December 2024 and 2025 and 30 June 2026, certain plant and buildings with carrying amount of RMB1,577,931,000 and RMB1,537,491,000 and RMB1,569,131,000, , respectively were pledged to secure the Group's bank borrowings of RMB700,000,000, RMB650,000,000, and RMB600,000,000 respectively.

As at 31 December 2024 and 2025 and 30 June 2026, machinery and equipment with a total carrying amount of RMB42,702,000, RMB56,972,000 and RMB47,937,000, respectively were pledged for the Group's other borrowings of RMB100,019,000, RMB103,953,000 and RMB83,035,000, respectively.

14. RIGHT-OF-USE ASSETS

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	142,215	151,062	147,663	145,963
Plant and buildings	13,127	4,832	5,083	3,891
	155,342	155,894	152,746	149,854

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 asset:					
Leasehold land	3,155	3,359	3,399	1,700	1,700
Plant and buildings	5,856	3,824	2,833	1,236	1,584
Less: amount capitalised in construction in progress and development costs	(2,916)	(1,905)	(244)	(122)	(122)
	6,095	5,278	5,988	2,814	3,162
Interest on lease liabilities (Note 6(a))	565	314	286	125	128
Expense relating to short-term leases	1,393	3,994	3,199	1,918	3,100

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	1,393	3,994	3,199	1,918	3,100
Within financing cash flows	4,811	4,637	2,529	1,210	1,792
	6,204	8,631	5,728	3,128	4,892

Details of the maturity analysis of lease liabilities are set out in Note 25.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Leasehold land	34,451	33,582	32,713	32,279
Plant and buildings	9,099	4,832	2,666	1,974
	43,550	38,414	35,379	34,253

15 INTANGIBLE ASSETS

The Group

	Development costs	Patents and exclusive licenses	Software use rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2023	1,443,856	1,598,595	395	3,042,846
Additions	361,912	321,417	–	683,329
Transfer to patents and exclusive licenses	(601,382)	601,382	–	–
Exchange adjustments	14,234	12,055	5	26,294
At 31 December 2023 and 1 January 2024	1,218,620	2,533,449	400	3,752,469
Additions	215,276	14,318	–	229,594
Transfer to patents and exclusive licenses	(1,082,306)	1,082,306	–	–
Exchange adjustments	31,936	11,477	4	43,417
At 31 December 2024 and 1 January 2025	383,526	3,641,550	404	4,025,480
Additions	62,631	–	–	62,631
Transfer to patents and exclusive licenses	(226,000)	226,000	–	–
Exchange adjustments	–	(48,672)	(6)	(48,678)
At 31 December 2025 and 1 January 2026	220,157	3,818,878	398	4,039,433
Additions	13,840	259,434	–	273,274
Exchange adjustments	–	(56,445)	(8)	(56,453)
At 30 June 2026	233,997	4,021,867	390	4,256,254
Accumulated amortisation and impairment losses:				
At 1 January 2023	–	524,964	395	525,359
Charge for the year	–	202,921	–	202,921
Exchange adjustments	–	4,270	5	4,275
At 31 December 2023 and 1 January 2024	–	732,155	400	732,555
Charge for the year	–	251,484	–	251,484
Impairment loss for the year	–	27,460	–	27,460
Exchange adjustments	–	5,450	4	5,454
At 31 December 2024 and 1 January 2025	–	1,016,549	404	1,016,953
Charge for the year	–	357,489	–	357,489
Exchange adjustments	–	(11,731)	(6)	(11,737)
At 31 December 2025 and 1 January 2026	–	1,362,307	398	1,362,705
Charge for the period	–	191,039	–	191,039
Exchange adjustments	–	(18,845)	(8)	(18,853)
At 30 June 2026	–	1,534,501	390	1,534,891
Net book value:				
At 31 December 2023	1,218,620	1,801,294	–	3,019,914
At 31 December 2024	383,526	2,625,001	–	3,008,527
At 31 December 2025	220,157	2,456,571	–	2,676,728
At 30 June 2026	233,997	2,487,366	–	2,721,363

The Company

	Development costs	Patents and exclusive licenses	Software use rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2023	497,212	803,096	124	1,300,432
Additions	253,282	275,380	–	528,662
Transfer to patents and exclusive licenses	(481,663)	481,663	–	–

	Development costs	Patents and exclusive licenses	Software use rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023 and 1 January 2024	268,831	1,560,139	124	1,829,094
Additions	114,695	14,317	–	129,012
At 31 December 2024 and 1 January 2025	383,526	1,574,456	124	1,958,106
Additions	62,631	–	–	62,631
Transfer to patents and exclusive licenses	(226,000)	226,000	–	–
At 31 December 2025 and 1 January 2025	220,157	1,800,456	124	2,020,737
Additions	13,840	259,434	–	273,274
At 30 June 2026	233,997	2,059,890	124	2,294,011
Accumulated amortisation and impairment loss:				
At 1 January 2023	–	208,813	124	208,937
Charge for the year	–	117,065	–	117,065
At 31 December 2023 and 1 January 2024	–	325,878	124	326,002
Charge for the year	–	152,011	–	152,011
Impairment loss for the year	–	27,460	–	27,460
At 31 December 2024 and 1 January 2025	–	505,349	124	505,473
Charge for the year	–	160,201	–	160,201
At 31 December 2025 and 1 January 2026	–	665,550	124	665,674
Charge for the period	–	95,619	–	95,619
At 30 June 2026	–	761,169	124	761,293
Net book value:				
At 31 December 2023	268,831	1,234,261	–	1,503,092
At 31 December 2024	383,526	1,069,107	–	1,452,633
At 31 December 2025	220,157	1,134,906	–	1,355,063
At 30 June 2026	233,997	1,298,721	–	1,532,718

As at 31 December 2024, the directors of the Company performed impairment assessment on certain patent and exclusive license amounted to RMB59,460,000 as the expected economic benefit from that patent and exclusive license cannot be achieved. The recoverable amount of that patent and exclusive license has been determined from value-in-use calculation. The calculation used cash flow projections based on latest financial budgets approved by the management covering a period of ten years period, which is consistent to the valid period of the underlying patent and exclusive licenses. Pre-tax discount rate of 14% been applied in the value-in-use calculation. The discount rate used is pre-tax that reflect current market assessments of the time value of money and reflect specific risks related to that patent and exclusive license. In accordance with the value-in-use calculation, the recoverable amount is lower than the carrying amount of that patent and exclusive. As a result, an impairment loss of RMB27,460,000 has been recognised for the year ended 31 December 2024.

For the six months ended 30 June 2026, the director of the Company has compared the actual result of that patent and exclusive licenses with the revised budget. It is concluded that no further impairment loss should be provided for the six months ended 30 June 2026.

During the year ended 31 December 2023, amortisation expense of RMB2,665,000 have been capitalised into the Group's development costs. No amortisation capitalisation would be qualified for the capitalisation for the years ended 31 December 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

Development costs are tested for impairment annually by comparing their carrying amount with their recoverable amounts to which the intangible asset is related. As at the end of each reporting period, the development costs represent Ensartinib (Ensacove) 's first line indication, Ensartinib (Ensacove)'s adjuvant therapy, BPI-D0316's adjuvant therapy, and BPI-16350.

The recoverable amount was determined by income approach by using the discount cash flow method. Key assumptions used are sales growth rate during forecasted periods and pre-tax discount rate. The estimated revenue is based on management's expectations of timing of commercialisation, market penetration rate and estimated market size over the life cycle of related products. The discount rates used are pre-tax and reflect specific risks relating to the relevant products.

Carrying amounts and key assumption used in the discount cash flow at the end of each reporting period, are as follows:

Carrying amount of development costs

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	949,788	–	–	–
Ensartinib (Ensacove)'s adjuvant therapy	57,187	85,366	108,632	118,047
BPI-D0316's adjuvant therapy	57,534	99,326	111,525	115,950
BPI-16350	154,111	198,834	–	–
	1,218,620	383,526	220,157	233,997

Discount rate applied

	As at 31 December			As at 30 June
	2023	2024	2025	2026
Ensartinib (Ensacove)'s first line indication	13.5%	N/A	N/A	N/A
Ensartinib (Ensacove)'s adjuvant therapy	14%	13%	13%	13%
BPI-D0316's adjuvant therapy	14%	13%	13%	13%
BPI-16350	14%	13%	N/A	N/A

Based on the result of above assessment, there was no impairment on the development costs as at the end of each reporting periods.

Headroom

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	51,312	N/A	N/A	N/A
Ensartinib (Ensacove)'s adjuvant therapy	120,813	133,635	440,368	469,953
BPI-D0316's adjuvant therapy	63,466	75,674	82,475	99,494
BPI-16350	21,890	257,166	N/A	N/A

Based on the result of assessment, there was no impairment loss on the development cost during the Track Record Period.

Sensitivity analysis is performed based on the change of a key assumption. One of the key significant unobservable inputs to determine the fair value of each development cost is the discount rate. As if the discount rate is higher by 5%, the headroom between the recoverable amount and the carrying amount of each development cost is as follows:

Headroom

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	22,912	N/A	N/A	N/A
Ensartinib (Ensacove)'s adjuvant therapy	113,813	126,635	425,368	453,953
BPI-D0316's adjuvant therapy	56,466	68,674	74,475	94,494
BPI-16350	15,890	246,166	N/A	N/A

Given that there was a headroom in the assessment, the management believes that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause any individual carrying amount to exceed their respective recoverable amount.

16 GOODWILL

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Anew Pharmaceutical CGU	413,584	413,584	413,584	413,584
Less: accumulated impairment losses	–	–	–	(29,933)
	413,584	413,584	413,584	383,651

For the purpose of impairment testing, the goodwill has been allocated to a CGU, representing Anew Pharmaceutical CGU which were acquired by the Group in the prior year.

