The following is the text of a report set out on pages I-1 to I-[[●]], received from the Company's reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF EXEGENESIS BIO INC. AND CCB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Exegenesis Bio Inc. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[[●]] to I-[[●]], which comprises the consolidated statements of financial position of the Group at 31 December 2024 and 2025 and 30 June 2026, the statements of financial position of the Company at 31 December 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 of the Group for the years ended 31 December 2024, 2025 and the six months ended 30 June 2026 (the "**Track Record Period**") and material accounting policy and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[[●]] to I-[[●]] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "**Document**") in connection with the initial [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 1 to the Historical Financial Information, and for such internal control as the directors of the Company 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 (the "**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 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 of the Company, 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 at 31 December 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 1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative 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 (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Audit and Assurance Standards Board (the "**IAASB**"). 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 International 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 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 1 to the Historical Financial Information.

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

Adjustments

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

Dividends

We refer to note [14] to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[●]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

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 statement of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "**Underlying Financial Statements**").

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		Six months ended 30 June	
	Notes	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	*5*	–	1,299	–	–
Cost of sales		–	(1,169)	–	–
Gross profit		–	130	–	–
Other income	*7*	61,709	13,398	5,892	2,909
Impairment losses under expected credit loss model ("**ECL**"), net of reversal	*20*	(2,301)	(99)	(138)	162
Other gains and losses	*8*	2,965	(859)	233	(1,882)
Fair value change of financial liabilities at fair value through profit or loss ("**FVTPL**") and convertible loan notes	*27,28*	(105,195)	(706,791)	(21,196)	(304,456)
Administrative expenses		(21,151)	(17,831)	(8,455)	(16,175)
[**REDACTED**] expenses		–	(6,707)	–	(7,529)
Research and development expenses	*10*	(144,967)	(103,863)	(57,373)	(53,370)
Other expense		(8,667)	(3,155)	(1,375)	(815)
Finance costs	*9*	(2,197)	(1,125)	(906)	(63)
Loss before tax	*10*	(219,804)	(826,902)	(83,318)	(381,219)
Income tax expense	*11*	–	–	–	–
Loss for the year/period		(219,804)	(826,902)	(83,318)	(381,219)
Other comprehensive expense					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(34)	(88)	(48)	(14)
Total comprehensive expense for the year/period		(219,838)	(826,990)	(83,366)	(381,233)
Loss for the year/period attributable to:					
– Owners of the Company		(219,770)	(826,852)	(83,291)	(381,178)
– Non-controlling interests		(34)	(50)	(27)	(41)
		(219,804)	(826,902)	(83,318)	(381,219)
Total comprehensive expense for the year/period attributable to:					
– Owners of the Company		(219,804)	(826,940)	(83,339)	(381,192)
– Non-controlling interests		(34)	(50)	(27)	(41)
		(219,838)	(826,990)	(83,366)	(381,233)
Loss per share (RMB)	*13*				
– Basic and diluted		(4.33)	(16.28)	(1.64)	(7.51)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	At 31 December 2024	At 31 December 2025	At 30 June 2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property and equipment	*15*	31,134	18,397	14,046
Right-of-use assets	*16*	6,007	3,592	1,959
Intangible assets	*17*	112	150	97
Finance lease receivables		600	–	–
Prepayment on acquisition of non-current assets		1,838	–	–
Prepayment and other receivables	*19*	1,188	2,190	3,239
Amounts due from related parties	*20*	40,461	27,490	27,979
Time deposits	*22*	30,000	–	–
		111,340	51,819	47,320
CURRENT ASSETS				
Inventories	*18*	3,365	2,670	2,039
Finance lease receivables		555	587	290
Prepayment and other receivables	*19*	5,574	5,957	7,216
Amounts due from related parties	*20*	14,007	17,474	15,170
Financial assets at FVTPL	*21*	40,127	68,235	90,287
Time deposits	*22*	50,319	31,417	–
Restricted bank deposits	*22*	300	–	6,000
Cash and cash equivalents	*22*	278,620	191,066	138,209
		392,867	317,406	259,211
CURRENT LIABILITIES				
Trade and other payables	*23*	29,728	30,497	19,946
Amounts due to related parties	*24*	2,989	30	1,144
Bank borrowings	*25*	53,758	–	–
Financial liabilities at FVTPL	*28*	1,774,141	2,450,780	2,745,764
Lease liabilities	*26*	3,913	2,479	826
Convertible loan notes	*27*	128,276	178,428	187,900
		1,992,805	2,662,214	2,955,580
NET CURRENT LIABILITIES		(1,599,938)	(2,344,808)	(2,696,369)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,488,598)	(2,292,989)	(2,649,049)

	Notes	At 31 December 2024	At 31 December 2025	At 30 June 2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Other payables	*23*	155	–	–
Lease liabilities	*26*	2,058	319	17
Deferred income		795	139	46
		3,008	458	63
NET LIABILITIES		(1,491,606)	(2,293,447)	(2,649,112)
CAPITAL AND RESERVES				
Share capital	*29*	7	7	7
Reserves		(1,492,173)	(2,293,964)	(2,649,588)
Equity attributable to owners of the Company		(1,492,166)	(2,293,957)	(2,649,581)
Non-controlling interests		560	510	469
TOTAL DEFICITS		(1,491,606)	(2,293,447)	(2,649,112)

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	At 31 December		At 30 June
		2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Interest in subsidiaries	*37*	789	–	4,017
Amount due from a subsidiary	*20*	751,196	734,517	711,747
		751,985	734,517	715,764
CURRENT ASSETS				
Prepayment and other receivables	*19*	–	1,216	2,665
Amounts due from a related party	*20*	7	7	–
Time deposits	*22*	50,319	–	–
Cash and cash equivalents	*22*	17,036	43,249	21,672
		67,362	44,472	24,337
CURRENT LIABILITIES				
Other payables	*23*	–	1,709	340
Amounts due to related parties	*24*	–	3,354	6,838
Financial liabilities at FVTPL	*28*	1,774,141	2,450,780	2,745,764
Derivative financial instruments	*27*	82,657	99,092	105,347
		1,856,798	2,554,935	2,858,289
NET CURRENT LIABILITIES		(1,789,436)	(2,510,463)	(2,833,952)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,037,451)	(1,775,946)	(2,118,188)
NET LIABILITIES		(1,037,451)	(1,775,946)	(2,118,188)
CAPITAL AND RESERVES				
Share capital	*29*	7	7	7
Reserves	*36*	(1,037,458)	(1,775,953)	(2,118,195)
TOTAL DEFICITS		(1,037,451)	(1,775,946)	(2,188,188)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital	Capital surplus reserve	Translation reserve	Share-based payments reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	7	–	641	130,322	(1,441,532)	(1,310,562)	–	(1,310,562)
Loss for the year	–	–	–	–	(219,770)	(219,770)	(34)	(219,804)
Other comprehensive expense for the year	–	–	(34)	–	–	(34)	–	(34)
Total comprehensive expenses for the year	–	–	(34)	–	(219,770)	(219,804)	(34)	(219,838)
Recognition of equity- settled share-based payments	–	–	–	37,794	–	37,794	–	37,794
Capital injection of non-controlling shareholder *(note)*	–	406	–	–	–	406	594	1,000
At 31 December 2024	7	406	607	168,116	(1,661,302)	(1,492,166)	560	(1,491,606)
Loss for the year	–	–	–	–	(826,852)	(826,852)	(50)	(826,902)
Other comprehensive expense for the year	–	–	(88)	–	–	(88)	–	(88)
Total comprehensive expenses for the year	–	–	(88)	–	(826,852)	(826,940)	(50)	(826,990)
Recognition of equity- settled share-based payments	–	–	–	25,149	–	25,149	–	25,149

	Attributable to owners of the Company							
	Share capital	Capital surplus reserve	Translation reserve	Share-based payments reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2025	7	406	519	193,265	(2,488,154)	(2,293,957)	510	(2,293,447)
Loss for the period	–	–	–	–	(381,178)	(381,178)	(41)	(381,219)
Other comprehensive expense for the period	–	–	(14)	–	–	(14)	–	(14)
Total comprehensive expenses for the period	–	–	(14)	–	(381,178)	(381,192)	(41)	(381,233)
Recognition of equity- settled share-based payments	–	–	–	25,568	–	25,568	–	25,568
At 30 June 2026	7	406	505	218,833	(2,869,332)	(2,649,581)	469	(2,649,112)
(unaudited)								
At 1 January 2025	7	406	607	168,116	(1,661,302)	(1,492,166)	560	(1,491,606)
Loss for the period	–	–	–	–	(83,291)	(83,291)	(27)	(83,318)
Other comprehensive expense for the period	–	–	(48)	–	–	(48)	–	(48)
Total comprehensive expenses for the period	–	–	(48)	–	(83,291)	(83,339)	(27)	(83,366)
Recognition of equity- settled share-based payments	–	–	–	14,660	–	14,660	–	14,660
At 30 June 2025	7	406	559	182,776	(1,744,593)	(1,560,845)	533	(1,560,312)

Note:

During the year ended December 31, 2024, a non-controlling shareholder of Nanjing Yinling Biotech Co., Ltd.* (南京因领生物科技有限公司) ("**Nanjing Yinling**") made capital injection amounting to RMB1,000,000 into Nanjing Yinling.

* *English name is for identification purpose only.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
OPERATING ACTIVITIES				
Loss before tax	(219,804)	(826,902)	(83,318)	(381,219)
Adjustments for:				
Finance costs	2,197	1,125	906	63
Interest income	(11,087)	(5,871)	(3,040)	(1,936)
Depreciation of property and equipment	15,424	12,254	6,947	4,422
Depreciation of right-of-use assets	3,282	3,284	1,646	1,633
Amortisation of intangible assets	182	140	83	53
Net foreign exchange (gains) losses	(1,622)	1,869	340	2,331
Impairment loss under ECL model, net of reversal	2,301	99	138	(162)
Share-based payments expense	37,794	25,149	14,660	25,568
Losses (gains) on disposal of property and equipment	554	(50)	–	–
Gains from financial assets at FVTPL	(1,897)	(824)	(573)	(449)
Losses on fair value change of financial liabilities at FVTPL and convertible loan notes	105,195	706,791	21,196	304,456
Release of deferred income	(1,158)	(656)	(464)	(93)
Operating cash flows before movements in working capital	(68,639)	(83,592)	(41,479)	(45,333)
Decrease in inventories	5,361	695	193	631
(Increase) decrease in prepayment and other receivables	(3,156)	11,264	(931)	150
(Increase) decrease in restricted bank deposits	(300)	300	300	(6,000)
Decrease in trade and other payables	(838)	(483)	(7,605)	(8,017)
NET CASH USED IN OPERATING ACTIVITIES	(67,572)	(71,816)	(49,522)	(58,569)

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
INVESTING ACTIVITIES				
Interest received	9,038	2,996	1,209	1,330
Proceeds from disposal of financial assets at FVTPL	246,847	435,716	420,701	128,397
Proceeds from disposal of property and equipment	17,327	–	–	–
Receipt of rental deposits	–	–	–	158
Proceeds from finance lease of properties	620	621	312	300
Purchase of financial assets at FVTPL	(240,000)	(463,000)	(395,000)	(150,000)
Purchase of property and equipment	(1,220)	(313)	(263)	(73)
Withdrawal of time deposits	261,072	50,198	50,198	38,233
Placement of time deposits	(143,427)	–	–	(7,023)
NET CASH FROM INVESTING ACTIVITIES	150,257	26,218	77,157	11,322
FINANCING ACTIVITIES				
Interest paid	(1,692)	(854)	(744)	–
Repayment of bank borrowings	(50,000)	(101,934)	(62,640)	–
Repayment of amounts due to a related party	–	(750)	–	–
Payments of lease liabilities	(4,616)	(4,094)	(2,219)	(2,007)
Payments of issue costs	–	(665)	–	(1,467)
New bank borrowings raised	53,758	48,176	38,176	–
Proceeds from issuance of convertible loan notes	–	20,000	–	–
Capital injection from non-controlling shareholders	1,000	–	–	–
NET CASH USED IN FINANCING ACTIVITIES	(1,550)	(40,121)	(27,427)	(3,474)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	81,135	(85,719)	208	(50,721)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	196,784	278,620	278,620	191,066
Effect of exchange rate changes	701	(1,835)	(266)	(2,136)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	278,620	191,066	278,562	138,209

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Company was incorporated in the Cayman Islands in 2019 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The address of the Company's registered office is at 4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1-1209, Cayman Islands. The principal place of business of the Company is Room 301, 302, 401, 402, Building 11, Hexiang Technology Center, Qiantang New Area, Hangzhou City, Zhejiang Province, the People's Republic of China.

