Immunotech Biopharm Ltd
永泰生物製藥有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6978)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board hereby announces the audited consolidated results of the Group for the Reporting Period, together with the comparative figures for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS

Other income increased by approximately RMB23.3 million or approximately 220.4% from approximately RMB10.5 million for the year ended 31 December 2023 to approximately RMB33.8 million for the year ended 31 December 2024.

Other gains and losses, net decreased by approximately RMB94.7 million or approximately 88.9% from losses of approximately RMB106.5 million for the year ended 31 December 2023 to losses of approximately RMB11.8 million for year ended 31 December 2024.

Research and development expenses decreased by approximately RMB23.1 million or approximately 13.0% from approximately RMB177.3 million for the year ended 31 December 2023 to approximately RMB154.2 million for the year ended 31 December 2024.

Administrative expenses decreased by approximately RMB8.7 million or approximately 16.4% from approximately RMB53.2 million for the year ended 31 December 2023 to approximately RMB44.5 million for the year ended 31 December 2024.

Loss before tax decreased by approximately RMB149.1 million or approximately 44.4% from approximately RMB335.5 million for the year ended 31 December 2023 to approximately RMB186.4 million for the year ended 31 December 2024.

Loss and total comprehensive expense for the year decreased by approximately RMB148.2 million or approximately 44.2% from approximately RMB335.5 million for the year ended 31 December 2023 to approximately RMB187.3 million for the year ended 31 December 2024.

BUSINESS HIGHLIGHTS

Clinical trials

Non-genetically modified cell product pipeline

EAL®

EAL® is a broad-spectrum anti-tumour cellular immunotherapy product with more than a decade of track record of clinical application in the treatment of cancer. It is a preparation of activated and expanded T cells originally taken from a patient's autologous peripheral blood and cultured using the patented methods. The main active component of the product is $CD8^+$ cytotoxic T cells and its cell surface marker is the CD3 molecule.

As at the date of this announcement, the Group has completed the enrolment of 430 targeted subjects for the Phase II clinical trial. Based on the Group's recent communication with the CDE, in February 2025, the CDE has agreed that the Group may submit an application for conditional approval for EAL®. In March 2025, EAL® was granted priority review in China. As at the date of this announcement, the conditional NDA for the Group's core product candidate EAL® has been accepted by the CDE of the NMPA.

6B11-OCIK Injection

6B11-OCIK Injection is an injection of ovarian cancer autologous cytotoxic T Lymphocyte. 6B11 is the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9. The use of 6B11 can induce specific anti-ovarian cancer humoral and cellular immune antibodies in vitro, which can be cultured and proliferated in vitro (6B11-OCIK Injection) and infused back to the subject to achieve the purpose of specifically killing tumour cells.

As at the date of this announcement, the Group has completed the enrolment of six targeted patients for the Phase I clinical trial for 6B11-OCIK Injection and has completed the preliminary analysis and the interim results of the ongoing clinical trial. The Group will conduct the Phase II clinical trials at the appropriate time according to operational arrangements.

CAR-T cell product pipeline

CAR-T-19 Injection

The CAR-T-19 series forms the core of CAR-T cell product pipeline. CAR-T-19 Injection is indicated for the treatment of pediatric and young adult patients up to and including the age of 25 with B-ALL. The CAR-T-19 Injection product candidate has shown efficacy in a clinical study, and the IND application for the product candidate with B-cell acute lymphoblastic leukaemia (B-ALL) as the clinical indication was accepted for processing by the CDE in August 2019.

In December 2020, the Group received an approval of the IND for clinical trials of CAR-T-19 Injection from the CDE. Following the IND approval, the Company has commenced the Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing on 25 February 2021. In October 2023, the Company applied to the CDE for end-of-Phase I clinical trial meetings application and started the Phase II clinical trial work.