For the years ended 31 December 2023, 2024 and 2025, the recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a eight-year period from the drug is commercialised. Management considers that using a forecast period of over five years for financial budgets in the goodwill impairment test is appropriate because the useful lives of relevant items of drug licenses are estimated as eight years after commercialisation, and it generally takes longer for a pharmaceutical company to reach the perpetual growth mode, compared to companies in other industries, especially when its product is still under clinical trial and the market of such product is at an early stage of development with substantial growth potential. Cash flow forecast beyond the eight-year period is extrapolated using nil growth rate. 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 CGU. The cash flows for the Anew Pharmaceutical CGU are discounted using pre-tax discount rate of 17.76%, 18.64% and 18.79% as at 31 December 2023, 2024 and 2025.

As the recoverable amount is higher than the net carrying amount, no impairment loss would be considered during the year ended 31 December 2023, 2024 and 2025.

Sensitivity analysis is performed based on the change of a key assumption. One of the key significant unobservable input to determine the recoverable amount of CGU is the discount rate. As if the discount rate is higher by 5%, the headroom between the recoverable amount and the carrying amount of CGU is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Headroom	45,973	94,272	71,538

Given that there was a headroom in the assessment, the management believes that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of CGU.

As at 30 June 2026, the directors of the Company reviewed the recoverable amount of Anew Pharmaceutical CGU as the result of certain research and development project had not met the expectation. This had adverse impact on the estimation of the recoverable amount. The recoverable amount of the CGU is the higher of its fair value less costs of disposal and its value-in-use. For the six months ended 30 June 2026, the recoverable amount of the CGU is determined by the directors with reference to the valuation report issued by an independent professional valuer based on fair value less cost of disposal, which is higher than its value-in-use. Such fair value is assessed by using price to development cost ratio and price to earnings ratio of the comparable companies in the market. As a result, the recoverable amount is assessed as RMB568,700,000.

As the recoverable amount is lower than the net carrying amount, impairment loss on goodwill of RMB29,933,000 was provided. It is Level 3 non-recurring fair value measurement. The key significant unobservable input to determine is the discount for lack of marketability. The higher discount would result in the lower in the fair value measurement of the fair value, and vice versa.

17 INVESTMENT IN SUBSIDIARIES

(a) Particulars of subsidiaries

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following subsidiaries:

Company name	Place and date of incorporation/ establishment	Type of legal entity	Particulars of issued capital/paid-up capital	Effective interest held by the Group				Principal activities	Name of auditor
				As at 31 December			As at 30 June		
				2023	2024	2025	2026		
Beijing Beimeituo Innovative Drug Research and Development Limited (北京貝美拓新藥研發有限公司) *(Notes (b) and (c))*	The People's Republic of China ("PRC"), 16 November 2010	Limited liability company	Chinese Yuan ("RMB") 3,000,000/ RMB3,000,000	80%	100%	100%	100%	Pharmaceutical research, development and sales	2023-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Amgen-Betta Pharmaceuticals (Zhejiang) Co., Ltd. (貝達安進(浙江)製藥有限公司) *(Notes (b) and (c))*	PRC, 17 September 2013	Limited liability company	United States Dollar ("USD") 3,000,000/ USD3,000,000	51%	51%	51%	51%	Pharmaceutical research and development	2023-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Betta Investment (Hong Kong) Limited (貝達投資香港有限公司)	Hong Kong, 14 October 2014	Limited liability company	USD281,085,286	100%	100%	100%	100%	Investment holding	2023-2025: TC-Professional CPA Limited
Zhejiang Betta Diagnostic Technology Limited (浙江貝達診斷技術有限公司) *(Notes (a) and (b))*	PRC, 20 January 2017	Limited liability company	RMB10,000,000/ RMB7,000,000	100%	100%	100%	100%	Research and diagnostic technology and biological detection technology	Not applicable
Anew Pharmaceuticals Co., Ltd. (卡南吉醫藥科技 (上海)有限公司) *(Notes (a) and (b))*	PRC, 1 September 2006	Limited liability company	RMB6,912,665	100%	100%	100%	100%	Pharmaceutical research development	Not applicable
Zhejiang Betta Pharmaceutical Sales Limited (浙江貝達醫藥銷售有限公司) *(Notes (a) and (b))*	PRC, 29 April 2016	Limited liability company	RMB10,000,000	100%	100%	100%	100%	Pharmaceutical wholesales and sales	Not applicable
Betta Dream Works (Hangzhou) Innovation Technology Limited (貝達夢工場(杭州)創新科技有限公司) *(Notes (a) and (b))*	PRC, 1 December 2017	Limited liability company	2023 to 2025: RMB10,000,000/ RMB1,000,000 2026: RMB10,000,000/ RMB10,000,000	100%	100%	100%	100%	House Leasing	Not applicable
Betta Dream Works Holdings Limited (貝達夢工場控股有限公司) *(Notes (a) and (b))*	PRC, 1 December 2017	Limited liability company	2023 to 2025: RMB50,000,000/ RMB35,000,000 2026: RMB50,000,000/ RMB50,000,000	100%	100%	100%	100%	Investment holding	Not applicable

Company name	Place and date of incorporation/ establishment	Type of legal entity	Particulars of issued capital/paid-up capital	Effective interest held by the Group				Principal activities	Name of auditor
				As at 31 December			As at 30 June		
				2023	2024	2025	2026		
Betta Dream Works (Zhejiang) Pharmaceutical Holdings Limited (貝達夢工場(浙江)醫藥控股有限公司) *(Notes (a), (b) and (c))*	PRC, 18 August 2020	Limited liability company	RMB50,000,000	100%	100%	100%	100%	Pharmaceutical production	2023: Not applicable; 2024-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Xcovery *(Notes (c))*	The United States, 22 September 2009	Limited liability company	USD65,739,412.6	98.44%	98.44%	98.44%	98.44%	Pharmaceutical research and development	2023-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Xcovery Betta *(Note (a))*	The United States, 5 January 2017	Limited liability company	USD3,461,889.32	100%	100%	100%	100%	Pharmaceutical research and development	Not applicable
Equinox *(Note (a))*	The United States, 27 April 2017	Limited liability company	USD15,100,000	98.44%	98.44%	98.44%	98.44%	Pharmaceutical research and development	Not applicable
Meryx *(Note (a))*	The United States, 13 May 2013	Limited liability company	USD918.56	59.06%	59.06%	59.06%	98.44%	Pharmaceutical research and development	Not applicable
Betta Pharmaceuticals (Shengzhou) Limited (貝達藥業(嵊州)有限公司) *(Notes (b) and (c))*	PRC, 26 October 2020	Limited liability company	RMB100,000,000	100%	100%	100%	100%	Pharmaceutical production, wholesale and retail	2023-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Betta Biopharmaceutical Technology (Zhejiang) Co., Ltd. (貝達生物醫藥科技(浙江)有限公司) *(Notes (a) and (b))*	PRC, 28 December 2021	Limited liability company	RMB50,000,000	100%	100%	100%	100%	Pharmaceutical research and development	Not applicable
Hangzhou Jingyao Biotechnology Co., Ltd. (杭州景曜生物科技有限責任公司) *(Notes (b))*	PRC, 17 October 2025	Limited liability company	RMB1,000,000/nil	–	–	100%	100%	Pharmaceutical research and development	Not applicable

Notes:

(a) "Not applicable" means no audited financial statements were prepared for this entity during the Track Record Period.

(b) The official names of these entities are in Chinese. The English names are for identification purposes only.

(c) The financial statements of these entities for the respective year were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC.

(b) As the total equity of the Company exceeded the total equity of the Group during the Track Record Period, the management of the Company with the assistance of independent professional valuer have performed the impairment assessments on investments in subsidiaries. The recoverable amount of investments in subsidiaries is determined from fair value less cost of disposal, which is higher than its value-in-use, in which fair value is primarily derived by income approach. A discount rate of 5.2% - 9.7% per annum, 5.2% - 9.5% per annum, 7.2% - 10.0% per annum and 7.0%-9.9% have been used for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2026 respectively. The discount rate used is pre-tax and reflect specific risks relating to the underlying investments. Based on the result of assessment, there was no impairment loss on the investments in subsidiaries during the Track Record Period. The management believe that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of investments in subsidiaries.

(c) Material non-controlling interests (the "NCI")

The following table lists out the information relating to Meryx, 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	40.94%	40.94%	40.94%	N/A
Current assets	2,929	1,828	778	N/A
Non-current assets	275,223	244,414	204,846	N/A
Current liabilities	(11,161)	(11,667)	(11,782)	N/A
Non-current liabilities	–	–	–	N/A
Net assets	266,991	234,575	193,842	N/A
Carrying amount of NCI	109,306	96,035	79,359	N/A

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	–	–	–	–	–
Loss for the year/period	(32,126)	(35,964)	(36,055)	(17,642)	(17,527)
Total comprehensive income	(32,126)	(35,964)	(36,055)	(17,642)	(17,527)
Total comprehensive income allocated to NCI	(13,153)	(14,724)	(14,761)	(7,223)	(7,176)
Cash flows generated from/(used in) operating activities	772	(1,050)	(1,256)	(310)	(422)
Cash flows (used in)/generated from financing activities	(9)	17	240	60	–

18 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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*
At 1 January	107,767	375,210	360,542	651,159
Addition	281,430	500	312,260	–
Share of total comprehensive income of associates	(13,987)	(12,302)	(20,644)	(27,401)
Dividend received	–	–	(999)	–
Others	–	(2,866)	–	–
At 31 December/30 June	375,210	360,542	651,159	623,758

The particulars of the principal joint venture and associates of the Group during the Track Record Period, which are unlisted, are set out as follows:

Name of Company *(Note)*	Form of investments	Place of incorporation and business	Particulars of issued/paid-up capital	Proportion of ownership interest attributed to the Group				Principal activity
				As at 31 December			As at 30 June	
				2023	2024	2025	2026	
Hangzhou Weinuomibo Biotechnology Co., Ltd.* (杭州微諾邁博生物科技有限公司)	Joint venture	PRC	2024 to 2026: RMB6,000,000/ RMB500,000	–	50%	50%	50%	Research and development of medical technology
Fucheng Biopharmaceutical (Zhejiang) Co., Ltd.* (賦成生物製藥(浙江)有限公司) ("Fucheng Biopharmaceutical")	Associate	PRC	2023: RMB65,259,963.20 2024 to 2026: 67,009,963.20	21.86%	21.29%	21.29%	21.29%	Research and development of medical technology
Hangzhou Beicheng Venture Capital Partnership (Limited Partnership)*# (杭州貝橙創業投資合夥企業(有限合夥)) ("Beicheng")	Associate	PRC	2023 and 2024: RMB2,000,000,000/ RMB249,750,000 2025 and 2026: RMB2,000,000,000/ RMB499,500,000	49.95%	49.95%	49.95%	49.95%	Investing in research and development of medical technology project
Hangzhou Zhixing Pharmaceutical Co., Ltd.*(杭州知興製藥有限公司) ("Zhixing")	Associate	PRC	2025 and 2026: RMB10,000,000/ RMB2,000,000	–	–	20%	20%	Research and development of medical technology

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

\# In December 2022, the Group signed a cooperation agreement with other shareholders of Beicheng, in which the Group agreed to contribute RMB999,000,000 as capital on or before 31 December 2030. As at 30 June 2026, the Group contributed RMB499,500,000.