The Group is principally engaged in research and development of innovative genetic medicines for central nervous system, eye and liver-directed diseases.

The Historical Financial Informations are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

The Historical Financial Information has been prepared in accordance with the accounting policies set out in note 3 which conform with IFRS Accounting Standards issued by the IASB.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

Going concern

The Historical Financial Information has been prepared on a going concern basis notwithstanding that, as at 30 June 2026, the Group had net current liabilities of RMB2,696,369,000, primarily due to the significant amount of the financial liabilities at FVTPL of RMB2,745,764,000. Pursuant to a supplemental agreement entered into by the Company with, among others, the then preferred shareholders of the Company dated 13 January 2026, the redemption rights were terminated upon the first submission of the first application form for [**REDACTED**] of the ordinary shares of the Company (the "[**REDACTED**]") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and shall be reinstated and restored with the respective parties' rights and obligations thereunder resumed with full force and effect (i) upon the Company serving a written notice of withdrawal of the [**REDACTED**] to the Stock Exchange or the expiration of a three-month period after lapse of the [**REDACTED**] of the Company unless such [**REDACTED**] has been renewed within three months after its lapse; (ii) upon the receipt by the Company of a written refusal, rejection or termination by the Stock Exchange of the [**REDACTED**]; or (iii) on 1 January 2028, whichever is the earliest, unless a qualified initial public offering has been consummated on or before 31 December 2027. In this regard, the directors of the Company are of the opinion that the Company is not probable to settle the financial liabilities at FVTPL within twelve months since the date of approval of the Historical Financial Information.

After excluding the financial liabilities at FVTPL, the Group had net current assets of RMB49,395,000 as at 30 June 2026. The directors have reviewed the Group's cash flow projections, which cover a period of at least twelve months from the approval date of the Historical Financial Information, and considered the unutilised bank facilities in the total amount of RMB330,000,000 as at 30 June 2026. The directors are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for at least the next 12 months from the approval date of the Historical Financial Information.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRSS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group's financial year beginning on 1 January 2026 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to IAS 28	Amendments to the Fair Value Option for investments In Associates and Ventures[2]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 20	Regulatory Assets and Regulatory Liabilities[3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2027.
[3] Effective for annual periods beginning on or after 1 January 2029.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

3. MATERIAL ACCOUNTING POLICY INFORMATION

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

During the years ended 31 December 2024 and 2025, Hangzhou Exegenesis Bio Ltd. ("**Hangzhou Exegenesis**") has adopted a set of contractual arrangements with the Hangzhou Quanyin Technology Co., Ltd., the shareholder of Hangzhou Jiayin Biotech Co., Ltd. ("**Hangzhou Jiayin**") and Nanjing Yinling (the "**Contractual Arrangements**") to obtain their entire economic benefits.

The Contractual Arrangements are irrevocable and enable Hangzhou Exegenesis to:

- exercise effective financial and operational control over Hangzhou Jiayin and Nanjing Yinling;
- exercise equity holders' voting rights of Hangzhou Jiayin and Nanjing Yinling;
- receive substantially all economic returns generated by Hangzhou Jiayin and Nanjing Yinling in consideration for the technical and business support provided by the Group;
- obtain an irrevocable and exclusive right to purchase the entire equity interest in Hangzhou Jiayin and Nanjing Yinling from the shareholder to the extent permitted by of PRC law at nominal consideration; and
- obtain a pledge over the entire equity interest of Hangzhou Jiayin and Nanjing Yinling from the shareholder as collateral security for all of Hangzhou Jiayin and Nanjing Yinling due to the Group and to secure performance of the shareholder' obligations under the Contractual Arrangements.

As a result of Contractual Arrangements, Hangzhou Exegenesis has the rights to exercise power over Hangzhou Jiayin and Nanjing Yinling, the right to receive variable returns from its involvement in Hangzhou Jiayin and Nanjing Yinling, and the ability to affect those returns through its power over the Hangzhou Jiayin and Nanjing Yinling, and is therefore considered to control Hangzhou Jiayin and Nanjing Yinling. Consequently, Hangzhou Exegenesis regards Hangzhou Jiayin and Nanjing Yinling as controlled entities and consolidated the assets, liabilities, and results of operations of the Hangzhou Jiayin and Nanjing Yinling in the consolidated financial information of the Group throughout the years ended 31 December 2024 and 2025.

In March 2024, the Contractual Arrangements of Nanjing Yinling were terminated and the owner of Nanjing Yinling transferred the entire equity interests of Nanjing Yinling to Hangzhou Exegenesis. In July 2024, Nanjing Yinling issued additional registered capital to Hangzhou Yinling Bingjin Enterprise Management Partnership and a third party individual at consideration of RMB1,650,724 and RMB1,000,000 and accounts for 40% and 6% of Nanjing Yingling, respectively.

In November 11, 2025, the Contractual Arrangements of Hangzhou Jiayin were terminated and the owner of Hangzhou Jiayin transferred the entire equity interests of Hangzhou Jiayin to Hangzhou Exegenesis. Upon completion of the transfer, the Group owns the entire equity interests of Hangzhou Jiayin (note 37).

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investments in subsidiaries

The Company accounts for investments in subsidiaries using the equity method. Under the equity method, investments in subsidiaries are initially recognised in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiaries. When the Company's share of losses of a subsidiary exceeds the Company's interest in that subsidiary, the Company discontinues recognising its share of further losses.

Revenue from contracts with customers

Information about the Group's accounting policy relating to revenue from contracts with customers is provided in note 5.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases apartments that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (such as printers). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including the risk-free rate based on government bond rates.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "**lease modifications**").

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deferred revenue in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

Payments to government managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options and restricted shares granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Impairment on property and equipment, right-of-use assets and intangible assets

At the end of reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so 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 (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a hedging instrument.

Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated at FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including restricted bank deposits, time deposits, cash and cash equivalents, other receivables, amounts due from related parties and finance lease receivables) which are subjected to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade and other receivables and finance lease receivables. The ECL on these assets are assessed on an individual basis for customers with (1) good credit rating or high credit risk or (2) significant balances with different credit period and the remaining is collectively using provision matrix, estimated based on historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a deregistration event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for other receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables, amounts due from related parties and finance lease receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 8) as part of the net foreign exchange gains (losses);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets (note 8).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities or equity

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible loan notes, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including bank borrowings, trade payables, convertible loan notes, amounts due to related parties, other payables and financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Convertible loan notes

At the date of issue, both the debt component and derivative components are recognised at fair value and the convertible loan notes are designated as at FVTPL. In subsequent period, changes in fair value are recognised in profit or loss as fair value gain or loss except for changes in the fair value that is attributable to changes in the credit risk (excluding changes in fair value of the derivatives component) is recognised in other comprehensive income, unless the recognition of the effects of changes in the credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to the credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss, they are transferred to retained profits upon derecognition.

Transaction costs relating to the issue of the convertible loan notes are charged to profit or loss immediately.

When determining the classification of convertible loan notes as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group's own equity instruments as a result of exercise of conversion options by holders as settlement of the convertible loan notes.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains' line item in profit or loss (note 8) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the management of the Group has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Historical Financial Information.

Research and development expenditures

Development expenses incurred on the Group's product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. The management of the Group assesses the progress of each of the research and development projects and determines that the Group's product pipelines do not meet the above said capitalisation criteria. During the Track Record Period, all the development costs are expensed when incurred.

Key sources of estimation uncertainty

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

Impairment of property and equipment and right-of-use assets

Property and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, the Group estimates the recoverable amounts of the property and equipment and right-of-use assets based on higher of fair value less costs of disposal and value in use, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

At the end of each reporting period, the Group review the carrying amounts of its property and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss.

As at 31 December 2024 and 2025 and 30 June 2026, no indication of impairment for property and equipment and right-of-use assets of the Group are identified, given that (i) such assets of the Group were neither obsolete nor physically damaged, and (ii) the Group's operations and pipelines were making progress as planned and the losses incurred during the Track Record Period did not exceed the budgets for the same periods.

Fair value measurement of financial liabilities at FVTPL and convertible loan notes

No quoted prices in an active market are available for the Group's financial liabilities at FVTPL. These financial liabilities were valued by the directors of the Company with the assistance of an independent qualified professional valuer not connected to the Group, which has appropriate qualifications and experience in valuation of similar financial instruments. The fair value of these financial liabilities is established by using valuation techniques as disclosed in notes 27, 28 and 34. The Group used the discounted cash flow method to determine the underlying share value of the Group and performed an equity allocation based on option pricing model to arrive the fair value of the shares with preferred rights. The estimates and assumptions are reviewed periodically by the directors and adjusted if necessary. Should any of the estimates and assumptions changed, it may lead to a change in the fair value of financial liabilities at FVTPL and convertible loan notes. The fair value of financial liabilities at FVTPL at 31 December 2024 and 2025 and 30 June 2026, was RMB1,774,141,000, RMB2,450,780,000 and RMB2,745,764,000, respectively; the fair value of convertible loan notes at 31 December 2024 and 2025 and 30 June 2026, was RMB128,276,000, RMB178,428,000 and RMB187,900,000 respectively.

Deferred tax assets

As at 31 December 2024 and 2025 and 30 June 2026, no deferred tax asset in relation to unused tax losses accounted to RMB871,843,000, RMB984,271,000, and RMB1,050,185,000 respectively, and deductible temporary differences accounted to RMB8,891,000, RMB5,530,000 and RMB4,332,000 respectively, has not been recognised in the Group's consolidated statements of financial position due to the unpredictability of future profit streams. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from providing recombinant adeno-associated virus with the proprietary vectors	–	1,299	–	–

(ii) Performance obligation for contracts with customers and revenue recognition policies

During the year ended 31 December 2025, the Group earns revenue by providing customer recombinant adeno-associated virus with the proprietary vectors to test the effect of the vectors on its product efficacy, revenue is recognised when control of the goods has been transferred, being when the goods have been shipped to the customer's location (upon delivery).

Revenue is recognised at a point in time when the Group has transferred control of goods to the customer. The credit term is 14 days from the date of invoice.

6. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of performance, the chief executive officer of the Company, being the chief operating decision maker, focuses and reviews on the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

As at 31 December 2024 and 2025 and 30 June 2026, non-current assets of RMB1,135,000, RMB99,000 and RMB58,000 are located in the United States of America ("**U.S.**"), respectively, comprising property and equipment and right-of-use assets. The remaining non-current assets are all located in the People's Republic of China ("**PRC**"). The Group's revenue was generated in U.S. at the amount of nil, RMB1,299,000, nil (unaudited) and nil for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively.

Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group during the period is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer A	N/A*	1,299	N/A*	N/A*

* For the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, there was no revenue recognised.

7. OTHER INCOME

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest income				
– bank deposits	3,922	3,384	1,654	1,101
– time deposits	5,116	1,029	618	229
– receivables from the disposal of long-term assets	1,939	1,389	728	589
– finance lease receivable	110	69	40	17
Government grants *(note)*	44,657	4,382	1,497	159
Rental income	2,024	2,923	1,355	814
Sales of materials	3,941	222	–	–
	61,709	13,398	5,892	2,909

Note: The government grants recognised mainly represent subsidies granted by local government authorities to support the operating activities of the Group. During the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, RMB43,499,000, RMB3,726,000, RMB1,033,000 (unaudited), and RMB66,000 were recognised immediately upon receipt as it related to income, respectively, while RMB1,158,000, RMB656,000, RMB464,000 (unaudited) and RMB93,000 are asset related and were recognised over the useful life of the relevant assets, respectively.

8. OTHER GAINS AND LOSSES

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Gains from financial assets at FVTPL	1,897	824	573	449
Net foreign exchange gains (losses)	1,622	(1,869)	(340)	(2,331)
Net (losses) gains on disposal of long-term assets	(554)	50	–	–
Others	–	136	–	–
	2,965	(859)	233	(1,882)

9. FINANCE COSTS

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest expenses on bank borrowings	1,692	854	744	–
Interest expenses on lease liabilities	505	271	162	63
	2,197	1,125	906	63

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Depreciation of property and equipment	15,424	12,254	6,947	4,422
Depreciation of right-of-use assets	3,282	3,284	1,646	1,633
Amortisation of intangible assets	182	140	83	53
Total depreciation and amortisation charged to profit or loss	18,888	15,678	8,676	6,108
Auditors' remuneration	168	9	9	–
Directors' remuneration				
– Salaries, bonus and other benefits	9,883	9,393	4,707	3,557
– Share-based payments	34,737	23,856	13,804	25,017
– Retirement benefit scheme contributions	346	340	186	159
	44,966	33,589	18,697	28,733
Other staff costs				
– Salaries, bonus and other benefits	38,030	30,700	16,398	12,721
– Share-based payments	3,057	1,293	856	551
– Retirement benefit scheme contributions	4,396	4,034	2,224	1,697
	45,483	36,027	19,478	14,969
Total staff costs charged to profit or loss	90,449	69,616	38,175	43,702
Research and development expenses				
Salaries, bonus and other benefits	42,342	35,139	19,115	13,520
Share-based payments	30,795	19,178	11,757	16,054
Trial and testing expenses	44,549	27,342	15,448	14,455
Depreciation and amortisation	16,223	13,059	7,416	5,189
Material costs	6,102	4,053	1,645	2,329
Utilities	1,732	1,200	566	578
Others	3,224	3,892	1,426	1,245
	144,967	103,863	57,373	53,370

Cost of inventories recognised as research expenditure amounted to RMB5,387,000, RMB3,699,000, RMB1,574,000 (unaudited) and RMB1,793,000 for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively. Cost of inventories recognised as other expenses amounted to RMB4,363,000, RMB211,000, nil (unaudited) and nil for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively.

11. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands and is exempted from income tax.

No provision of Hong Kong Profits Tax was made in the Historical Financial Information as the Group had no assessable profit subject to Hong Kong Profits Tax during the Track Record Period.

The PRC subsidiaries are subjected to PRC income tax rate of 25% during the Track Record Period.

The US subsidiary is mainly operated in State of Massachusetts and registered in Pennsylvania, which is subject to Federal Tax at a rate of 21%, State of Massachusetts Profits Tax at a rate of 8% and State of Pennsylvania Profits Tax at a rate of 8.49% during the Track Record Period.

Income tax expense for the year can be reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Loss before tax	(219,804)	(826,902)	(83,318)	(381,219)
Tax at PRC EIT rate of 25%	(54,951)	(206,726)	(20,829)	(95,305)
Tax effect of income not taxable for tax purpose	(954)	(443)	(209)	(111)
Tax effect of expense not deductible for tax purpose	35,688	180,247	6,146	79,600
Tax effect of deductible temporary differences not recognised	7,710	5,662	1,749	5,906
Tax effect attributable to the additional qualified tax deduction relating to research and development costs (note)	(20,259)	(14,852)	(7,600)	(4,852)
Tax effect of tax losses not recognised	33,630	40,617	23,580	17,177
Utilisation of deductible temporary differences previously not recognised	(864)	(4,505)	(2,837)	(2,415)
Income tax expense	–	–	–	–

Note: Pursuant to Caishui 2018 circular No. 99, Hangzhou Jiayin and Hangzhou Exegenesis and Guangzhou Jiayin enjoy super deduction of 100% on qualifying research and development expenditures throughout the Track Record Period.

The unrecognised tax losses will be carried forward and expire in years as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
2025	48,362	–	–
2026	167,453	167,453	167,453
2027	289,694	289,694	289,694
2028	193,420	193,420	193,420
2029	122,796	122,796	122,796
2030	–	127,129	127,129
2031	–	–	52,734
Indefinite	50,118	83,779	96,959
	871,843	984,271	1,050,185

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(A) Directors' and the chief executive's emoluments

During the Track Record Period, directors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Director fee	Salaries and other benefits	Retirement benefit scheme	Discretionary bonus	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Executive directors						
Dr. Wu Zhenhua *(note i)*	–	1,991	69	365	20,529	22,954
Dr. Ye Guojie *(note ii)*	–	2,101	67	364	5,952	8,484
Ms. Wang Lijun *(note iv)*	–	2,315	67	406	4,796	7,584
Dr. Song Chunjuan *(note iii)*	–	2,288	143	53	3,460	5,944
	–	8,695	346	1,188	34,737	44,966

	Director fee	Salaries and other benefits	Retirement benefit scheme	Discretionary bonus	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025						
Executive directors						
Dr. Wu Zhenhua *(note i)*	–	1,985	81	449	14,599	17,114
Dr. Ye Guojie *(note ii)*	–	1,891	77	358	3,060	5,386
Ms. Wang Lijun *(note iv)*	–	2,178	77	77	2,475	4,807
Dr. Song Chunjuan *(note iii)*	–	1,985	105	470	3,722	6,282
	–	8,039	340	1,354	23,856	33,589

	Director fee	Salaries and other benefits	Retirement benefit scheme	Discretionary bonus	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (unaudited)						
Executive directors						
Dr. Wu Zhenhua *(note i)*	–	991	45	225	8,373	9,634
Dr. Ye Guojie *(note ii)*	–	949	42	179	1,914	3,084
Ms. Wang Lijun *(note iv)*	–	1,093	42	39	1,547	2,721
Dr. Song Chunjuan *(note iii)*	–	995	57	236	1,970	3,258
	–	4,028	186	679	13,804	18,697

	Director fee	Salaries and other benefits	Retirement benefit scheme	Discretionary bonus	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026						
Executive directors						
Dr. Wu Zhenhua *(note i)*	–	984	46	222	14,549	15,801
Dr. Ye Guojie *(note ii)*	–	903	28	185	3,240	4,356
Dr. Song Chunjuan *(note iii)*	–	971	85	172	4,161	5,389
Non-executive director						
Ms. Wang Lijun *(note iv)*	–	120	–	–	3,067	3,187
	–	2,978	159	579	25,017	28,733

Notes:

i. Dr. Wu Zhenhua ("**Dr. Wu**") was appointed as an executive director with effect from 24 May 2019, and he was appointed as the chief executive officer of the Company with effect from 24 May 2019.

ii. Dr. Ye Guojie ("**Dr. Ye**") was appointed as an executive director on 12 February 2020.

iii. Dr. Song Chunjuan ("**Dr. Song**") joined the Company as key management in January 2022 and was redesignated as executive director on 6 January 2026. The remuneration disclosed above includes those for her service as key management personnel for the years ended 2024 and 2025.

iv. Ms. Wang Lijun ("**Ms. Wang**") was appointed as an executive director on 12 February 2020 and served as the chief technology officer of the Company from September 2019 to December 2025. And she was redesignated as a non-executive Director on 6 January 2026 and consultant on [●] 2026. The remuneration disclosed above includes those for her service as consultant for the six months ended 30 June 2026.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and/or the Group during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

During the Track Record Period, directors were granted share options, in respect of their services to the Group, details are set out in note 30 to the Historical Financial Information.

(B) Independent non-executive directors

No independent non-executive directors were appointed by the Company during the Track Record Period. Mr. Zhao Hui, Dr. Li Ankang and Dr. Wu You were appointed as independent non-executive directors of the Company and the appointment would take effect upon [**REDACTED**].

(C) Five highest paid employees

The five highest paid employees of the Group include 4, 4, 4 (unaudited) and 4 directors of the Group whose emoluments are set out above for the Track Record Period. The emoluments of the remaining 1, 1, 1 (unaudited) and 1 employee for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, respectively, are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, bonus and other benefits	2,813	2,510	1,514	949
Share-based payments	2,422	1,483	1,034	482
Retirement benefit scheme contributions	125	105	85	79
	5,360	4,098	2,633	1,510

The number of the five highest paid individuals are within the following bands presented in Hong Kong Dollar ("**HK$**"):

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
			(unaudited)	
HK$1,500,001 to HK$2,000,000	–	–	–	1
HK$2,500,001 to HK$3,000,000	–	–	2	–
HK$3,000,001 to HK$3,500,000	–	–	1	–
HK$3,500,001 to HK$4,000,000	–	–	1	1
HK$4,000,001 to HK$4,500,000	–	1	–	–
HK$4,500,001 to HK$5,000,000	–	–	–	–
HK$5,000,001 to HK$5,500,000	–	1	–	1
HK$5,500,001 to HK$6,000,000	1	1	–	–
HK$6,000,001 to HK$6,500,000	–	–	–	1
HK$6,500,001 to HK$7,000,000	1	1	–	–
HK$8,000,001 to HK$8,500,000	1	–	–	–
HK$9,000,001 to HK$9,500,000	1	–	–	–
HK$10,500,001 to HK$11,000,000	–	–	1	–
HK$18,000,001 to HK$18,500,000	–	–	–	1
HK$18,500,001 to HK$19,000,000	–	1	–	–
HK$25,000,001 to HK$25,500,000	1	–	–	–
	5	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
			(unaudited)	
Loss (RMB'000):				
Loss for the year/period attributable to owners of the Company	(219,770)	(826,852)	(83,291)	(381,178)
Number of shares ('000):				
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	50,784	50,784	50,784	50,784
Loss per share (RMB)				
–Basic and diluted	(4.33)	(16.28)	(1.64)	(7.51)

The computation of diluted loss per share for the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, has not considered share options granted under the share incentive plan (note 30), the unvested restricted shares, and the conversion of preferred shares and convertible loan notes as their inclusion would be anti-dilutive.

14. DIVIDENDS

No dividend was declared or paid by the Company during the Track Record Period.