CAR-T-19 Injection was granted breakthrough therapy designation for treatment of patients aged 25 and under with relapsed/refractory B-ALL by the CDE. The designation was granted based on the solid clinical efficacy and safety data of CAR-T-19 Injection. It will expedite the clinical development of CAR-T-19 Injection and accelerate its early access to the patients. CDE's breakthrough therapy designation is designed to expedite the clinical development of innovative drugs presenting significant clinical advantages. Drug candidates with breakthrough therapy designation may be considered for conditional approval and priority review when submitting a new drug application.

As at the date of this announcement, the Group has completed the enrolment of 47 targeted patients for the Phase II clinical trial for CAR-T-19 Injection.

Denocabtagene Ciloleucel Injection

Denocabtagene Ciloleucel Injection, originally known as RC19D2, CAR-T-19-D2 and CAR-T-19-DNR, targets immunosuppressive molecule TGF-ß, is an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma. The injection has the goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and tumour recurrence. In March 2023, the Group has obtained implied approval on clinical trial for the Denocabtagene Ciloleucel Injection from the NMPA.

As at the date of this announcement, the Company has completed the enrolment of 12 targeted patients for the Phase I clinical trial for the Denocabtagene Ciloleucel Injection.

aT19 Injection

The active component of the aT19 Injection product candidate is autologous T cells genetically modified to express CD19. The gene introduced therein is an encoded gene structure that can express human CD19 protein. The reinfusion of the aT19 Injection after injecting the CAR-T-19 Injection has the potential to reactivate CAR-T cells, restart the proliferation of CAR-T cells, and induce more immune memory cells, thereby increasing the chance of killing trace amounts of residual CD19-positive tumour cells and of preventing recurrence. Through multiple stimulations from CD19 antigen, the number of CAR-T cells with immune memory function may also increase, thereby prolonging the immune surveillance duration of CAR-T cells and reducing the probability of recurrence of CD19-positive tumours.

As at the date of this announcement, the Group has received an approval of the IND for the Phase I clinical trial from the CDE for the aT19 Injection in February 2024. The Group will conduct the Phase I clinical trials at the appropriate time according to operational arrangements.

Based on the technology of the CAR-T-19 Injection, the Denocabtagene Ciloleucel Injection and aT19 Injection product candidates have the ultimate goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment, and tumour recurrence. If verified, the technology underlying these two product candidates may be used in the genetic modification of other CAR-T and TCR-T cell products targeting solid tumours.

TCR-T cell product pipeline

The Group has a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target indications including the clear cell renal cell carcinoma, and viral infections such as CMV and EBV.

TCR-T-CMV injection for the treatment of refractory CMV infections post-hematopoietic stem cell transplantation was submitted for a pre-IND meeting in January 2025.

Pre-clinical research on YT007 injection for the treatment of advanced clear cell renal cell carcinoma has largely been completed.

CORPORATE PROFILE

Overview

The Group is a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy for almost 18 years. EAL® – its Core Product Candidate – is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application, and has shown efficacy in the treatment of various types of cancer. The relevant research of EAL® began in 2006, and the Group has improved upon the cell culture system and methods, and developed the proprietary, patented technology platform for the production of EAL® cells.

The Group has selected the prevention of postsurgical recurrence of liver cancer as the clinical indication for the clinical trial of EAL®. As of the date of this announcement, the conditional NDA of the Group's core product candidate EAL® has been accepted by the CDE of the NMPA.

The Group's product pipeline features major classes of cellular immunotherapy products, including both non-genetically-modified and genetically-modified products, as well as both multi-target and single-target products.

Composed of experienced cancer immunologists, the core technology team is equipped with industry foresight and sensitivity. The R&D organisational structure encompasses early research, pre-clinical studies, clinical studies, and commercialised production and management, allowing for rapid implementation of the product R&D efforts.

The Group has also established technology platforms necessary for the R&D of cellular immunotherapy products and in place an organisational and management platform for clinical trials.