The summarised financial information of the Group's material associates extracted from its management accounts adjusted to align with the Group's accounting policies is as follows:

Fucheng Biopharmaceutical

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	61,969	64,560	53,005	98,566
Non-current assets	778,454	753,626	739,857	712,549
Current liabilities	(241,888)	(269,114)	(245,064)	(270,232)
Non-current liabilities	(91,380)	(85,094)	(133,979)	(139,487)
Net assets	507,155	463,978	413,819	401,396
Reconciled to the Group's interest in Fucheng Biopharmaceutical:				
Group's effective interest	21.86%	21.29%	21.29%	21.29%
Group's share of net assets of Fucheng Biopharmaceutical	110,864	98,781	88,102	85,457
Carrying amount in the consolidated financial statements	110,864	98,781	88,102	85,457

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	34,278	45,337	56,949	31,730	28,583
Loss for the year/period	(63,589)	(45,765)	(52,731)	(22,351)	(13,712)
Total comprehensive income	(63,589)	(45,765)	(52,731)	(22,351)	(13,712)

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reconciled to the Group's share of result:					
Group's effective interest	21.86%	21.29%	21.29%	21.29%	21.29%
Share of loss for the year/period	(11,903)	(12,083)	(10,678)	(4,484)	(2,919)
Share of total comprehensive income	(11,903)	(12,083)	(10,678)	(4,484)	(2,919)

Beicheng

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	411,891	282,009	480,685	420,002
Non-current assets	84,054	209,054	489,882	512,349
Net assets	495,945	491,063	970,567	932,351
Reconciled to the Group's interest in Beicheng:				
Group's effective interest	49.95%	49.95%	49.95%	49.95%
Group's share of net assets in Beicheng	247,725	245,286	484,798	465,709
Carrying amount in the consolidated financial statements	247,725	245,286	484,798	465,709

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	–	–	–	–	–
Loss for the year/period	(4,055)	(4,882)	(18,497)	(3,349)	(38,215)
Total comprehensive income	(4,055)	(4,882)	(18,497)	(3,349)	(38,215)
Reconciled to the Group's share of result:					
Group's effective interest	49.95%	49.95%	49.95%	49.95%	49.95%
Share of loss for the year/period	(2,025)	(2,439)	(9,239)	(1,673)	(19,088)
Share of total comprehensive income	(2,025)	(2,439)	(9,239)	(1,673)	(19,088)

19 FINANCIAL ASSETS AT FAIR VALUE

(a) Financial assets at FVOCI

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity securities				
Agenus Inc.	28,595	4,802	5,381	5,081
Beijing Biostar Pharmaceuticals Co., Ltd.	–	202,826	49,106	36,695
Healthgen Biotechnology Co.,Ltd.	–	–	1,382,918	1,020,530
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.	–	–	92,810	159,730
	28,595	207,628	1,530,215	1,222,036

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity securities				
Hangzhou DAC Biotech Co., Ltd.	56,551	56,551	56,550	56,580
Healthgen Biotechnology Co.,Ltd.	385,000	385,000	–	–
Zhejiang CentryMed Pharmaceutical Co., Ltd.	133,102	133,102	144,030	142,600
Beijing Mabworks Biotech Co. Ltd.	150,000	150,000	176,980	187,340
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.	75,313	87,843	–	–
Beijing Biostar Pharmaceuticals Co., Ltd.	142,622	–	–	–
Others	35,414	55,943	23,755	23,736
	978,002	868,439	401,315	410,256
	1,006,597	1,076,067	1,931,530	1,632,292

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity securities				
Beijing Biostar Pharmaceuticals Co., Ltd.	–	202,826	49,106	36,695
Healthgen Biotechnology Co.,Ltd.	–	–	1,382,918	1,020,530
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.	–	–	92,810	159,730
	–	202,826	1,524,834	1,216,955
Unlisted equity securities				
Hangzhou DAC Biotech Co., Ltd.	56,551	56,551	56,550	56,580
Healthgen Biotechnology Co.,Ltd.	385,000	385,000	–	–
Beijing Mabworks Biotech Co. Ltd.	150,000	150,000	176,980	187,340
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.	75,313	87,843	–	–
Beijing Biostar Pharmaceuticals Co., Ltd.	142,622	–	–	–
Others	35,414	55,943	23,755	23,736
	844,900	735,337	257,285	267,656
	844,900	938,163	1,782,119	1,484,611

The listed equity securities at FVOCI (non-recycling) represent investments in listed equity securities issued by a company incorporated in the United States listed in the United States, two PRC companies listed in Hong Kong and a PRC companies listed in PRC. The unlisted equity securities at FVOCI (non-recycling) represent investments in unlisted equity interest in private entities incorporated in the PRC and an unlisted company incorporated in the United States. These investments are mainly engaged in research and development of innovative pharmaceutical products. The Group designated these investments at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividends were received from these investments during the Track Record Period.

(b) Financial assets at FVPL

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity securities	540	126,439	65,999	567

The analysis on the fair value measurement of the above financial assets is disclosed in Note 35(f).

20 INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	27,119	27,553	44,946	44,085
Semi-finished goods	145,254	90,010	116,657	99,296
Work in progress	1,426	35,414	8,459	22,407
Finished goods	153,703	137,108	211,094	185,919
	327,502	290,085	381,156	351,707

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	27,119	27,489	38,372	39,628
Semi-finished goods	145,254	90,010	116,657	99,296
Work in progress	1,426	35,414	8,459	15,950
Finished goods	153,703	137,108	136,289	151,360
	327,502	290,021	299,777	306,234

21 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	293,274	99,036	351,630	629,685
Less: loss allowance	(6,864)	(570)	(370)	(4,801)
	286,410	98,466	351,260	624,884

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	288,870	96,296	329,681	574,894
Amounts due from subsidiaries *(Note 34)*	17,441	–	2,049	8,702
Less: loss allowance	(6,644)	(459)	(9)	(4,281)
	299,667	95,837	331,721	579,315

All trade receivables are expected to be recovered within 30 to 60 days.

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	156,001	87,782	346,950	538,731
Over 3 months but within 12 months	130,401	10,585	2,400	83,018
Over a year	8	99	1,910	3,135
	286,410	98,466	351,260	624,884

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	168,077	87,148	331,721	498,157
Over 3 months but within 12 months	131,582	8,682	–	81,158
Over a year	8	7	–	–
	299,667	95,837	331,721	579,315

Trade receivables are due within 30 to 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 35(a).

22 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 raw materials and expenses	16,437	45,315	17,425	16,141
Value added tax recoverable	140,187	188,746	228,652	231,626
Prepayment for [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Contract fulfillment cost	–	–	–	11,646
Other deposits and receivables	8,443	9,222	84,909	25,391
	165,067	243,283	354,711	314,515
Less: loss allowance	(5,635)	(5,625)	(5,280)	(5,318)
	159,432	237,658	349,431	309,197
Non-current				
Prepayments for property, plant and equipment	16,518	10,649	117,367	77,057

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 raw materials and expenses	14,307	43,270	12,580	7,070
Prepayment for [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Amounts due from subsidiaries *(Note 34)*	1,118,954	1,765,081	2,530,660	2,849,562
Contract fulfillment cost	–	–	–	11,646
Other deposits and receivables	2,737	1,928	43,002	2,013
	1,135,998	1,810,279	2,609,967	2,900,002
Less: loss allowance	(563)	(491)	(430)	(481)
	1,135,435	1,809,788	2,609,537	2,899,521
Non-current				
Prepayments for property, plant and equipment	73	9,344	117,367	77,057

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

Amounts due from subsidiaries were unsecured, interest-free and repayable on demand.

Included in prepayments, deposits and other receivables, amounts of RMB500,000, RMB1,488,000 and RMB3,963,000 are due from related parties of the Group as at 31 December 2024 and 2025 and 30 June 2026, respectively.

23 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	2	2	2	2
Cash at bank	751,995	471,681	429,979	455,185
	751,997	471,683	429,981	455,187

The Company

	As at 31 December			As at30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	2	2	2	2
Cash at bank	511,344	349,328	245,435	173,454
	511,346	349,330	245,437	173,456

At the end of each reporting period, cash and bank balances of the Group comprised of bank balances and cash held. Bank balances carried interest at prevailing market rates ranging from 0.05% to 1.90%, 0.05% to 4.31%, 0.05% to 0.45% and 0.05% to 0.45% per annum as at December 31, 2023, 2024 and 2025 and 30 June 2026, respectively.