15. PROPERTY AND EQUIPMENT

The Group

	Electronic device	Machinery	Motor vehicles	Office equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
At 1 January 2024	2,473	47,440	377	921	27,793	11,111	90,115
Additions	6	97	–	–	32	1,299	1,434
Transfer from construction in progress	–	176	–	–	4,327	(4,503)	–
Disposals	–	–	–	–	–	(3,476)	(3,476)
Exchange adjustments	11	–	–	6	–	–	17
At 31 December 2024	2,490	47,713	377	927	32,152	4,431	88,090
Additions	–	60	–	–	32	194	286
Transfer from construction in progress	366	1,968	–	–	90	(2,424)	–
Disposals	–	–	–	–	–	(588)	(588)
Transfer out	–	–	–	–	–	(178)	(178)
Exchange adjustments	(17)	–	–	(9)	–	–	(26)
At 31 December 2025	2,839	49,741	377	918	32,274	1,435	87,584
Additions	–	–	–	–	39	34	73
Exchange adjustments	(24)	–	–	(12)	–	–	(36)
At 30 June 2026	2,815	49,741	377	906	32,313	1,469	87,621
ACCUMULATED DEPRECIATION							
At 1 January 2024	(1,764)	(22,299)	(166)	(402)	(16,887)	–	(41,518)
Provided for the year	(447)	(8,858)	(90)	(161)	(5,868)	–	(15,424)
Exchange adjustments	(11)	–	–	(3)	–	–	(14)
At 31 December 2024	(2,222)	(31,157)	(256)	(566)	(22,755)	–	(56,956)
Provided for the year	(261)	(7,308)	(89)	(146)	(4,450)	–	(12,254)
Exchange adjustments	17	–	–	6	–	–	23
At 31 December 2025	(2,466)	(38,465)	(345)	(706)	(27,205)	–	(69,187)
Provided for the period	(85)	(2,860)	(13)	(72)	(1,392)	–	(4,422)
Exchange adjustments	24	–	–	10	–	–	34
At 30 June 2026	(2,527)	(41,325)	(358)	(768)	(28,597)	–	(73,575)
CARRYING VALUE							
At 1 January 2024	709	25,141	211	519	10,906	11,111	48,597
At 31 December 2024	268	16,556	121	361	9,397	4,431	31,134
At 31 December 2025	373	11,276	32	212	5,069	1,435	18,397
At 30 June 2026	288	8,416	19	138	3,716	1,469	14,046

The above items of property and equipment, other than construction in progress, are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives	Estimated residual values
	years	
Electronic device	3	5%
Machinery	5	5%
Office equipment	3	5%
Motor vehicles	4	5%
Leasehold improvements	Shorter of relevant lease terms or 5 years	0%

16. RIGHT-OF-USE ASSETS

The Group as lessee

	Office properties
	RMB'000
COST	
At 1 January 2024	11,034
Modification of lease	(29)
Exchange adjustments	33
At 31 December 2024	11,038
Additions	871
Lease expiration	(2,291)
Exchange adjustments	(21)
At 31 December 2025 and 30 June 2026	9,597
ACCUMULATED DEPRECIATION	
At 1 January 2024	(1,724)
Provided for the year	(3,282)
Exchange adjustments	(25)
At 31 December 2024	(5,031)
Provided for the year	(3,284)
Decrease for lease expiration	2,291
Exchange adjustments	19
At 31 December 2025	(6,005)
Provided for the period	(1,633)
At 30 June 2026	(7,638)
CARRYING VALUE	
At 1 January 2024	9,310
At 31 December 2024	6,007
At 31 December 2025	3,592
At 30 June 2026	1,959

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Expenses relating to short-term and low value leases	111	60	24	85
Total cash outflow for leases	4,727	4,154	2,243	2,092

During the Track Record Period, the Group leases various properties for its operations. Lease contracts are entered into for fixed terms of 3 to 5 years. The Group's obligations are secured by the rental deposits for such leases. The Group determines the lease period to be the non-cancellable period based on the contractual terms of the contract.

In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Restrictions or covenants on leases

In addition, lease liabilities of RMB5,971,000, RMB2,798,000 and RMB843,000 are recognised with related right-of-use assets of RMB6,007,000, RMB3,592,000 and RMB1,959,000 at 31 December 2024 and 2025 and 30 June 2026, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INTANGIBLE ASSETS

The Group

	Software
	RMB'000
COST	
At 1 January 2024 and 31 December 2024	594
Addition	178
At 31 December 2025 and 30 June 2026	772
AMORTIZATION	
At 1 January 2024	(300)
Charge for the year	(182)
At 31 December 2024	(482)
Charge for the year	(140)
At 31 December 2025	(622)
Charge for the period	(53)
At 30 June 2026	(675)
CARRYING VALUE	
At 1 January 2024	294
At 31 December 2024	112
At 31 December 2025	150
At 30 June 2026	97

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Software	3 years

18. INVENTORIES

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Materials for research and development projects	3,365	2,670	2,039

19. PREPAYMENT AND OTHER RECEIVABLES

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Prepayments *(note)*	5,038	4,531	4,273
Deferred issue costs	–	1,097	2,214
Prepayments of [**REDACTED**] expenses and issue costs	–	119	451
Value-added tax recoverable	263	1,054	2,133
Rental and other deposits	1,028	1,051	1,048
Others	433	295	336
	6,762	8,147	10,455
Analysed as:			
Current	5,574	5,957	7,216
Non-current	1,188	2,190	3,239
	6,762	8,147	10,455
Less: Allowance for ECL	–	–	–
	6,762	8,147	10,455

Note: As of 31 December 2024 and 2025 and 30 June 2026, the balance of prepayments includes RMB2,555,000, RMB1,533,000 and nil prepayment to Hangzhou CoJourney Bio Ltd. ("**Hangzhou CoJourney**") for research and development service, respectively.

The Company

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Deferred issue costs	–	1,097	2,214
Prepayments of [**REDACTED**] expenses and deferred issue costs	–	119	451
	–	1,216	2,665
Analysed as:			
Current	–	1,216	2,665

20. AMOUNTS DUE FROM RELATED PARTIES/AMOUNTS DUE FROM A SUBSIDIARY

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade nature			
Hangzhou CoJourney			
– Receivables from the disposal of long-term assets	43,684	45,073	45,662
– Receivables from sales of materials and rental services	14,244	3,449	891
Non-trade nature			
Landes Therapeutics Ltd			
– Receivable for shares issued	7	7	–
CoJourney Inc.			
– Other receivable	–	1	–
Less: Allowance for ECL	3,467	3,566	3,404
	54,468	44,964	43,149
Analysed as:			
Current	14,007	17,474	15,170
Non-current	40,461	27,490	27,979
	54,468	44,964	43,149

On 31 July 2023, the Group entered into an asset transfer agreement (the "**Original Asset Transfer Agreement**") with Hangzhou CoJourney to dispose its production lines and relevant equipment for plasmid manufacturing at a consideration of RMB72,877,000, pursuant to which Hangzhou Cojourney agreed to pay the consideration in five equal installments by 31 July 2023, 31 January 2024, 31 July 2024, 31 January 2025 and 31 May 2025, respectively. Hangzhou CoJourney settled the first two installments on the due dates.

On 20 July 2024, the Group and Hangzhou CoJourney entered into a supplemental agreement to the Original Asset Transfer Agreement (the "**First Supplemental Agreement**"), pursuant to which the Group agreed to extent the remaining three installments, together with related interest calculated at an annual interest rate of 3.0%, by 31 December 2026, 2027 and 2028, respectively. As of 31 December 2024 and 2025 and 30 June 2026, the amount of RMB43,684,000, RMB45,073,000 and RMB45,662,000 is guaranteed by Jiaxing CoJourney Bio Ltd. (嘉興行誠生物科技有限公司), the holding company of Hangzhou CoJourney, respectively.

On 9 January 2026, the Group and Hangzhou CoJourney entered into a second supplemental agreement to adjust the annual interest rate from 3.0% to 2.7% from 9 January 2026, with the same repayment date agreed in First Supplemental Agreement. The First Supplemental Agreement was terminated thereof.

Other than disclosed above, other amounts due from related parties are unsecured and interest-free.

Allowances for expected credit losses:

	RMB'000
January 1, 2024	1,166
Provided for the year	2,301
December 31, 2024	3,467
Provided for the year	99
December 31, 2025	3,566
Reversed for the period	(162)
June 30, 2026	3,404

Below is an aging analysis for receivables from sales of materials and rental services based on invoice dates:

	At 31 December		At 30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
1-60 days	5,604	3,449	710
60-180 days	359	–	181
Over 180 days	8,281	–	–
	14,244	3,449	891

The Company

	At 31 December		At 30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Amount due from a subsidiary Exegenesis HK Limited –Other receivable	751,196	734,517	711,747
Amount due from a related party Landes Therapeutics Ltd –Receivable for shares issued	7	7	–
	751,203	734,524	711,747
Analysed as:			
Current	7	7	–
Non-current	751,196	734,517	711,747
	751,203	734,524	711,747

The amounts due from related parties are non-trade, unsecured and interest-free.

21. FINANCIAL ASSETS AT FVTPL

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Investment in structured deposits	40,127	68,235	90,287

22. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS/TIME DEPOSITS

The Group

Time deposits with an original maturity over three months carry interests at market rates which were from 2.90% to 5.085% and 2.90% to 2.55% per annum as at 31 December 2024 and 2025, respectively. And the Group had no time deposits as at 30 June 2026.

The Group's restricted bank deposits as at 31 December 2024 were deposited to banks for securing bills payable by the Group and are therefore classified as current assets. The restricted bank deposits were released upon the settlement of relevant bill payables. And The Group's restricted bank deposits as at 30 June 2026 were frozen by the court in connection with trademark infringement complaints received by Jiayin Hangzhou.

Cash and cash equivalents and restricted bank deposits carry interest at market rates ranging from 0.05% to 4.95%, 0.05% to 3.85% and 0.00% to 3.60% as at 31 December 2024 and 2025 and 30 June 2026, respectively.

Details of impairment assessment are set out in note 34.

Cash and cash equivalents and time deposits that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
USD	101,780	76,209	52,225

The Company

Time deposits with an original maturity over three months carry interests at market rate which was 5.085% as at 31 December 2024. And the Group had no time deposits as at 31 December 2025 and 30 June 2026.

Cash and cash equivalents carry interest at market rates which were 0.05%, 0.05% and 0.05% to 3.15% as at 31 December 2024 and 2025 and 30 June 2026, respectively. Details of impairment assessment are set out in note 34.

Cash and cash equivalents and time deposits that are denominated in currencies other than functional currencies of the Company are set out below:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
USD	67,356	43,251	21,086

23. TRADE AND OTHER PAYABLES

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	7,420	7,456	5,124
	7,420	7,456	5,124
Bills payable	1,200	–	–
Accrued research and development expenses	5,993	6,796	6,285
Accrued payroll and welfare	8,576	7,355	4,277
Other taxes payables	2,902	39	8
Rental payables	1,540	1,740	1,735
Payables for acquisition of property and equipment	673	646	646
Employee subsidies payable	400	2,600	–
Accrued [**REDACTED**] expenses and issue costs	–	3,330	1,025
Others	1,179	535	846
	22,463	23,041	14,822
	29,883	30,497	19,946
Analysed as			
Current	29,728	30,497	19,946
Non-current	155	–	–
	29,883	30,497	19,946

The credit period on purchases of goods and services ranged from 30 to 60 days.

The following is an aged analysis of trade payables, presented based on the invoice dates, at the end of each reporting period:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	6,783	6,827	4,495
1 year to 2 years	4	–	–
Over 2 years	633	629	629
	7,420	7,456	5,124

The Company

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Accrued [**REDACTED**] expenses and issue costs	–	1,709	340
Analysed as			
Current	–	1,709	340

24. AMOUNTS DUE TO RELATED PARTIES

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou CoJourney	–	–	112
Dr. Wu			
– Reimbursement	50	30	–
– Government talent subsidy payable	600	–	–
Ms. Wang			
– Government talent subsidy payable	1,580	–	–
Ms. Shen Yue'e			
– Payables for Contractual Arrangements	750	–	–
Dr. Ye			
– Government talent subsidy payable	9	–	–
Dr. Song			
– Government talent subsidy payable	–	–	1,025
– Reimbursement	–	–	7
	2,989	30	1,144

The amounts due to related parties were unsecured, interest-free and repayable on demand. Except the reimbursement, other amounts due to related parties were paid subsequently. In the view of the directors of the Company, the outstanding amounts are expected to be settled before [**REDACTED**].