BUSINESS REVIEW

R&D of the product candidates

The following chart summarises the product candidates and their R&D status as at the date of this announcement:

Product Category		Product Code	Therapeutic Area	Indications	Early Research	Pre-clinical Studies	IND	Clinical Stage: Clinical Phase I	Clinical Stage: Clinical Phase II/III	NDA
Non-genetically Modified Products		EAL®	Solid Tumours	Liver cancer after surgery						
Non-genetically Modified Products		EAL®	Solid Tumours	Gastric cancer after surgery						
Non-genetically Modified Products		6B11	Solid Tumours	Platinum resistant ovarian cancer (OC)						
Genetically Modified Products	CAR-T	CAR-T-19	Hematologic Malignancies	Relapsed/refractory B-cell acute lymphoblastic leukemia (r/r B-ALL) under 25 years of age						
Genetically Modified Products	CAR-T	Denocabtagene Ciloleucel Injection	Hematologic Malignancies	Relapsed or refractory diffuse large B-cell lymphoma						
Genetically Modified Products	TCR-T	YT003	Post-transplantation Infections	CMV infection after hematopoietic stem cell transplantation						
Genetically Modified Products	TCR-T	YT008	Post-transplantation Infections	EBV infection after hematopoietic stem cell transplantation/ Chronic active EBV infection						
Genetically Modified Products	TCR-T	YT007	Solid Tumours	Clear cell renal cell carcinoma (ccRCC)						
Genetically Modified Products	VAC	VAC-aT19	Hematologic Malignancies	Sequential CD19 CAR-T for relapsed or refractory B hematologic malignancies						

Non-genetically modified cell product pipeline

EAL®

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Based on the Group's recent communication with the CDE, in February 2025, the CDE has agreed that the Group may submit an application for conditional approval for EAL®. In March 2025, EAL® was granted priority review in China. As at the date of this announcement, the conditional NDA of the Group's core product candidate EAL® has been accepted by the CDE of the NMPA.

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In December 2020, the Group received an approval of the IND for clinical trials of CAR-T-19 Injection from the CDE. Following the IND approval, the Group has commenced Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing, the PRC on 25 February 2021. In October 2023, the Group applied to the CDE for the commencement of the Phase II clinical trial work.

CAR-T-19 Injection was granted breakthrough therapy designation for treatment of patients aged 25 and under with relapsed/refractory B-ALL by the CDE. The designation was granted based on the solid clinical efficacy and safety data of CAR-T-19 Injection. It will expedite the clinical development of CAR-T-19 Injection and accelerate its early access to the patients. CDE's breakthrough therapy designation is designed to expedite the clinical development of innovative drugs presenting significant clinical advantages. Drug candidates with breakthrough therapy designation may be considered for conditional approval and priority review when submitting a new drug application.

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TCR-T cell product pipeline

TCR-T cell therapy is an immunotherapy based on the reinfusion of tumour antigen-specific T cells. The Group established single-cell sequencing-based technology platform to obtain different HLA-restricted TCR coding sequences for specific antigens. Subsequently, the TCR genes are inserted into the self-constructed lentiviral vector for transduction into T cells, and then the killing effect on tumour cells is confirmed by an in vitro and in vivo model. In this way, the Group intends to finally prepare a gene database for TCRs where different antigenic specificities presented by common HLA could be recognised.

The Group has a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target indications including the clear cell renal cell carcinoma, and viral infections such as CMV and EBV.

TCR-T-CMV injection for the treatment of refractory CMV infections post-hematopoietic stem cell transplantation was submitted for a pre-IND meeting in January 2025.

Pre-clinical research on YT007 injection for the treatment of advanced clear cell renal cell carcinoma has largely been completed.

Cautionary statement required by Rule 18A.05 of the Listing Rules: the Company cannot guarantee that the Core Product Candidate and other product candidates will ultimately be successfully developed and marketed.