(b) Reconciliation of profit before income tax to cash generated from operations

	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*
Profit before income tax	322,074	394,160	414,363	187,816	368,316
Adjustments for:					
Depreciation for investment properties	1,996	2,439	2,438	1,219	1,219
Depreciation for property, plant and equipment	101,235	118,044	190,836	95,320	87,846
Amortisation of intangible assets	200,256	251,484	357,489	174,565	191,039
Interest expense	44,057	45,490	76,138	38,894	36,473
Share of the results of investments accounted for using equity method	13,987	12,302	20,644	6,505	27,401
Loss/(gain) on disposal of or written off of investment property and property, plant and equipment, net	1,078	1,181	(370)	(69)	349
Net unrealised loss/(gain) on financial assets at FVPL	313	26,305	58,683	76,016	(9)
Net unrealised loss on financial liabilities at FVPL	10,898	–	–	–	–
Net realised loss/(gain) on financial assets at FVPL	–	2,362	–	–	(72,679)
Equity settled share-based payment expenses	(16,464)	(57,133)	41,746	20,255	4,958
Expected credit loss/(reversal of expected credit loss) on trade receivables	5,427	(6,294)	(200)	(396)	4,431
Expected credit loss/(reversal of expected credit loss on deposits and other receivables	3,373	(10)	(345)	(2,251)	52
Impairment losses on intangible assets	–	27,460	–	–	–
Impairment losses on goodwill	–	–	–	–	29,933
Dividend income	(630)	–	–	–	–
Interest income	(10,235)	(6,782)	(4,294)	(3,063)	(1,010)
Foreign exchange (gain)/loss, net	(6,722)	(4,137)	12,624	2,251	17,528

	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*
Operating profit before changes in working capital	670,643	806,871	1,169,752	597,062	695,847
Decrease/(increase) in inventories	44,671	37,417	(91,594)	(35,870)	28,493
Decrease/(increase) in trade receivables	158,788	194,238	(252,594)	(74,536)	(278,055)
Decrease/(increase) in prepayments, deposits and other receivables	6,052	(61,090)	(132,372)	(31,469)	121,222
(Decrease)/increase in trade payables	(25,177)	13,344	39,621	10,053	67,911
Increase/(decrease) in other payables and accruals	17,266	(92,965)	200,836	(7,625)	(105,720)
Increase/(decrease) in deferred income	31,938	6,287	75,229	45,947	(8,256)
Cash generated from operations	904,181	904,102	1,008,878	503,562	521,442

(c) Reconciliation of liabilities arising from financing activities

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 (Note 24)	*RMB'000 (Note 25)*	*RMB'000*
At 1 January 2023	1,036,030	11,459	1,047,489
Changes from financing cash flows:			
Proceeds from new borrowings raised	1,890,000	–	1,890,000
Repayment of borrowings	(511,010)	–	(511,010)
Capital element of lease rentals paid	–	(4,246)	(4,246)
Interest element of lease rentals paid	–	(565)	(565)
Interest paid	(81,060)	–	(81,060)
Total changes from financing cash flows	1,297,930	(4,811)	1,293,119
Other changes:			
Effects on new leases and lease modification during the year	–	5,573	5,573
Finance costs *(Note 6(a))*	43,492	565	44,057
Other changes arising from interest capitalisation and accrued interests	37,568	–	37,568
Total other changes	81,060	6,138	87,189
At 31 December 2023	2,415,020	12,786	2,427,806

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000 (Note 24)	*RMB'000 (Note 25)*	*RMB'000*
At 1 January 2024	2,415,020	12,786	2,427,806
Changes from financing cash flows:			
Proceeds from new borrowings raised	644,750	–	644,750
Repayment of borrowings	(668,293)	–	(668,293)
Capital element of lease rentals paid	–	(4,323)	(4,323)
Interest element of lease rentals paid	–	(314)	(314)
Interest paid	(80,911)	–	(80,911)
Total changes from financing cash flows	(104,454)	(4,637)	(109,091)
Other changes:			
Finance costs *(Note 6(a))*	45,176	314	45,490
Effects on new leases and lease modification during the year	–	(3,817)	(3,817)
Other changes arising from interest capitalisation and accrued interests	33,777	–	33,777
Total other changes	78,953	(3,503)	75,450
At 31 December 2024	2,389,519	4,646	2,394,165

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000 (Note 24)	*RMB'000 (Note 25)*	*RMB'000*
At 1 January 2025	2,389,519	4,646	2,394,165
Changes from financing cash flows:			
Proceeds from new borrowings raised	917,780	–	917,780
Repayment of borrowings	(851,909)	–	(851,909)
Capital element of lease rentals paid	–	(2,243)	(2,243)
Interest element of lease rentals paid	–	(286)	(286)
Interest paid	(73,358)	–	(73,358)
Total changes from financing cash flows	(7,487)	(2,529)	(10,016)
Other changes:			
Effect on new leases and lease modification during the year	–	3,129	3,129
Finance costs *(Note 6(a))*	75,852	286	76,138
Other changes arising from accrued interests	(2,771)	–	(2,771)
Total other changes	73,081	3,415	76,496
At 31 December 2025 and 1 January 2026	2,455,113	5,532	2,460,645
Changes from financing cash flows:			
Proceeds from new borrowings raised	617,037	–	617,037
Repayment of borrowings	(606,988)	–	(606,988)
Capital element of lease rentals paid	–	(1,664)	(1,664)
Interest element of lease rentals paid	–	(128)	(128)
Interest paid	(35,021)	–	(35,021)
Total changes from financing cash flows	(24,972)	(1,792)	(26,764)
Other changes:			
Effect on new leases and lease modification during the period	–	462	462
Finance costs *(Note 6(a))*	36,345	128	36,473
Other changes arising from accrued interests	(1,361)	(92)	(1,453)
Total other changes	34,984	498	35,482
At 30 June 2026	2,465,125	4,238	2,469,363

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000 (Note 24)	*RMB'000 (Note 25)*	*RMB'000*
At 1 January 2025	2,389,519	4,646	2,394,165
Changes from financing cash flows:			
Proceeds from new borrowings raised	580,000	–	580,000
Repayment of borrowings	(547,285)	–	(547,285)
Capital element of lease rentals paid	–	(1,085)	(1,085)
Interest element of lease rentals paid	–	(125)	(125)
Interest paid	(37,959)	–	(37,959)
Total changes from financing cash flows	(5,244)	(1,210)	(6,454)
Other changes:			
Effect on new leases and lease modification during the period	–	3,181	3,181
Finance costs *(Note 6(a))*	38,769	125	38,894
Other changes arising from accrued interests	(810)	–	(810)
Total other changes	37,959	3,306	41,265
At 30 June 2025	2,422,234	6,742	2,428,976

24 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*
Unsecured short-term bank borrowings	300,000	100,000	5,000	2,500
Unsecured current portion of long-term bank borrowings	299,020	588,000	672,440	929,990
Secured current portion of long-term bank borrowings	–	50,000	150,000	200,000
Secured current portion of long-term other borrowings	–	30,931	43,983	45,339
Within 1 year or on demand	599,020	768,931	871,423	1,177,829
Unsecured long-term bank borrowings:				
– After 1 year but within 2 years	538,010	651,500	732,460	459,080
– After 2 years but within 5 years	671,490	250,000	256,260	390,520
– More than 5 years	–	–	35,000	–
Secured long-term bank borrowings:				
– After 1 year but within 2 years	50,000	150,000	300,000	400,000
– After 2 years but within 5 years	556,500	500,000	200,000	–
Secured long-term other borrowings:				
– After 1 year but within 2 years	–	32,988	47,507	31,010
– After 2 years but within 5 years	–	36,100	12,463	6,686
	1,816,000	1,620,588	1,583,690	1,287,296
	2,415,020	2,389,519	2,455,113	2,465,125

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unsecured short-term bank borrowings	300,000	100,000	5,000	2,500
Unsecured current portion of long-term bank borrowings	282,020	527,000	571,160	826,350
Secured current portion of long-term other borrowings	–	30,931	43,983	45,339
Within 1 year or on demand	582,020	657,931	620,143	874,189
Unsecured long-term bank borrowings:				
– After 1 year but within 2 years	477,010	479,970	627,100	350,000
– After 2 years but within 5 years	299,960	–	49,700	163,000
Secured long-term other borrowings:				
– After 1 year but within 2 years	–	32,988	47,507	31,010
– After 2 years but within 5 years	–	36,100	12,463	6,686
	776,970	549,058	736,770	550,696
	1,358,990	1,206,989	1,356,913	1,424,885

Certain of the Group's interest-bearing borrowings are secured by the Group's property, plant and equipment. Please refer to note 13 for the details.

At the end of each reporting period, the weighted average interest rate of the Group's interest bearing borrowings were 3.48%, 3.48%, 2.81% and 2.72% per annum as at December 31, 2023, 2024 and 2025 and 30 June 2026, respectively.

25 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 periods:

The Group

	At 31 December						As 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	4,603	5,238	2,103	2,273	2,663	2,888	2,206	2,370
After 1 year but within 2 years	3,494	3,862	1,551	2,401	1,839	1,951	1,743	1,809
After 2 years but within 5 years	4,689	4,903	992	1,646	1,030	1,053	289	291
After 5 years	–	–	–	150	–	–	–	–
	12,786	14,003	4,646	6,470	5,532	5,892	4,238	4,470
Less: total future interest expenses		(1,217)		(1,824)		(360)		(232)
Present value of lease liabilities		12,786		4,646		5,532		4,238

The Company

	As at 31 December						As 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	3,910	4,327	2,103	2,273	1,670	1,744	1,198	1,245
After 1 year but within 2 years	2,332	2,603	1,551	2,401	750	773	638	650
After 2 years but within 5 years	3,315	3,591	992	1,646	148	150	–	–
After 5 years	–	–	–	150	–	–	–	–
	9,557	10,521	4,646	6,470	2,568	2,667	1,836	1,895
Less: total future interest expenses		(964)		(1,824)		(99)		(59)
Present value of lease liabilities		9,557		4,646		2,568		1,836

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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*
Development project entitlement payable *(Note (a))*	10,000	10,000	10,000	10,000

Notes:

(a) In the prior year, the Company entered into several agreements with its former chief chemistry officer (the "CCO") in respect of the entitlements to potential development and commercialisation results on two pharmaceutical R&D projects. The Company is obliged to honor such entitlements irrespective of whether the CCO remains in office.