The Company

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou Jiayin			
– Disbursements of [**REDACTED**] expenses and issue costs	–	2,149	4,031
Hangzhou Exegenesis			
– Disbursements of [**REDACTED**] expenses and issue costs	–	1,205	2,807
	–	3,354	6,838

25. BANK BORROWINGS

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At amortized cost:			
Unsecured and guaranteed *(note)*	50,000	–	–
Unsecured and unguaranteed	3,758	–	–
	53,758	–	–
Carrying amount repayable as follows:			
–within one year	53,758	–	–

Note: These borrowings were guaranteed by Hangzhou Exegenesis, which is the Group's subsidiary. No bank borrowings were guaranteed by related parties. The borrowings were repaid in full in 2025.

The ranges of effective interest rates (which are also equal to contractual interest rates) on the Group's borrowings are as follows:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
The Group			
Effective interest rates:			
Fixed-rate borrowings	3.10%	–	–
Variable-rate borrowings	LPR-35 basic points	–	–

26. LEASE LIABILITIES

The Group

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	3,913	2,479	826
Within a period of more than one year but not exceeding two years	2,007	319	17
Within a period of more than two years but not exceeding five years	51	–	–
	5,971	2,798	843
Less: Amounts due for settlement within 12 months shown under current liabilities	3,913	2,479	826
Amounts due for settlement after 12 months shown under non-current liabilities	2,058	319	17

The Group's incremental borrowing rates applied to lease liabilities are ranged from 4.75% to 11.23%, from 3.00% to 8.01% and from 3.00% to 8.01% as at 31 December 2024 and 2025 and 30 June 2026.

27. CONVERTIBLE LOAN NOTES

The Group

On 16 August 2022, the Group entered into a convertible loan agreement ("**2022 Convertible Loan Agreement**") with Zhejiang Industry Fund Co., Ltd. ("**Zhejiang Fund**"), under which Zhejiang Fund provided a loan of RMB100,000,000 to Hangzhou Exegenesis at nil interest with repayment in 7 years.

On 16 August 2022, the Company issued a series B++ warrant to Zhejiang Fund ("**B++ Warrant**"). The B++ Warrant is entitled to subscribe for 11,145,543 series B++ preferred shares with par value USD0.00001 per share. And Zhejiang Fund is entitled with the obligations and rights corresponding to the holder of series B++ preferred shares.

The B++ Warrant shall be exercisable at any time after the date that the holder has completed all the approvals and registrations required for outbound investment from the competent PRC governmental authorities and within 10 business days after the receipt of the repayment of convertible loan at an exercise price of USD1.411344 per share.

On 26 December 2025, the Group entered into a convertible loan agreement (the "**Wanlian Guangsheng Convertible Loan Agreement**"), with, among others, Wanlian Guangsheng, pursuant to which Wanlian Guangsheng provided a loan in the principal amount of RMB20,000,000 and has been granted the right to convert the loan under the Wanlian Guangsheng Convertible Loan Agreement into ordinary shares of the Company at the conversion price of RMB8.97219633 per share. The Group designated its convertible loan notes as FVTPL.

On 13 January 2026, the Company entered into a convertible loan agreement (the "**Zhejiang Fund Convertible Loan Agreement**") with Zhejiang Fund, Hangzhou Exegenesis, Hangzhou Jiayin, Dr. Wu, Ms. Wang and Dr. Ye (collectively, the relevant parties), which superseded and substituted the 2022 Convertible Loan Agreement. Pursuant to the Zhejiang Fund Convertible Loan Agreement and a warrant cancellation deed dated 13 January 2026, the Series B++ Warrant had been cancelled. Pursuant to the Zhejiang Fund Convertible Loan Agreement, Zhejiang Fund has been granted the right to convert the Zhejiang Fund Convertible Loan into ordinary Shares of the Company at the conversion price of RMB8.97219633 per share. The rights stated in the convertible loan agreement with Zhejiang Fund dated on 16 August 2022 shall be reinstated and restored with the respective parties' rights and obligations thereunder resumed with full force and effect and the Company should reissue the warrant to Zhejiang Fund (i) upon the Company serving a written notice of withdrawal of the [**REDACTED**] to the Stock Exchange or the expiration of a three-month period after lapse of the [**REDACTED**] of the Company unless such [**REDACTED**] has been renewed within three months after its lapse; (ii) upon the receipt by the Company of a written refusal, rejection or termination by the Stock Exchange of the [**REDACTED**]; or (iii) on 1 January 2028, whichever is the earliest, unless a qualified initial public offering has been consummated on or before 31 December 2027.

The convertible loan notes contain two components, the debt component and derivative component. The Group designated its convertible loan notes as FVTPL as a whole.

The movement of the convertible loan notes during the Track Record Period is as follows:

	RMB'000
Carrying amount at 1 January 2024	123,013
Change in fair value charged to profit or loss	5,263
Carrying amount at 31 December 2024	128,276
Issuance of convertible loan notes	20,000
Change in fair value charged to profit or loss	30,152
Carrying amount at 31 December 2025	178,428
Change in fair value charged to profit or loss	9,472
Carrying amount at 30 June 2026	187,900

The fair value of the convertible loan notes issued to Zhejiang Fund at 31 December 2024 and 2025 and 30 June 2026 were valued by the directors with the assistance of an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("**AVISTA**"), who has appropriate qualifications and experiences in valuation of similar instruments. The address of AVISTA is Suites 2401-06, 24/F, Everbright Centre, No.108 Gloucester Road, Wan Chai, Hong Kong. The Group used the discounted cash flow method as of 31 December 2024 and 2025 and 30 June 2026 to determine the underlying share value of the Group and performed an equity allocation based on option pricing model to arrive the fair value of the shares with preferred rights as of the dates of issuance and at 31 December 2024 and 2025 and 30 June 2026.

Key valuation assumptions used to determine the fair value of the convertible loan notes issued to Zhejiang Fund are as follows:

	At 31 December		At 30 June
	2024	2025	2026
Volatility	67.40%	75.87%	64.89%
Risk-free interest rate	4.36%	3.61%	3.98%
Discount Rate	15.0%	15.0%	15.0%
Lack of marketability discount ("**DLOM**")	20.0%	17.0%	11.0%

The fair value of the convertible loan notes issued to Wanlian Guangsheng at 31 December 2025 and 30 June 2026 was valued by the directors with the assistance of an independent qualified professional valuer, AVISTA, who has appropriate qualifications and experiences in valuation of similar instruments. The Binomial model has been used to estimate the fair value of the convertible loan notes issued to Wanlian Guangsheng. The variables and assumptions used in computing the fair value of the convertible loan notes issued to Wanlian Guangsheng are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the convertible loan notes issued to Wanlian Guangsheng.

Key valuation assumptions used to determine the fair value of the convertible loan notes issued to Wanlian Guangsheng are as follows:

	At 31 December	At 30 June
	2025	2026
Volatility	76.05%	65.12%
Risk-free interest rate	3.61%	3.98%
Bond yield	20.05%	28.26%
DLOM	17.0%	11.0%

The Company

The Company designated the B++ Warrant related to Zhejiang Fund and the conversion option related to Wanlian Guangsheng as the financial liabilities at FVTPL on initial recognition. In subsequent periods, the derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

The movement of the derivative financial instruments during the Track Record Period is as follows:

	RMB'000
Carrying amount at 1 January 2024	81,320
Change in fair value charged to profit or loss	1,337
Carrying amount at 31 December 2024	82,657
Addition	2,443
Change in fair value charged to profit or loss	13,992
Carrying amount at 31 December 2025	99,092
Change in fair value charged to profit or loss	6,255
Carrying amount at 30 June 2026	105,347

The fair value of the derivative financial instruments at 31 December 2024 and 2025 and 30 June 2026 were valued by the directors with the assistance of an independent qualified professional valuer, AVISTA, who has appropriate qualifications and experiences in valuation of similar instruments. The Binomial model has been used to estimate the fair value of the warrant.

The variables and assumptions used in computing the fair value of the derivative financial instruments are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the derivative financial instruments.

Key valuation assumptions used to determine the fair value of the derivative financial instrument related to Zhejiang Fund are as follows:

	At 31 December		At 30 June
	2024	2025	2026
DLOM	20.00%	17.0%	11.0%
Discount Rate	15.00%	15.0%	15.0%
Volatility	67.75%	70.07%	71.79%
Risk-free interest rate	4.56%	3.72%	4.23%

Key valuation assumptions used to determine the fair value of the derivative financial instrument related to Wanlian Guangsheng are as follows:

	At 31 December	At 30 June
	2025	2026
Volatility	76.05%	65.12%
Risk-free interest rate	3.61%	3.98%
Bond yield	20.05%	28.26%
DLOM	17.0%	11.0%

28. FINANCIAL LIABILITIES AT FVTPL

The Company entered into share purchase agreements with independent investors and issued five series of preferred shares as follows:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Issued by the Company:			
Series A-1 preferred shares	353,100	543,390	632,256
Series A-2 preferred shares	84,060	129,407	150,580
Series B preferred shares	408,737	611,362	703,296
Series B+ preferred shares	333,670	465,401	518,156
Series B++ preferred shares	594,574	701,220	741,476
	1,774,141	2,450,780	2,745,764
Analysed as:			
Current	1,774,141	2,450,780	2,745,764

Series A-1 and Series A-2 Financing

On 16 August 2019, the Company entered into a share purchase agreement (the "**Series A Preferred Shares Purchase Agreement**", as amended by two supplement agreements dated February 12, 2020 and May 29, 2020, respectively) with four independent investors (collectively as the "**Series A Investors**"), pursuant to which (i) the Series A Investors would subscribe for an aggregate of 57,987,822 series A-1 preferred shares ("**Series A-1 Financing**") at a total consideration of RMB39,271,522 with certain preferential rights; (ii) the Series A Investors would subscribe for an aggregate of 13,823,935 series A-2 preferred shares ("**Series A-2 Financing**") at a total consideration of RMB39,784,672 with certain preferential rights. The cash consideration was fully settled in 2020.

Series B Financing

On 7 July 2020, the Company entered into a share purchase agreement (the "**Series B Preferred Shares Purchase Agreement**") with six independent investors (collectively as the "**Series B Investors**"), pursuant to which the Series B Investors would subscribe for an aggregate of 61,490,888 series B preferred shares ("**Series B Financing**") at a total consideration of USD22,500,000 with certain preferential rights. The cash consideration was fully settled in 2021.

Series B+ Financing

On 29 December 2020, the Company entered into a share purchase agreement (the "**Series B+ Preferred Shares Purchase Agreement**") with seven independent investors (collectively as the "**Series B+ Investors**"), pursuant to which the Series B+ Investors would subscribe for an aggregate of 41,451,178 series B+ preferred shares ("**Series B+ Financing**") at a total consideration of USD30,500,000 with certain preferential rights. The cash consideration was fully settled in 2021.

Series B++ Financing

On 17 May 2021, the Company entered into a share purchase agreement (the "**Series B++ Preferred Shares Purchase Agreement**") with six independent investors (collectively as the "**Series B++ Investors**"), pursuant to which the Series B++ Investors would subscribe for an aggregate of 49,598,108 series B++ preferred shares ("**Series B++ Financing**") at a total consideration of USD69,999,999 with certain preferential rights. The cash consideration was fully settled in 2021.

According to the Series B++ Financing agreement, the preferential rights for the Series A-1 Investors, Series A-2 Investors, Series B Investors, Series B+ Investors and Series B++ Investors were redesignated and the key terms of are summarized as follows:

(a) Liquidation preferences

In the event of any liquidation including deemed liquidation events, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the preferred shares shall be entitled to receive, prior to any distribution to the holders of the ordinary shares, an amount equal to the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends (the "**Preference Amounts**"), in order of preference, first to the Series B++ Investors on a pari passu basis, second to the Series B+ Investors, third to the Series B Investors, then to the Series A Investors.

After the full Preference Amounts on all outstanding preferred shares have been paid, any remaining funds or assets of the Company legally available for distribution shall be distributed on a pro rata, pari passu basis among the holders of the preferred shares (on an as-converted basis), together with the holders of the ordinary shares.

(b) Redemption right

The Series A Investors, Series B Investors, Series B+ Investors and Series B++ Investors shall be redeemed by the Company and/or Dr. Wu, Ms. Wang and Dr. Ye, upon the occurrence of the Company failed to consummate a qualified IPO prior to 31 December 2026 and/or certain contingent events.

The Series B++ Investors shall be entitled to receive the redemption amount equals to the higher of (a) the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends, and (b) the fair market value of such series B++ preferred shares, as determined by an independent appraiser.

The Series A Investors, Series B Investors and the Series B+ Investors shall be entitled to receive the redemption amount equals to the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends.

The holders of the preferred shares shall be entitled to receive the redemption amounts, in order of preference, first to the Series B++ Investors on a pari passu basis, second to the Series B+ Investors, third to the Series B Investors, then to the Series A Investors.

(c) Conversion right

Each holder of preferred shares shall have the right, at such holder's sole discretion, to convert all or any portion of the preferred shares into ordinary shares at any time. The conversion rate for preferred shares shall be determined by dividing the applicable preferred share issue price.

Each Preferred Share shall automatically be converted into Ordinary Shares (i) upon the closing of a qualified initial public offering, and (ii) upon the prior written approval of the preferred majority.

(d) Dividend right

No dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is first paid in full on the preferred shares on an as-converted basis. Holders of the preferred shares shall also be entitled to receive any non-cash dividends declared by the Board on an as-converted basis.

(e) Voting right

Each preferred share shall carry a number of votes equal to the number of ordinary shares then issuable upon its conversion into ordinary shares at the record date for determination of the members entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of members is solicited. To the extent that applicable law, the memorandum and/or these articles require the preferred shares to vote separately as a class with respect to any matters, the Preferred Shares shall vote separately as a class with respect to such matters. Otherwise, the holders of preferred shares and Ordinary Shares shall vote together as a single class.

On 13 January 2026, the company entered into a supplemental agreement with, among others, the then preferred shareholders of the Company, pursuant to which the redemption rights shall terminate upon the first submission of the first application form for [**REDACTED**] of the ordinary shares of the Company (the "[**REDACTED**]") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and shall be reinstated and restored with the respective parties' rights and obligations thereunder resumed with full force and effect (i) upon the Company serving a written notice of withdrawal of the [**REDACTED**] to the Stock Exchange or the expiration of a three-month period after lapse of the [**REDACTED**] of the Company unless such [**REDACTED**] has been renewed within three months after its lapse; (ii) upon the receipt by the Company of a written refusal, rejection or termination by the Stock Exchange of the [**REDACTED**]; or (iii) on 1 January 2028, whichever is the earliest, unless a qualified initial public offering has been consummated on or before 31 December 31 2027.

The Group has designated preferred shares which contain redemption features and other embedded derivatives as financial liabilities at FVTPL on initial recognition.

The fair value change of preferred shares is recognised to profit or loss except for the portion attributable to credit risk change which shall be recognised to other comprehensive income, if any. The directors considered that the credit risk change on the financial liabilities that drive the fair value change of the financial liabilities during the Track Record Period is immaterial.

The movements in the financial liabilities at FVTPL are as follows:

	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series B++ Preferred Shares	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 1 2024	332,054	79,056	382,575	310,329	570,195	1,674,209
Change in fair value	21,046	5,004	26,162	23,341	24,379	99,932
At 31 December 2024	353,100	84,060	408,737	333,670	594,574	1,774,141
Change in fair value	190,290	45,347	202,625	131,731	106,646	676,639
At 31 December 2025	543,390	129,407	611,362	465,401	701,220	2,450,780
Change in fair value	88,866	21,173	91,934	52,755	40,256	294,984
At 30 June 2026	632,256	150,580	703,296	518,156	741,476	2,745,764

The fair value of the preferred shares at 31 December 2024 and 2025 and 30 June 2026 were valued by the directors with the assistance of an independent qualified professional valuer, AVISTA, who has appropriate qualifications and experiences in valuation of similar instruments. The Group used the discounted cash flow method as of 31 December 2024 and 2025 and 30 June 2026 to determine the underlying share value of the Group and performed an equity allocation based on option pricing model to arrive the fair value of the shares with preferred rights as of the dates of issuance and at 31 December 2024 and 2025 and 30 June 2026.

Discounted cash flow method is used by the directors with reference to the issuance price of third party financing close to the valuation date. The Directors determined the underlying share value as of 31 December 2024 and 2025 and 30 June 2026 with reference of the issue price of each series of shares with preferred rights.

Key valuation assumptions used to determine the fair value of preferred shares are as follows

	At 31 December		At 30 June
	2024	2025	2026
Volatility	67.40%	75.87%	64.89%
Risk-free interest rate	4.36%	3.61%	3.98%
Discount Rate	15.0%	15.0%	15.0%
DLOM	20.0%	17.0%	11.0%

29. SHARE CAPITAL

	Number of shares	Share Capital	Share Capital
		USD	*RMB'000*
Ordinary shares			
Ordinary shares of USD0.00001 each			
Authorized			
As at 1 January 2024, 31 December 2024 and 2025 and 30 June 2026	4,764,502,526	47,645	332
Issued *(note)*			
As at 1 January 2024, 31 December 2024 and 2025 and 30 June 2026	101,566,880	1,016	7

Note: As of 31 December 2024 and 2025 and 30 June 2026, the Company has a right to repurchase 50,783,440 restricted shares from Landes Therapeutics Ltd at nil consideration in the event of termination of the Dr. Wu, Dr. Ye, and Ms. Wang's service or employment with the Group. The rights will be expired upon completion of a qualified initial public offering and the above-mentioned restricted shares will be converted to ordinary shares immediately. The share capital would be paid before the [**REDACTED**].

30. SHARE-BASED PAYMENTS

Employee equity compensation plans (the "ESOP")

Pursuant to the Series A Preferred Shares Purchase Agreement, 17,773,630 ordinary shares were reserved for issuance under the ESOP upon the closing of Series A-2 Financing.

Pursuant to the Series B Preferred Shares Purchase Agreement, 4,030,302 ordinary shares were reserved for issuance under the ESOP prior to the closing of Series B Financing.

Pursuant to the Series B+ Preferred Shares Purchase Agreement, 29,222,885 ordinary shares were reserved for issuance under the ESOP prior to the closing of Series B+ Financing.

Pursuant to the Series B++ Preferred Shares Purchase Agreement, 21,256,332 ordinary shares were reserved for issuance under the ESOP prior to the closing of Series B++ Financing.

The Group's 2022 equity incentive plan (the "**Pre-[REDACTED] Equity Incentive Plan**") was adopted pursuant to a board resolution passed on 30 July 2022 for the primary purpose to advance the interests of the Group's shareholders by enhancing the Group's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Group by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Group's shareholders.

The Group has reserved 72,283,149 ordinary shares for issuance to employees pursuant to the employee share option plan of the Group to be approved. The validity period of the share options of 2022 Incentive Plan shall be maximum 10 years from the date of grant. The share options shall have the vesting periods for different batches as follows:

(i) 15%, 20%, 25%, and 40% of the options vesting respectively on the first, second, third, and fourth anniversary of the grant date;

(ii) 15%, 20%, 25%, and 40% of the options vesting respectively on the first, second, third, and fourth anniversary of the grant date and after the Company becomes a publicly listed company.

Details of the share options outstanding throughout the Track Record Period separated by directors of the Company and other employees are as follows:

	Number of share options	Weighted average exercise price
	('000)	*USD*
Directors:		
Outstanding at 1 January 2024	40,302	0.22
Granted during the year	2,919	0.27
Outstanding at 31 December 2024	43,221	0.23
Exercisable at the end of the year	16,639	0.20
Outstanding at 1 January 2025	43,221	0.23
Granted during the year	2,223	0.27
Outstanding at 31 December 2025	45,444	0.23
Exercisable at the end of the year	28,937	0.20
Outstanding at 1 January 2026	45,444	0.23
Granted during the period	16,816	0.27
Outstanding at 30 June 2026	62,260	0.24
Exercisable at the end of the period	29,277	0.20

	Number of share options	Weighted average exercise price
	('000)	*USD*
Other Employees:		
Outstanding at 1 January 2024	8,139	0.09
Granted during the year	1,314	0.11
Forfeited during the year	(141)	0.04
Outstanding at 31 December 2024	9,312	0.10
Exercisable at the end of the year	2,806	0.12
Outstanding at 1 January 2025	9,312	0.10
Granted during the year	1,980	0.06
Forfeited during the year	(1,269)	0.08
Outstanding at 31 December 2025	10,023	0.09
Exercisable at the end of the year	4,628	0.12
Outstanding at 1 January 2026	10,023	0.09
Granted during the period	–	–
Forfeited during the period	(142)	0.04
Outstanding at 30 June 2026	9,881	0.09
Exercisable at the end of the period	4,634	0.12

The following table set out the information for share options granted with vesting schedule (i):

Grant date	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
1 December 2020	USD0.23	USD0.01	60.94%	10 years	1.08%	0.00%
	USD0.46	USD0.02	57.61%		1.09%	
1 January 2021 – 17 July 2021	-USD0.54	-USD0.11	-58.83%	10 years	-1.69%	0.00%
	USD0.53	USD0.22	59.75%		1.89%	
21 January 2022 – 31 May 2023	-USD0.56	-USD0.28	-67.44%	10 years	-3.76%	0.00%
	USD0.59					
15 September 2023	-USD0.61	USD0.28	64.54%	10 years	4.41%	0.00%
	USD0.61		66.70%		3.77%	
2 September 2024 – 15 September 2024	-USD0.62	USD0.27	-67.78%	10 years	-4.02%	0.00%
	-USD0.66					
15 November 2025	-USD0.68	USD0.27	70.73%	10 years	4.27%	0.00%
9 April 2026	USD1.35	USD0.27	70.67%	10 years	4.35%	0.00%

The following table set out the information for share options granted with vesting schedule (ii):

Grant date	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
1 December 2020	USD0.23	USD0.01	60.94%	10 years	1.08%	0.00%
17 July 2021	USD0.53	USD0.04	57.61%	10 years	1.49%	0.00%
27 December 2021 – 15 August 2022	USD0.68	USD0.04	58.21%	10 years	1.62%	0.00%
			-65.41%		-2.92%	
15 September 2023	USD0.74	USD0.04	64.54%	10 years	4.41%	0.00%
15 September 2024	USD0.75	USD0.04	66.78%	10 years	3.77%	0.00%
15 November 2025	USD0.79	USD0.04	70.73%	10 years	4.27%	0.00%

The Binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

At the end of each period, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payments reserve.