Pursuant to the agreements, the CCO is entitled to an amount determined with reference to a proportion (capped at 10%) of the respective fair value of the projects. The liability of the Company in this regard is estimated to be RMB10 million at initial recognition. The subsequent fair value estimate of the liability is mainly based on the expectations of discounted future cash flows of the projects applied by the percentage of entitlements granted to the CCO.

During the Track Record Period, these projects have remained stable at an early stage of commencing with or carrying out the Phase I clinical trials. The Company has not made any significant progress of the underlying developments, and therefore it does not trigger a material change to the fair value of the projects or the percentage of entitlements. Consequently, the directors of the Company consider that there is no fair value change during the Track Record Period.

27 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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	10,674	24,018	63,597	111,157
3 to 12 months	–	–	42	20,393
	10,674	24,018	63,639	131,550

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	10,674	23,722	17,937	111,343

28 OTHER PAYABLES AND ACCRUALS

The Group

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued expenses	*(i)*	316,589	199,530	289,251	290,289
Contract liabilities	*(ii)*	4,035	1,601	1,578	373
Deposits and security deposits		3,828	3,284	3,329	3,367
Payables for property, plant and equipment		675,629	637,315	331,966	215,381
Payables for staff costs		149,451	151,708	163,402	115,606
Interests payable		2,500	1,928	1,752	1,522
Other tax payables		15,038	28,531	66,656	63,816
[**REDACTED**] payable		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other payables		11,724	14,750	58,512	11,268
		1,178,794	1,038,647	922,319	707,858

The Company

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued expenses	*(i)*	295,105	156,831	224,114	215,127
Contract liabilities	*(ii)*	4,035	1,601	1,561	270
Deposit and security deposits		897	1,456	381	581
Payables for property, plant and equipment		225,374	187,304	102,900	105,337
Payables for staff costs		140,681	137,358	153,759	109,954
Interests payable		1,254	949	867	800
Other tax payables		11,966	23,949	43,214	49,390
[**REDACTED**] payable		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Amounts due to subsidiaries *(Note 34)*		43,509	34,000	34,000	63,000
Other payables		10,633	13,571	9,500	8,525
		733,454	557,019	576,169	559,220

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

Included in other payable and accruals, amounts of RMB24,136,000, RMB360,000 and RMB6,150,000 are due from related parties of the Group as at 31 December 2023 and 2025 and 30 June 2026, respectively.

Notes:

(i) Accrued expenses represent rebates to customers, marketing and promotion expenses and other expenses.

(ii) Contract liabilities represent customers' advances received for goods that have not yet been transferred to the customers.

29 INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the statements of financial position represents:

The Group

	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	44	66	4,260	4,260	47,236
Income tax expense for the year/period *(note 7)*	209	3,797	144,377	65,394	88,225
Tax (paid)/refund	(187)	397	(101,401)	(61,343)	(109,706)
At the end of the year/period	66	4,260	47,236	8,311	25,755

The Company

	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	–	–	3,162	3,162	46,056
Income tax expense for the year/period	–	3,162	129,883	65,246	83,899
Tax paid	–	–	(86,989)	(61,197)	(106,607)
At the end of the year/period	–	3,162	46,056	7,211	23,348

(b) 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 throughout the Track Record Period are as follows:

The Group

	Deferred income (Government grants)	Long-term equity investment	Intragroup unrealised profit	Equity settled share-based payment expenses	Tax losses	Financial assets at FVTOCI	Depreciation of property, plant and equipment	Fair value adjustment arising from business combination	Other temporary differences	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	22,293	23,840	–	4,850	30,757	(22,372)	(19,588)	(19,578)	(5,809)	14,393
Recognised in profit or loss	(2,006)	1,285	–	(512)	(4,686)	–	830	5,493	11,346	11,750
Recognised in other comprehensive income	–	–	–	–	–	(10,147)	–	–	–	(10,147)
Recognised in capital reserve	–	–	–	42	–	–	–	–	–	42
Exchange adjustment	–	–	–	–	–	–	–	(301)	–	(301)
At 31 December 2023 and 1 January 2024	20,287	25,125	–	4,380	26,071	(32,519)	(18,758)	(14,386)	5,537	15,737
Recognised in profit or loss	(1,249)	–	17,926	4,469	(26,071)	–	1,120	4,233	(3,810)	(3,382)
Recognised in other comprehensive income	–	–	–	–	–	(10,990)	–	–	–	(10,990)
Recognised in capital reserve	–	–	–	1,883	–	–	–	–	–	1,883
Exchange adjustment	–	–	–	–	–	–	–	(4)	–	(4)
At 31 December 2024 and 1 January 2025	19,038	25,125	17,926	10,732	–	(43,509)	(17,638)	(10,157)	1,727	3,244
Recognised in profit or loss	4,556	–	(427)	(3,983)	–	–	6,419	3,957	5,701	16,223
Recognised in other comprehensive income	–	–	–	–	–	(126,594)	–	–	–	(126,594)
Recognised in capital reserve	–	–	–	(1,932)	–	–	–	–	–	(1,932)
Exchange adjustment	–	–	–	–	–	–	–	282	–	282

	Deferred income (Government grants)	Long-term equity investment	Intragroup unrealised profit	Equity settled share-based payment expenses	Tax losses	Financial assets at FVTOCI	Depreciation of property, plant and equipment	Fair value adjustment arising from business combination	Other temporary differences	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2025 and 1 January 2026	23,594	25,125	17,499	4,817	–	(170,103)	(11,219)	(5,918)	7,428	(108,777)
Recognised in profit or loss	(1,555)	–	(214)	7,011	–	–	1,995	2,052	3,311	12,600
Recognised in other comprehensive income	–	–	–	–	–	44,626	–	–	–	44,626
Recognised in capital reserve	–	–	–	10,056	–	–	–	–	–	10,056
Exchange adjustment	–	–	–	–	–	–	–	157	–	157
At 30 June 2026	22,039	25,125	17,285	21,884	–	(125,477)	(9,224)	(3,709)	10,739	(41,338)

The Company

	Deferred income (Government grants)	Equity settled share-based payment expenses	Tax losses	Financial assets at FVTOCI	Depreciation of property, plant and equipment	Other temporary differences	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	8,847	4,850	30,757	(22,372)	(19,588)	(5,458)	(2,964)
Recognised in profit or loss	(2,511)	(512)	(4,686)	–	830	11,109	4,230
Recognised in other comprehensive income	–	–	–	(10,147)	–	–	(10,147)
Recognised in capital reserve	–	42	–	–	–	–	42
At 31 December 2023 and 1 January 2024	6,336	4,380	26,071	(32,519)	(18,758)	5,651	(8,839)
Recognised in profit or loss	(955)	4,469	(26,071)	–	1,120	(3,778)	(25,215)
Recognised in other comprehensive income	–	–	–	(10,990)	–	–	(10,990)
Recognised in capital reserve	–	1,883	–	–	–	–	1,883
At 31 December 2024 and 1 January 2025	5,381	10,732	–	(43,509)	(17,638)	1,873	(43,161)
Recognised in profit or loss	4,526	(3,983)	–	–	6,419	2,624	9,586
Recognised in other comprehensive income	–	–	–	(126,594)	–	–	(126,594)
Recognised in capital reserve	–	(1,932)	–	–	–	–	(1,932)
At 31 December 2025 and 1 January 2026	9,907	4,817	–	(170,103)	(11,219)	4,497	(162,101)
Recognised in profit or loss	(765)	7,011	–	–	1,995	2,312	10,553
Recognised in other comprehensive income	–	–	–	44,626	–	–	44,626
Recognised in capital reserve	–	10,056	–	–	–	–	10,056
At 30 June 2026	9,142	21,884	–	(125,477)	(9,224)	6,809	(96,866)

(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	39,129	56,732	59,128	58,925
Net deferred tax liabilities recognised in the consolidated statements of financial position	(23,392)	(53,488)	(167,905)	(100,263)
	15,737	3,244	(108,777)	(41,338)

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 liabilities recognised in the statements of financial position of the Company	(8,839)	(43,161)	(162,101)	(96,866)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2.3(l), the Group did not recognise deferred tax assets in respect of cumulative tax losses of RMB931,369,000, RMB1,054,720,000, RMB1,488,418,000 and RMB1,569,904,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Those tax loss will expire within 5 years starting from each of reporting date. It was not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entities.

30 DEFERRED INCOME

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

31 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company currently has two Class II Restricted Share Schemes — 2021 Class II Restricted Share Scheme and 2023 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:

2021 Class II Restricted Share Scheme

On 22 September 2021, a share incentive scheme ("2021 Class II Restricted Share Scheme") was approved at the Company's second extraordinary general meeting of 2021 with 15,550,000 Class II Restricted Shares, in which 12,747,900 is the first batch and 2,802,100 is the reserve batch, to be granted to the eligible directors and employees (the "Participants").

On 27 September 2021, the board of directors approved 2021 Class II Restricted Share Scheme and adjusted the number of Class II Restricted Shares to 15,530,000, in which 12,727,900 is the first batch and 2,802,100 is the reserve batch, to be granted to the "Participants.