For the years ended 31 December 2024, 2025 and the six months ended 30 June 2025 and 2026, the Group's total share-based payment expenses recognised in the consolidated statement of profit or loss and other comprehensive income in relation to share option granted by the Company is RMB37,794,000, RMB25,149,000, RMB14,660,000 (unaudited) and RMB25,568,000, respectively.

31. CAPITAL COMMITMENTS

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure in respect of acquisition of property and equipment contracted for but not provided in the Historical Financial Information	421	–	–

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bank borrowings	Convertible loan notes	Lease liabilities	Other payables – lease liabilities	Financial liabilities at FVTPL	Other payables – Issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	50,000	123,013	10,027	1,591	1,674,209	–	1,858,840
Financing cash flows	2,066	–	(2,726)	(1,890)	–	–	(2,550)
Non-cash changes							
Exchange adjustments	–	–	4	–	–	–	4
Interest expenses	1,692	–	505	–	–	–	2,197
Transfer from lease liabilities to other payables	–	–	(1,839)	1,839	–	–	–
Fair value change	–	5,263	–	–	99,932	–	105,195
At 31 December 2024	53,758	128,276	5,971	1,540	1,774,141	–	1,963,686
At 1 January 2025	53,758	128,276	5,971	1,540	1,774,141	–	1,963,686
Financing cash flows	(54,612)	20,000	(1,159)	(2,935)	–	(665)	(39,371)
Non-cash changes							
New leases entered	–	–	871	–	–	–	871
Lease terminated	–	–	–	–	–	–	–
Exchange adjustments	–	–	(21)	–	–	–	(21)
Interest expenses	854	–	271	–	–	–	1,125
Transfer from lease liabilities to other payables	–	–	(3,135)	3,135	–	–	–
Accrual of issue costs	–	–	–	–	–	1,097	1,097
Fair value change	–	30,152	–	–	676,639	–	706,791
At 31 December 2025	–	178,428	2,798	1,740	2,450,780	432	2,634,178
At 1 January 2026	–	178,428	2,798	1,740	2,450,780	432	2,634,178
Financing cash flows	–	–	(290)	(1,717)	–	(1,467)	(3,474)
Non-cash changes							
Exchange adjustments	–	–	(16)	–	–	–	(16)
Interest expenses	–	–	63	–	–	–	63
Transfer from lease liabilities to other payables	–	–	(1,712)	1,712	–	–	–
Accrual of issue costs	–	–	–	–	–	1,117	1,117
Fair value change	–	9,472	–	–	294,984	–	304,456
At 30 June 2026	–	187,900	843	1,735	2,745,764	82	2,936,324
(unaudited)							
At 1 January 2025	53,758	128,276	5,971	1540	1,774,141	–	1,963,686
Financing cash flows	(25,207)	–	(680)	(1,540)	–	–	(27,427)
Non-cash changes							
Exchange adjustments	–	–	(5)	–	–	–	(5)
Interest expenses	744	–	162	–	–	–	906
Transfer from lease liabilities to other payables	–	–	(1,395)	1,395	–	–	–
Fair value change	–	(407)	–	–	21,602	–	21,195
At 30 June 2025	29,295	127,869	4,053	1,395	1,795,743	–	1,958,355

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the issue of new shares, new debts or the redemption of existing debts.

34. FINANCIAL INSTRUMENTS

Categories of financial instruments

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortised cost	415,168	268,904	188,743
FVTPL	40,127	68,235	90,287
	455,295	337,139	279,030
Financial liabilities			
Amortised cost	75,152	23,133	16,805
FVTPL	1,902,417	2,629,208	2,933,664
	1,977,569	2,652,341	2,950,649

Financial risk management objectives and policies

The Group's major financial instruments include other receivables, amounts due from related parties, financial assets at FVTPL, restricted bank deposits, time deposits, cash and cash equivalents, financial liabilities at FVTPL, convertible loan notes, amounts due to related parties, trade and other payables and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and lease liabilities and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

During the years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, nil of the Group's sales is denominated in currencies other than the functional currency of the relevant group entities making the sale.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies at the end of each reporting period are as follows:

	At 31 December		At 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Assets			
USD	101,780	74,792	52,225
Liabilities			
USD	55	6	202

The Group currently does not have a foreign currency hedging policy as the management of the Group considers that the foreign exchange risk exposure of the Group is minimal. The Group will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the functional currency (i.e., RMB) of the relevant group entities against the foreign currencies. 10% is the sensitivity rate used in management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive (negative) number below indicates a decrease (increase) in loss for the year/period where foreign currency strengthen 10% against functional currency. For a 10% weakening of foreign currency against functional currency, there would be an equal and opposite impact on loss for the year/period.

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Impact on profit or loss	(10,173)	7,479	(5,202)

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to bank borrowings, lease liabilities and convertible loan notes (details are set out in notes 25, 26 and 27, respectively). The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group's exposures on an on-going basis and will consider hedging interest rate risk should the need arises.

The Group is also exposed to cash flow interest rate risk in relation to fixed-rate restricted bank deposits, cash and cash equivalents and bank borrowings (details are set out in notes 22 and 25).

The Group's exposures to interest rates on financial liabilities are detailed in the management section of this note.

In the opinion of the management of the Group, the exposure of cash flow interest rate risk arising from floating-rate, restricted bank deposits, cash and cash equivalents and bank borrowings is insignificant and thus no sensitivity analysis is prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group considers all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its amounts due to a subsidiary, amounts due from related parties, trade and other receivables, time deposits, restricted bank deposits and cash and cash equivalents.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The time deposits, restricted bank deposits and cash and cash equivalents are determined to have low credit risk at the end of each reporting period. The credit risk on time deposits, restricted bank deposits and cash and cash equivalents is limited because the counterparties are reputable banks and the risk of inability to pay or redeem at the due date is low.

In addition to the credit risk limit management and other mitigation measures as described above, the Group monitors all financial assets, that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the impairment loss allowance based on lifetime ECL rather than 12m ECL.

Amounts due from related parties and amount due from a subsidiary

The ECL on amounts due from related parties and amount due from a subsidiary are assessed individually based on the probability of defaults of amounts due from related parties and amount due from a subsidiary, the management has taken into account the financial position of the counterparties as well as forward looking information that is available without undue cost or effort.

Other receivables and finance lease receivables

For other receivables and finance lease receivables, the Group has applied the general approach in IFRS 9 to measure the impairment loss allowance at 12m ECL, since the directors of the Company assessed that there has not been any significant increase in credit risk.

In determining the ECL, the management of the Group has taken into account the historical credit loss experience based on the past default experience of the counterparty, general economic conditions of the industry in which the counterparty operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table shows the Group's credit risk grading framework in respect of financial assets and contract assets:

Internal credit rating	Description	Financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Watch list	Debtor frequently repays after due dates but settle in full	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

31 December 2024	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amounts due from related parties	*20*	Doubtful	Lifetime ECL	57,928
Amounts due from related parties	*20*	Low risk	12m ECL	7
Other receivables	*19*	Low risk	12m ECL	1,461
Restricted bank deposits	*22*	Low risk	12m ECL	300
Time deposits	*22*	Low risk	12m ECL	80,319
Cash and cash equivalents	*22*	Low risk	12m ECL	278,620

31 December 2025	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amounts due from related parties	*20*	Doubtful	Lifetime ECL	48,522
Amounts due from related parties	*20*	Low risk	12m ECL	8
Other receivables	*19*	Low risk	12m ECL	1,346
Time deposits	*22*	Low risk	12m ECL	31,417
Cash and cash equivalents	*22*	Low risk	12m ECL	191,066

30 June 2026	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amounts due from related parties	*20*	Doubtful	Lifetime ECL	46,553
Other receivables	*19*	Low risk	12m ECL	1,384
Restricted bank deposits	*22*	Low risk	12m ECL	6,000
Cash and cash equivalents	*22*	Low risk	12m ECL	138,209

As at 31 December 2024 and 2025 and 30 June 2026, ECL allowances amounted to RMB3,467,000 and RMB3,566,000 and RMB3,404,000 is recognised, respectively. The amount is related to the amount due from Hangzhou CoJourney, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance of receivables from sales of materials and rental services, and applied the general approach (Three-stage ECL model) in IFRS 9 to measure the loss allowance of receivables from the disposal of long-term assets at lifetime ECL. Other than that, all other amounts due from related parties are within 12m ECL with no impairment loss recognised.

The loss allowances as at 31 December 2024 and 2025 and 30 June 2026 were determined as follows for financial assets at amortised cost:

31 December 2024	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		*RMB'000*
Finance lease receivables	1,155	–	–
Amounts due from related parties	57,928	5.99%	3,467
Amounts due from related parties	7	–	–
Other receivables	1,461	–	–
Restricted bank deposits	300	–	–
Time deposits	80,319	–	–
Cash and cash equivalents	278,620	–	–

31 December 2025	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		*RMB'000*
Finance lease receivables	587	–	–
Amounts due from related parties	48,522	7.35%	3,566
Amounts due from related parties	8	–	–
Other receivables	1,346	–	–
Time deposits	31,417	–	–
Cash and cash equivalents	191,066	–	–

30 June 2026	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		*RMB'000*
Finance lease receivables	290	–	–
Amounts due from related parties	46,553	7.31%	3,404
Other receivables	1,384	–	–
Restricted bank deposits	6,000	–	–
Cash and cash equivalents	138,209	–	–

The tables below detail the credit risk exposures of the Company's financial assets which are subject to ECL assessment:

31 December 2024	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amount due from a related party	*20*	Low risk	12m ECL	7
Amount due from a subsidiary	*20*	Low risk	12m ECL	751,196
Time deposits	*22*	Low risk	12m ECL	50,319
Cash and cash equivalents	*22*	Low risk	12m ECL	17,036

31 December 2025	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amount due from a related party	*20*	Low risk	12m ECL	7
Amount due from a subsidiary	*20*	Low risk	12m ECL	734,517
Cash and cash equivalents	*22*	Low risk	12m ECL	43,249

30 June 2026	*Notes*	Internal credit ratings	12m or lifetime ECL	Gross carrying amount
				RMB'000
Amount due from a subsidiary	*20*	Low risk	12m ECL	711,747
Cash and cash equivalents	*22*	Low risk	12m ECL	21,672

Liquidity risk

The management of the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

At 31 December 2024	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	–	18,250	–	155	–	18,405	18,405
Amounts due to related parties	–	2,989	–	–	–	2,989	2,989
Lease liabilities	5.98%	4,179	2,069	51	–	6,299	5,971
Fixed-rate borrowings	2.83%	44,245	–	–	–	44,245	43,758
Variable-rate borrowings	3.00%	10,217	–	–	–	10,217	10,000
Financial liabilities at FVTPL *(note)*	8.00%	1,164,889	–	–	–	1,164,889	1,774,141
Convertible loan notes	0.00%	100,000	–	–	–	100,000	128,276
		1,344,769	2,069	206	–	1,347,044	1,983,540

At 31 December 2025	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	–	23,103	–	–	–	23,103	23,103
Amounts due to related parties	–	30	–	–	–	30	30
Lease liabilities	4.99%	2,557	322	–	–	2,879	2,798
Financial liabilities at FVTPL *(note)*	8.00%	1,305,787	–	–	–	1,305,787	2,450,780
Convertible loan notes	0.00%-5.00%	121,000	–	–	–	121,000	178,428
		1,452,477	322	–	–	1,452,799	2,655,139

At 30 June 2026	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	–	15,661	–	–	–	15,661	15,661
Amounts due to related parties	–	1,144	–	–	–	1,144	1,144
Lease liabilities	4.94%	844	17	–	–	861	843
Financial liabilities at FVTPL *(note)*	8.00%	1,363,028	–	–	–	1,363,028	2,745,764
Convertible loan notes	0.00%-5.00%	121,000	–	–	–	121,000	187,900
		1,501,677	17	–	–	1,501,694	2,951,312

Note: For The Series B++ Investors, the redemption amount equals to the higher of (a) the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends, and (b) the fair market value of series B++ preferred shares, as determined by an independent appraiser. For the Series A Investors, Series B Investors and the Series B+ Investors, the redemption amount equals to the original issue price of preferred shares plus interest of 8% per annum calculated on a simple basis and unpaid dividends.