The first batch of 2021 Class II Restricted Shares shall be vested in five exercise periods within 5 years after the grant date, and whether the performance appraisal target is achieved by the Participants. The grant price of each 2021 Class II Restricted Share is RMB41.09. 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	10%
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%
Fourth 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	20%
Fifth exercise period	From the first trading day after 60 months from the grant date to the last trading day within 72 months from the grant date	20%

On 27 September 2021, the first batch of 2021 Class II Restricted Shares were granted to the following participants as shown in the following table:

The Participants	Number of Class II Restricted Shares
Directors	3,200,000
Other eligible employee	9,527,900
	12,727,900

The reserve batch of 2021 Class II Restricted Shares shall be vested in four exercise periods within 4 years after twelve months from the grant date, and whether the performance appraisal target is achieved by the Participants. The grant price of each 2021 Class II Restricted Share is RMB41.09. 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	25%

Exercise period	Vesting period	Percentage of exercisable
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%
Fourth 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 19 September 2022, the reserve batch of 2021 Class II Restricted Shares were granted to the following participants as shown in the following table:

The Participants	Number of Class II Restricted Shares
Directors	20,000
Other eligible employee	2,782,100
	2,802,100

Vesting of the share options in relation to 2021 Class II Restricted Share Scheme is conditional upon the operating performance of the Group and the service conditions of the Participants. There was no market conditions associated with the share options.

2023 Class II Restricted Share Scheme

On 5 December 2023, a share incentive scheme ("2023 Class II Restricted Share Scheme") was approved at the Company's first extraordinary general meeting of 2023 with 13,325,490 Class II Restricted Shares, in which 11,105,490 is the first batch and 2,220,000 is the reserve batch, to be granted to the eligible directors and employees (the "Participants").

On 26 December 2023, the board of directors approved 2023 Class II Restricted Share Scheme and adjusted the number of Class II Restricted Shares to 13,299,490, in which 11,079,490 is the first batch and 2,220,000 is the reserve batch, to be granted to the "Participants.

The first batch of 2023 Class II Restricted Shares shall be vested in three exercise periods within 3 years after the grant date, and whether the performance appraisal target is achieved by the Participants. The grant price of each 2023 Class II Restricted Share is RMB41.17. 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	33%
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	34%

On 26 December 2023, the first batch of 2023 Class II Restricted Shares were granted to the following participants as shown in the following table:

The Participants	Number of Class II Restricted Shares
Directors	2,117,500
Other eligible employee	8,961,990
	11,079,490

On 4 December 2024, the board of directors approved the reserve batch of 2023 Class II Restricted Share Scheme and adjusted the number of the reserve batch of 2023 Class II Restricted Shares to 1,689,800, to be granted to the "Participants.

The reserve batch of 2023 Class II Restricted Shares shall be vested in four exercise periods within 4 years after twelve months from the grant date, and whether the performance appraisal target is achieved by the Participants. The grant price of each 2023 Class II Restricted Share is RMB41.00. 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	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	50%

On 4 December 2024, the reserve batch of 2023 Class II Restricted Shares were granted to the following participants as shown in the following table:

The Participants	Number of Class II Restricted Shares
Directors	300,000
Other eligible employee	1,389,800
	1,689,800

Vesting of the share options in relation to 2023 Class II Restricted Share Scheme is conditional upon the operating performance of the Group and the service conditions of the Participants. There was no market conditions associated with the share options.

On 7 July 2026, the exercise prices of 2023 Class II Restricted Share was changed from RMB41.00 to RMB40.65.

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

	At 31 December						Six months ended 30 June	
	2023		2024		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
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*		
Outstanding at the beginning of the year/period	41.16	11,098	41.19	16,748	41.24	10,992	41.37	7,270
Exercised during the year/period	41.09	(1,019)	–	–	41.00	(2,248)	–	–
Forfeited during the year/period	41.09	(4,410)	41.07	(7,446)	41.00	(1,474)	41.00	(392)
Granted during the year/period	41.17	11,079	41.00	1,690	–	–	–	–
Outstanding at the end of the year/period	41.19	16,748	41.24	10,992	41.37	7,270	41.39	6,878

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 2.81 years, 1.84 years, 0.95 years and 0.45 years.

(b) Fair value of share options granted

The grant-date fair value of the share options granted is measured based on Black-Scholes-Merton model.

	2021 Class II Restricted Shares – First Batch	2021 Class II Restricted Shares – Reserve Batch	2023 Class II Restricted Shares – First Batch	2023 Class II Restricted Shares – Reserve Batch
Fair value at measurement date	RMB33.09-RMB58.95	RMB4.86-RMB10.99	RMB3.91-RMB15.33	RMB8.01-RMB18.15
Market price of Company's share	RMB94.4	RMB42	RMB51.61	RMB55.46
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes- Merton model)	25.28%-31.74%	25.61%-28.97%	16.55%-22.41%	29.85%-38.97%
Expected dividends	0%	0.57%	0.14%-0.35%	0.29%-0.45%
Risk-free interest rate	1.5%-2.75%	1.5%-2.75%	1.5%-2.75%	1.5%-2.1%
Option life (expressed as weighted average life used in the modeling under Black-Scholes-Merton model)	1 year to 5 years	1 year to 4 years	1 year to 3 years	1 year to 2 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.

32 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

	Notes	Share capital	Capital reserve	PRC statutory reserve	Fair value reserve (non-recycling)	Retained profits	Total
		32(c) RMB'000	*32(d)(i) RMB'000*	*32(d)(ii) RMB'000*	*32(d)(iv) RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		417,467	2,162,121	209,437	126,866	2,705,982	5,621,873
Profit for the year		–	–	–	–	490,752	490,752
Other comprehensive income		–	–	–	57,503	–	57,503
Total comprehensive income		–	–	–	57,503	490,752	548,255
Share issued upon exercise of share option	*32(c)*	1,019	40,774	–	–	–	41,793
Dividends declared and paid	*32(b)*	–	–	–	–	(29,223)	(29,223)
Equity-settled shares-based transaction		–	(16,486)	–	–	–	(16,486)
Tax effect arising from equity-settled share-based payment		–	42	–	–	–	42
Others		–	–	–	–	3,253	3,253
Balance at 31 December 2023 and 1 January 2024		418,486	2,186,451	209,437	184,369	3,170,764	6,169,507
Profit for the year		–	–	–	–	552,321	552,321
Other comprehensive income		–	–	–	62,274	–	62,274
Total comprehensive income		–	–	–	62,274	552,321	614,595
Dividends declared and paid	*32(b)*	–	–	–	–	(71,143)	(71,143)
Equity-settled shares-based transaction		–	(57,133)	–	–	–	(57,133)
Tax effect arising from equity-settled share-based payment		–	1,883	–	–	–	1,883
Others		–	(2,866)	–	–	–	(2,866)
Balance at 31 December 2024		418,486	2,128,335	209,437	246,643	3,651,942	6,654,843

	Notes	Share capital	Capital reserve	PRC statutory reserve	Fair value reserve (non-recycling)	Retained profits	Total
		32(c) RMB'000	*32(d)(i) RMB'000*	*32(d)(ii) RMB'000*	*32(d)(iv) RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2025		418,486	2,128,335	209,437	246,643	3,651,942	6,654,843
Profit for the year		–	–	–	–	851,248	851,248
Other comprehensive income		–	–	–	717,362	–	717,362
Total comprehensive income		–	–	–	717,362	851,248	1,568,610
Transfer to PRC statutory reserve		–	–	930	–	(930)	–
Share issued upon exercise of share option	*32(c)*	2,248	89,918	–	–	–	92,166
Dividends declared and paid	*32(b)*	–	–	–	–	(83,697)	(83,697)
Equity-settled shares-based transaction		–	41,746	–	–	–	41,746
Tax effect arising from equity-settled share-based payment		–	(1,932)	–	–	–	(1,932)
Balance at 31 December 2025 and 1 January 2026		420,734	2,258,067	210,367	964,005	4,418,563	8,271,736
Profit for the period		–	–	–	–	521,533	521,533
Other comprehensive income		–	–	–	(252,882)	–	(252,882)
Total comprehensive income		–	–	–	(252,882)	521,533	268,651
Dividends declared and paid	*32(b)*	–	–	–	–	(63,110)	(63,110)
Equity-settled shares-based transaction		–	4,958	–	–	–	4,958
Tax effect arising from equitysettled share-based payment		–	10,056	–	–	–	10,056
Balance at 30 June 2026		420,734	2,273,081	210,367	711,123	4,876,986	8,492,291

(b) Dividends

Dividends declared and paid to the equity shareholders of the Company during the Track Record Period are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Final dividends in respect of the previous years, declared and paid during the year/period (RMB'000)	29,223	71,143	83,697	83,697	63,110
Dividend per ten ordinary shares (RMB)	0.7	1.7	1.99	1.99	1.50

(c) Share capital

	Notes	Number of shares	
		'000	*RMB'000*
Ordinary shares, registered, issued and fully paid:			
At 1 January 2023		417,467	417,467
Shares issued upon exercise of share option	*(a)*	1,019	1,019
At 31 December 2023, 1 January 2024, 31 December 2024 and 1 January 2025		418,486	418,486
Shares issued upon exercise of share option	*(b)*	2,248	2,248
At 31 December 2025, 1 January 2026 and 30 June 2026		420,734	420,734

Notes:

(a) During the year ended 31 December 2023, share options were exercised to subscribe for 1,018,840 ordinary shares of the Company at a consideration of RMB41,793,000. An amount of RMB1,019,000 was credited to share capital and an excess amount of RMB40,774,000 was credited to capital reserve.

(b) During the year ended 31 December 2025, share options were exercised to subscribe for 2,247,958 ordinary shares of the Company at a consideration of RMB92,166,000. An amount of RMB2,248,000 was credited to share capital and an excess amount of RMB89,918,000 was credited to capital reserve.

(d) Nature and purpose of reserves and nature of other movements

(i) 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(n)(ii).

(ii) PRC statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

In accordance with the PRC Company Law, the Company and its subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory reserves until the reserves reach 50% of their respective registered capital. For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB. The reserve is dealt with in accordance with the accounting policy as set out in Note 2.3(r).

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see Note 2.3(j)(i)).

(e) 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 security 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.

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	2,415,020	2,389,519	2,455,113	2,465,125
Lease liabilities	12,786	4,646	5,532	4,238
Less: Cash and cash equivalents	(751,997)	(471,683)	(429,981)	(455,187)
Net debt	1,675,809	1,922,482	2,030,664	2,014,176
Total equity	5,351,474	5,666,110	6,667,683	6,636,641
Net debt to equity ratio	0.31	0.34	0.30	0.30

33 CAPITAL COMMITMENTS

Save as disclosed elsewhere, capital commitments outstanding at the end of each reporting period not provided for in the consolidated financial statements 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	8,149	1,650	–	–
Construction of plant and buildings	652,055	257,191	211,468	112,069
Acquisition of patents and exclusive licenses	205,000	180,000	100,000	100,000
	865,204	438,841	311,468	212,069

34 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 8, 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	19,848	18,311	19,055	11,091	8,420
Retirement scheme contributions	1,184	1,330	1,348	668	536
Equity-settled share-based payment expenses	547	9,417	9,219	4,727	1,930
	21,579	29,058	29,622	16,486	10,886

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Names and relationships of the related parties that had other material transactions with the Group during the Track Record Period:

Name of related party	Relationship
Dr. Ding Lieming	Director of the Group
Hangzhou Astrocyte Technology Co., Ltd.	Controlled by Dr. Ding Lieming
Zheiang Beilaite Agricultural Development Co, Ltd.	Controlled by Dr. Ding Lieming
Zheiang Beilaite Cultural Planning Co, Ltd.	Controlled by Dr. Ding Lieming
Zhejiang Beilait Property Management Co., Ltd.	Controlled by Dr. Ding Lieming
Hangzhou Beilait Forest Hotel Management Co., Ltd	Controlled by Dr. Ding Lieming
Hangzhou Beilait Wanghu Catering Management Co., Ltd.	Controlled by Dr. Ding Lieming
Zhejiang Beilait Tourism Development Co., Ltd.	Controlled by Dr. Ding Lieming
Hangzhou Lucai Catering Management Co., Ltd.	Controlled by Dr. Ding Lieming
Hangzhou Beixin Property Management Co., Ltd.	Controlled by Dr. Ding Lieming
Wuhan Healthgen Biotechnology Corp.	Key Management Personnel as Director
Fucheng Biopharmaceutical	Associate of the Company
Beijing Mabworks Biotech Company Ltd.	Key Management Personnel as Director
Hangzhou Gensciences Biopharmaceutical Co.,Ltd	Key Management Personnel as Director

(c) Other significant related party transactions

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group had the following transactions with related parties:

	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*
Receiving of services					
Hangzhou Astrocyte Technology Co., Ltd.	7,066	29,185	5,853	2,644	15,644
Zhejiang Beilaite Agriculture Development Company Limited	10,559	10,368	5,645	3,349	7,578
Zhejiang Beilaite Culture Plan Company Limited	21	–	300	300	99
Zhejiang Beilait Property Management Co., Ltd.	457	1,026	10,810	5,180	5,199
Hangzhou Beilait Forest Hotel Management Co., Ltd.	80	278	904	869	34
Hangzhou Beilait Wanghu Catering Management Co., Ltd.	266	1,901	881	8	331
Zhejiang Beilait Tourism Development Co., Ltd.	135	124	53	21	41
Hangzhou Lucai Catering Management Co., Ltd.	187	243	348	96	44
Hangzhou Beixin Property Management Co., Ltd.	2,450	4,803	4,482	2,041	2,450
Fucheng Biopharmaceutical	337	10,292	6,281	3,153	–
Wuhan Healthgen Biotechnology Corp.	–	–	26,111	–	–
Rendering of services					
Hangzhou Astrocyte Technology Co., Ltd.	23,516	15,138	15,002	7,349	6,843
Fucheng Biopharmaceutical	–	–	1,808	1,808	–
Lease of properties					
Dr. Ding Lieming	36	36	36	36	36
Fucheng Biopharmaceutical	847	960	–	–	–

(d) Significant related party balances

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had following balances with related parties:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in prepayments, deposits and other receivables:				
Amount due from related companies				
Zhejiang Beilait Property Management Co., Ltd.	–	–	263	3,943
Hangzhou Beixin Property Management Co., Ltd.	–	–	1,225	–
Wuhan Healthgen Biotechnology Corp.	–	500	–	20
	–	500	1,448	3,963
Included in other payable and accruals:				
Amount due to related companies				
Hangzhou Astrocyte Technology Co., Ltd.	75	–	360	4,997
Zhejiang Beilaite Agriculture Development Company Limited	76	–	–	1,152
Zhejiang Beilait Tourism Development Co., Ltd.	54	–	–	–
Hangzhou Beilait Forest Hotel Management Co., Ltd.	12	–	–	–
Hangzhou Beilait Wanghu Catering Management Co., Ltd.	31	–	–	–
Fucheng Biopharmaceutical	303	–	–	–
Beijing Mabworks Biotech Company Ltd.	23,585	–	–	–
	24,136	–	360	6,149

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in prepayments, deposits and other receivables:				
Amounts due from subsidiaries				
Beijing Beimeituo Innovative Drug Research and Development Limited	34,083	37,677	37,756	38,161
Betta Investment (Hong Kong) Limited	271,550	484,066	580,358	671,341
Zhejiang Betta Diagnostic Technology Limited	1,104	1,104	1,104	1,104
Betta Dream Works (Zhejiang) Pharmaceutical Holdings Limited	588,608	930,069	1,222,235	1,381,701
Betta Dream Works (Hangzhou) Innovation Technology Limited	137	265	–	48
Betta Biopharmaceutical Technology (Zhejiang) Co., Ltd.	510	510	510	510
Anew Pharmaceuticals Co., Ltd.	132,962	142,962	152,962	157,962
Betta Pharmaceutical (Shengzhou) Co., Ltd.	90,000	168,428	487,428	581,428
Zhejiang Betta Pharmaceutical Sales Limited	–	–	48,000	8,000
Hangzhou Jingyao Biotechnology Co., Ltd.	–	–	307	9,307
	1,118,954	1,765,081	2,530,660	2,849,562
Amounts due from related companies				
Zhejiang Beilait Property Management Co., Ltd.	–	–	263	–
Hangzhou Beixin Property Management Co., Ltd.	–	–	1,225	–
Wuhan Healthgen Biotechnology Corp.	–	500	–	–
	–	500	1,488	–

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in trade receivables:				
Amounts due from subsidiaries				
Betta Dream Works (Hangzhou) Innovation Technology Limited	17,441	–	734	–
Zhejiang Betta Pharmaceutical Sales Limited	–	–	1,315	8,702
	17,441	–	2,049	8,702
Included in other payable and accruals:				
Amounts due to subsidiaries				
Betta Dream Factory Holdings Limited	34,000	34,000	34,000	49,000
Betta Dream Works (Hangzhou) Innovation Technology Limited	9,500	–	–	14,000
Meryx Inc.	9	–	–	–
	43,509	34,000	34,000	63,000
Amount due to a related company				
Hangzhou Astrocyte Technology Co., Ltd.	75	–	360	4,997
Zhejiang Beilaite Agriculture Development Company Limited	–	–	–	1,152
	75	–	360	6,149

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit risk, liquidity risk, interest rate risk, currency risks and equity price risk 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 and deposits and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents 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 deposits and other receivables based on historical settlement records, past experience, and also available reasonable and supportive 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, 46.2%, 48.4%, 43.0% and 44.0%, respectively, of trade receivables were due from the Group's largest customer and 83.6%, 84.8%, 81.9% and 81.8%, 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 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)	2.3%*	288,860	6,643
More than 3 months but less than 1 year past due	5%	4,414	221
		293,274	6,864

	As at 31 December 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.5%*	96,287	457
Less than 3 months past due	0%*	634	–
More than 3 months but less than 1 year past due	5%	2,003	100
More than 1 year but less than 2 years	11.7%	112	13
		99,036	570

	As at 31 December 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.0%*	347,250	24
More than 3 months but less than 1 year past due	5%	2,236	112
More than 1 year but less than 2 years	10%	2,042	204
More than 2 years but less than 3 years	29.4%	102	30
		351,630	370

	As at 30 June 2026		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.7%*	623,584	4,281
Less than 3 months past due	0%*	604	–
More than 3 months but less than 1 year past due	5%	1,940	97
More than 1 year but less than 2 years	10%	3,222	322
More than 2 years but less than 3 years	30%	335	101
		629,685	4,801

* The expected credit loss of trade receivable not past due is not material.

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 historic 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 the Track Record 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	1,437	6,864	570	570	370
Impairment loss recognised/ (reversal of impairment loss) *(Note 5(b))*	5,427	(6,294)	(200)	(396)	4,431
At the end of the year/period	6,864	570	370	174	4,801

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.

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.