The following table details the Company's remaining contractual maturity for its derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

At 31 December 2024	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Warrants	N/A	28,276	–	–	–	28,276	82,657
Financial liabilities at FVTPL	8.00%	1,164,889	–	–	–	1,164,889	1,774,141
		1,193,165	–	–	–	1,193,165	1,856,798

At 31 December 2025	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Warrants	N/A	78,428	–	–	–	78,428	92,969
Trade and other payables	–	1,709	–	–	–	1,709	1,709
Amounts due to related parties	–	3,354	–	–	–	3,354	3,354
Financial liabilities at FVTPL	8.00%	1,305,787	–	–	–	1,305,787	2,450,780
		1,389,278	–	–	–	1,389,278	2,548,812

At 30 June 2026	Weighted average effective interest rate	On demand or less than 1 year	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Warrants	N/A	87,900	–	–	–	87,900	99,521
Trade and other payables	–	340	–	–	–	340	340
Amounts due to related parties	–	6,838	–	–	–	6,838	6,838
Financial liabilities at FVTPL	8.00%	1,363,028	–	–	–	1,363,028	2,745,764
		1,458,106	–	–	–	1,458,106	2,852,463

Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values. Such fair values of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Group

	Fair value				
	As at 31 December		As at 30 June	Fair value hierarchy	Valuation technique and key input
	2024	2025	2026		
	RMB'000	*RMB'000*	*RMB'000*		
Financial assets at FVTPL:					
Structured deposits	40,127	68,235	90,287	Level 2	Discounted cash flow, estimated based on expected return of the structured deposits.
Financial liabilities:					
Financial liabilities at FVTPL	1,774,141	2,450,780	2,745,764	Level 3	Discounted cash flow and equity allocation method, estimated based on key assumptions including discount rate and DLOM.
Convertible notes issued to Wanlian Guangsheng	–	25,511	25,740	Level 3	Binomial model based on key assumptions including Bond yield and Volatility
Convertible notes issued to Zhengjiang Fund	128,276	152,917	162,160	Level 3	Discounted cash flow and equity allocation method, estimated based on key assumptions including discount rate and DLOM.

There were no transfers between level 1 and 2 during the years ended 31 December 2024, 2025 and the six months ended 30 June 2026.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Company

	Fair value				
	As at 31 December		As at 30 June	Fair value hierarchy	Valuation technique and key input
	2024	2025	2026		
	RMB'000	*RMB'000*	*RMB'000*		
Financial liabilities:					
Financial liabilities at FVTPL	1,774,141	2,450,780	2,745,764	Level 3	Discounted cash flow and equity allocation method, estimated based on key assumptions including discount rate and DLOM.
Derivative instrument related to Zhejiang Fund	82,657	92,969	99,521	Level 3	The Binomial model, estimated based on key assumptions of discount rate.
Derivative instrument related to Wanlian Guangsheng	–	6,123	5,826	Level 3	Binomial model based on key assumptions including Bond yield and Volatility.

Note: If the discount rate had increased/decreased by 5.0% while holding all other variables constant, the fair value of financial liabilities at FVTPL and convertible loan notes issued to Zhejiang Fund would have decreased by RMB17,240,000, RMB35,664,000, RMB40,390,000 or increased by RMB18,972,000, RMB40,494,000 and RMB46,071,000 and the fair value of the derivative instrument related to Zhejiang Fund would have decreased by RMB625,000, RMB1,261,000 and RMB1,441,000 or increased by RMB683,000, RMB1,466,000 and RMB1,697,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively.

If the DLOM had increased/decreased by 5.0% while holding all other variables constant, the fair value of financial liabilities at FVTPL and convertible loan notes would have decreased by RMB2,559,000, RMB3,244,000 and RMB2,311,000 or increased by RMB2,557,000, RMB3,244,000 and RMB2,312,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively.

The changes in level 3 instruments for the years ended 31 December 2024, 2025 and the six months ended 30 June 2026 are detailed in notes 27 and 28.

35. RELATED PARTY DISCLOSURES

During the Track Record Period, the Group has the following material related party transactions or balances with the following parties:

Name of Entities or Individuals	Relationship with the Company
Landes Therapeutics Ltd	The shareholder of the Company
Hangzhou CoJourney	Affiliate of Ms. Wang
Ms. Shen Yue'e	Close relative of a director

Other than as disclosed elsewhere in the Historical Financial Information. the Group has following transactions with related parties:

(a) Related party transactions

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(i) Sales of materials – Hangzhou CoJourney	3,941	222	–	–
(ii) Rental income – Hangzhou CoJourney	2,024	2,923	1,355	814
(iii) Purchase of goods and services – Hangzhou CoJourney	14,659	2,150	560	1,451
(iv) Interest income – Hangzhou CoJourney	1,939	1,389	728	589

(b) Related party balances

Details of the outstanding balances with related parties are set out in note 19, 20 and note 24.

(c) Compensation of key management personnel

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries and other benefits	12,696	11,902	5,316	3,806
Share-based payments	37,159	25,339	14,838	25,499
Retirement benefit scheme contributions	471	445	271	238
	50,326	37,686	20,425	29,543

The remuneration of key management personnel (being Chairman and directors of the Company and other key management of the Group), is determined with reference to the performance of individuals and market trends.

36. FINANCIAL INFORMATION OF THE COMPANY

Movements of the Company's reserves

	Share capital	Share-based payments reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	7	130,322	(1,056,781)	(926,452)
Loss for the year	–	–	(148,793)	(148,793)
Recognition of equity-settled share-based payments	–	37,794	–	37,794
At 31 December 2024	7	168,116	(1,205,574)	(1,037,451)
Loss for the year	–	–	(763,644)	(763,644)
Recognition of equity-settled share-based payments	–	25,149	–	25,149
At 31 December 2025	7	193,265	(1,969,218)	(1,775,946)
Loss for the period	–	–	(367,810)	(367,810)
Recognition of equity-settled share-based payments	–	25,568	–	25,568
At 30 June 2026	7	218,833	(2,337,028)	(2,118,188)

37. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period and as at the date of this report are set out below.

Name of subsidiaries	Principal place of operation and incorporation, date of incorporation	Issued and paid share/registered capital				Shareholding/equity interest attributable to the Group				Principal activities
		As at 30 June	As at 31 December		As at the date of this report	As at 30 June	As at 31 December		As at the date of this report	
		2026	2025	2024		2026	2025	2024		
Directly Control										
Exegenesis Bio Co. (a)	The USA 6 January 2021	1,000 issued share and paid-in capital of USD1,000.00	1,000 issued share and paid-in capital of USD1,000.00	1,000 issued share and paid-in capital of USD1,000.00	1,000 issued share and paid-in capital of USD1,000.00	100%	100%	100%	[100%]	Research and development
Exegenesis HK limited (c)	Hong Kong 17 June 2019	10,000 issued share and paid-in capital of HKD10,000.00	10,000 issued share and paid-in capital of HKD10,000.00	10,000 issued share and paid-in capital of HKD10,000.00	10,000 issued share and paid-in capital of HKD10,000.00	100%	100%	100%	[100%]	Investment company
Exegenesis Bio Singapore Pte. Ltd. (a)	Singapore 16 December 2021	250,000 issued share and paid-in capital of nil	250,000 issued share and paid-in capital of nil	250,000 issued share and paid-in capital of nil	250,000 issued share and paid-in capital of nil	100%	100%	100%	[100%]	Investment company
Indirectly Control										
Hangzhou Exegenesis * (杭州複因生物科技有限公司)(b)(e)	The PRC 1 August 2019	Registered capital of CNY76,500,000.00 and paid-in capital of CNY67,253,928.83	Registered capital of CNY76,500,000.00 and paid-in capital of CNY67,253,928.83	Registered capital of CNY76,500,000.00 and paid-in capital of CNY67,253,928.83	Registered capital of CNY76,500,000.00 and paid-in capital of CNY67,253,928.83	100%	100%	100%	[100%]	Research and development of genetic medicines
Hangzhou Jiayin * (杭州嘉因生物科技有限公司)(b)	The PRC 5 July 2019	Registered capital of CNY2,228,478.00 and paid-in capital of CNY2,228,478.00	Registered capital of CNY2,228,478.00 and paid-in capital of CNY2,228,478.00	Registered capital of CNY1,478,478.00 and paid-in capital of CNY1,478,478.00	Registered capital of CNY2,228,478.00 and paid-in capital of CNY2,228,478.00	100%	100%	100%	[100%]	Research and development of genetic medicines
Nanjing Yinling * (南京因領生物科技有限公司)(a)	The PRC 5 July 2019	Registered capital of CNY4,126,811.00 and paid-in capital of CNY247,609.00	Registered capital of CNY4,126,811.00 and paid-in capital of CNY247,609.00	Registered capital of CNY4,126,811.00 and paid-in capital of CNY247,609.00	Registered capital of CNY4,126,811.00 and paid-in capital of CNY247,609.00	54%	54%	54%	[54%]	Research and development of micro molecule medicines
Guangzhou Jiayin Bio Ltd. * (廣州嘉因生物科技有限公司)(d)(e)	The PRC 11 November 2025	Registered capital of CNY2,000,000.00 and paid-in capital of CNY2,000,000.00	Registered capital of CNY2,000,000.00 and paid-in capital of CNY2,000,000.00	N/A	Registered capital of CNY2,000,000.00 and paid-in capital of CNY2,000,000.00	100%	N/A	100%	[100%]	Research and development of genetic medicines

* *English name is for identification purpose*

Notes:

(a) No audited financial statements were prepared for these entities for the years ended 31 December 2024, 2025 and the six months ended 30 June 2026 as there are no statutory audit requirements.

(b) The financial statements of Hangzhou Exegenesis and Hangzhou Jiayin for the year ended 31 December 2024 was prepared in accordance with the Accounting Standards for Business Enterprises and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP Hangzhou Branch.

(c) The financial statements of Exegenesis HK limited for the year ended 31 December 2024 was prepared in accordance with IFRS Accounting Standards issued by the HKICPA and was audited by us.

(d) On 11 November 2025, the Group established Guangzhou Jiayin Bio Ltd. ("**Guangzhou Jiayin**"), a wholly-owned subsidiary of Hangzhou Exegenesis.

(e) None of the subsidiaries had issued any debt securities at the end of the year except for Hangzhou Exegenesis and Guangzhou Jiayin which has issued approximately RMB100,000,000 and RMB20,000,000 of convertible loan notes, in which the Group has no interest, respectively.

(f) The audited financial statements of subsidiaries for the year ended 31 December 2025 have not yet been issued.

The interest in subsidiaries in Company's statement of financial position refers to:

	At 31 December		At 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest in subsidiaries using the equity method	789	–	–	4,017

38. EVENTS AFTER REPORTING PERIOD

[There are no material subsequent events undertaken by the Company or by the Group after 30 June 2026 and up to the date of this report.]

39. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 30 June 2026 and up to the date of this report.]