Movement in the loss allowance in respect of other receivables during the Track Record 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	2,262	5,635	5,625	5,625	5,280
Impairment loss recognised/ (reversal of impairment loss) *(Note 5(b))*	3,373	(10)	(345)	(2,251)	52
Exchange difference	–	–	–	–	(14)
At the end of the year/period	5,635	5,625	5,280	3,374	5,318

(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, 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	Total	Carrying amount at 31 December 2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	606,221	617,638	1,373,671	–	2,597,530	2,415,020
Lease liabilities	5,238	3,862	4,903	–	14,003	12,786
Trade payables	10,674	–	–	–	10,674	10,674
Other payables and accruals *(note)*	1,010,270	–	–	–	1,010,270	1,010,270
Financial liabilities at FVPL	10,000	–	–	–	10,000	10,000
	1,642,403	621,500	1,378,574	–	3,642,477	3,458,750

	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	786,571	876,023	870,186	–	2,532,780	2,389,519
Lease liabilities	2,273	2,401	1,646	150	6,470	4,646
Trade payables	24,018	–	–	–	24,018	24,018
Other payables and accruals *(note)*	856,807	–	–	–	856,807	856,807
Financial liabilities at FVPL	10,000	–	–	–	10,000	10,000
	1,679,669	878,424	871,832	150	3,430,075	3,284,990

	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	900,746	1,258,955	506,905	39,975	2,706,581	2,455,113
Lease liabilities	2,888	1,951	1,053	–	5,892	5,532
Trade payables	63,639	–	–	–	63,639	63,639
Other payables and accruals *(note)*	690,683	–	–	–	690,683	690,683
Financial liabilities at FVPL	10,000	–	–	–	10,000	10,000
	1,667,956	1,260,906	507,958	39,975	3,476,795	3,224,967

	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 as at 30 June 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	1,201,456	929,663	428,010	–	2,559,129	2,465,125
Lease liabilities	2,370	1,809	291	–	4,470	4,238
Trade payables	131,550	–	–	–	131,550	131,550
Other payables and accruals (note)	528,063	–	–	–	528,063	528,063
Financial liabilities at FVPL	10,000	–	–	–	10,000	10,000
	1,873,439	931,472	428,301	–	3,233,212	3,138,976

Note: Excluding non-financial liabilities of contract liabilities, payables for staff costs and other tax payables.

(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 at bank. 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.

The Group currently does not use any derivative contract to hedge its exposure to interest rate risk. However, the management of the Group, will consider hedging significant interest rate exposure should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest-bearing borrowings for the Track Record Period. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting periods existed for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

For the six months ended 30 June 2026, if interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's profit would (decrease)/increase by RMB21,016,000.

For the year ended 31 December 2025, if interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's profit would (decrease)/increase by RMB16,932,000.

For the year ended 31 December 2024, if interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's loss would (decrease)/increase by RMB15,408,000.

For the year ended 31 December 2023, if interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's profit would (decrease)/increase by RMB10,840,000.

(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
USD	**2023**	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	25,328	69,779	17,890	151,813

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) 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 profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits
	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*
USD. .	5%	1,076	5%	2,966	5%	760	5%	6,452
USD. .	(5%)	(1,076)	(5%)	(2,966)	(5%)	(760)	(5%)	(6,452)

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.

(e) Equity price risk

Equity price risk related to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of change in market price (other than changes in interest rate and foreign exchange rate). The Group is exposed to equity price changes arising from equity investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. (see Note 19).

Decisions to buy or sell listed investments classified as financial assets at fair value through profit or loss are based on daily monitoring of the performance of individual securities and other industry indicators, as well as the Group's liquidity needs.

Listed investments classified as financial assets at fair value through other comprehensive income that are held for non-trading purposes have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

All of the Group's unquoted investments are held for long term strategic purposes. Their performance is assessed annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

The scale of such investments is controlled under a reasonable cap, and investment strategies are designed collectively by the Group based on the corporate governance of the targeted companies.

At 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that an increase/(decrease) of 5% in the relevant stock price (for listed investments), with all other variables held constant, would have increased/decreased the Group's profit or loss and retained profits/fair value reserve of consolidated equity as follows:

	As at 31 December						As at 30 June	
	2023		2024		2025		2026	2026
	Effect on profit and retained profits	Effect on fair value reserve	Effect on profit and retained profits	Effect on fair value reserve	Effect on profit and retained profits	Effect on fair value reserve	Effect on profit and retained profits	Effect on fair value reserve
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Listed investments in financial assets at FVPL:								
Increase in stock prices of the listed investments by 5%	27	–	6,322	–	3,300	–	28	–
Decrease in stock prices of the listed investments by 5%	(27)	–	(6,322)	–	(3,300)	–	(28)	–
Listed investments in financial assets at FVOCI:								
Increase in stock prices of the listed investments by 5%	–	1,430	–	10,381	–	76,511	–	61,102
Decrease in stock prices of the listed investments by 5%	–	(1,430)	–	(10,381)	–	(76,511)	–	(61,102)

At 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that an increase/(decrease) of 5% in the relevant equity price (for unlisted investments), with all other variables held constant, would have increased/decreased the Group's fair value reserve of consolidated equity as follows:

	As at 31 December						As at 30 June	
	2023		2024		2025		2025	2026
	Increase/ (decrease) in the relevant equity price	Effect on fair value reserve	Increase/ (decrease) in the relevant equity price	Effect on fair value reserve	Increase/ (decrease) in the relevant equity price	Effect on fair value reserve	Increase/ (decrease) in the relevant equity price	Effect on fair value reserve
	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*
Unlisted investments in financial assets at FVOCI	5%	48,900	5%	43,422	5%	20,066	5%	20,513
Unlisted investment in financial assets at FVOCI	(5%)	(48,900)	(5%)	(43,422)	(5%)	(20,066)	(5%)	(20,513)

The sensitivity analysis indicates the instantaneous change in the fair value reserve that would arise assuming that the changes in the respective quoted share prices had occurred at the statement of financial position date and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant share price, that none of the Group's non-trading equity investments would be considered impaired as a result of the short-term fluctuation of the relevant share price, and that all other variables remain constant. The analysis is performed on the same basis for the respective previous year/period.

(f) 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.

Analysis on 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*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVPL	540	–	–	540
Financial assets at FVOCI	28,595	–	978,002	1,006,597
	29,135	–	978,002	1,007,137
Financial liabilities:				
Financial liabilities at FVPL	–	–	10,000	10,000

	Fair value measurement at 31 December 2024 categorised into			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVPL	126,439	–	–	126,439
Financial assets at FVOCI	207,628	–	868,439	1,076,067
	334,067	–	868,439	1,202,506
Financial liabilities:				
Financial liabilities at FVPL	–	–	10,000	10,000

	Fair value measurement at 31 December 2025 categorised into			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVPL	65,999	–	–	65,999
Financial assets at FVOCI	1,530,215	–	401,315	1,931,530
	1,596,214	–	401,315	1,997,529
Financial liabilities:				
Financial liabilities at FVPL	–	–	10,000	10,000

	Fair value measurement at 30 June 2026 categorised into			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVPL	567	–	–	567
Financial assets at FVOCI	1,222,036	–	410,256	1,632,292
	1,222,603	–	410,256	1,632,859
Financial liabilities:				
Financial liabilities at FVPL	–	–	10,000	10,000

Except for financial assets at FVOCI amounting to RMB202,826,000 and RMB1,475,728,000 transferred from Level 3 to Level 1 during the years ended 31 December 2024 and 2025 respectively, there were no other 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 the 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.

The fair value of financial assets at FVPL are determined by reference to the quoted market prices at the end of each reporting period in active markets.

The fair value of financial assets at FVOCI and financial liabilities at FVPL are determined as follows:

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Financial assets at FVOCI		
– Unlisted equity securities	Market approach	Price to R&D ratio/ the recent share issuance price
Financial liabilities at FVPL		
– Development project entitlement payable	Income approach	Discount rate

Financial assets at FVOCI under Level 3 measurement

The fair value of unlisted equity securities classified as financial assets at FVOCI is determined by the directors of the Company based on the valuation report prepared by the independent valuer with market approach using price to R&D ratio or the recent share issuance price. It is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as 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*
Opening balance	729,997	978,002	868,439	868,439	401,315
Acquisition during the year/period	158,253	20,000	–	–	–
Disposal during the year/period	(5,000)	–	–	–	–
Fair value change during the year/period	94,752	73,263	1,008,604	(15,442)	8,941
Transfer to level 1	–	(202,826)	(1,475,728)	–	–
Closing balance	978,002	868,439	401,315	852,997	410,256

One of the key significant unobservable inputs to determine the fair value of unlisted equity securities is (i) price to R&D ratio; or (ii) the recent share issuance price. A increase in price to R&D ratio or the recent share issuance price would result in an increase in the fair value of unlisted equity securities classified as financial asset at FVOCI, and vice versa.

The price to R&D ratio applied is 54.8 to 62.7, 62.8 to 68.3, 56.6 to 96.7 and 53.1 to 62.8 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. As at 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in price to R&D ratio by 5% would have increased/decreased the Group's profit for the year by RMB27,656,000, RMB27,731,000, RMB15,300,000 and 13,372,000, respectively.

The recent share issuance price applied is RMB71.6 to RMB117.1, RMB71.6 to RMB180.0, RMB91.2 to RMB211.3 and 162.6 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. As at 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in the recent share issuance price by 5% would have increased/decreased the Group's profit for the year by RMB17,920,000, RMB12,892,000, RMB4,001,000 and 7,130,000, respectively.

Financial liabilities at FVPL under Level 3 measurement

The fair value of development project entitlement payable classified as financial liabilities at FVPL is determined by the directors of the Company based on the valuation report prepared by the independent valuer with income approach using the discounted cash flow method. It is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Opening balance and closing balance	10,000	10,000	10,000	10,000	10,000

One of the key significant unobservable inputs to determine the fair value of development project entitlement payable is discount rate. An increase in discount rate would result in a decrease in the fair value of development project entitlement payable classified as financial liabilities at FVPL, and vice versa.

The discount rate applied is 15%, 14%, 14% and 14% as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. As at 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in discount rate by 5% would have increased/decreased the Group's profit for the year by RMB700,000 and, RMB800,000, RMB600,000 and RMB600,000, respectively.

All financial instruments carried amortised cost are at amounts not materially different from their values as at 31 December 2023, 2024 and 2025 and 30 June 2026.

36 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities during the reporting periods.

37 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

During the Track Record Period, the directors consider the Group does not have immediate parent and ultimate controlling party.

38 EVENT AFTER THE TRACK RECORD PERIOD

There were no significant events subsequent to 30 June 2026.

39 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.