The Group's facilities

The Group has a total area of approximately 27,604 sq.m. for a R&D and manufacturing centre in Beijing, the PRC, which includes a quality inspection building and clean laboratory. Such facilities are capable of supporting the pre-clinical and clinical R&D of cellular immunotherapy product candidates, as well as the early production needs upon marketing approval for the product candidates. All these facilities have been issued clean facility (area) inspection reports by the Beijing Institute for Drug Control. Leadman manufacturing shop and the Guosheng Laboratory in Beijing have the capacity to handle approximately 40,000 samples per year, and can satisfy the needs from the clinical trials for its product pipeline for two to three years, as well as the early production needs from the commercialisation of EAL®.

In order to expedite the clinical trials and prepare for the future commercialisation roadmap, the Group is planning to establish R&D and production centres in densely-populated areas in China in view of the six-hour transportation radius for EAL®, namely:

- Northern China region:

  – On 17 June 2021, the commencement ceremony for the construction of the R&D and industrialisation base took place, which marked the official launch of the construction project of the Group's R&D and industrialisation base in Beijing, the PRC. The expected investment for the Beijing production centre would amount to approximately RMB1.2 billion, which is expected to be financed by a bank loan. After completion, it is expected to reach an annual production capacity of over 200,000 batches of cells, covering the domestic Northern and Northeast markets in China.

- Eastern China region:

  – In February 2021, Beijing Yongtai entered into a cooperation framework agreement with the Shaoxing Binhai New Area Management Committee* (紹興濱海新區管理委員會) in relation to, among others, establishing the proposed R&D and production centre of EAL® for the Eastern China region, the proposed joint establishment of academician workstations with universities and research institutions in the PRC, the proposed land development regarding the project and the proposed establishment of the Industry Fund, targeted at the investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy. At present, the total investment for the project is expected to be approximately RMB1.0 billion. The first phase of construction of proposed R&D and production centre of EAL® for the Eastern China region is expected to complete within 48 months after obtaining the relevant land title certificate. As at the date of this announcement, the Group has started the construction of the production centre in Shaoxing.

  – On 11 May 2022, Shanghai Yongtai Immunobiological Products Co Ltd (上海永泰免疫生物製品有限公司) as the leasee, entered into a land use rights grant contract with Shanghai Songjiang Bureau of Planning and Natural Resources* (上海市松江區規劃和自然資源局) as the leasor, in relation to lease a land located in Shanghai Songjiang Industrial Area, with a total site area of approximately 21,848.6 sq.m. (the "**Land**"). The Land is for industrial use and the term of the land use right for the Land is 20 years from the delivery date of the Land. The Company intends to use the Land for R&D centre of the product candidates in Eastern China region.

Quality assurance

The Group has formulated the quality management documentation in accordance with GMP, covering production process procedures, product quality standards, equipment and facilities operation procedures, inspection procedures, sample retention and sampling management procedures, personnel training, environmental monitoring, verification and confirmation, deviation inspection, and quality risk control management procedures. The Group has standardised the selection, purchase, inspection, release, production process, inspection process, product storage, and transportation of the materials used in the products to ensure full compliance with relevant laws and regulations and GMP requirements. Under the Group's quality management procedures, final products can be released only after the quality inspection, in order to ensure that the products meet the relevant standards and intended use.

In particular, the production of EAL® has achieved standardisation. The Group has developed comprehensive standards in relation to the production process in order to ensure that the product is of consistent quality.

To ensure the final products meet the quality standards, all quality issues during the production process are documented, escalated to, and reviewed by senior management. The Group also conduct a formal risk assessment and justification in accordance with the standards and procedures under the quality management system and policies.

The head of the quality department reports directly to the CEO. There are two sub-teams within the quality department and they are responsible for quality assurance and quality control respectively. As at 31 December 2024, the Company had 39 staff members in the quality department.

Future and outlook

Expedite the commercialisation of EAL®

The Group plans to fully advance the preparation work for the post-marketing commercialisation of EAL®, including but not limited to fully advancing the work in relation to government affairs, hospital access, marketing, medical, sales, etc.

Advance the pre-clinical studies for pipeline products

The Group plans to continue to invest into the CAR-T and TCR-T cell product pipelines.

For example, patients often suffer from viral infections after hematopoietic stem cell transplantation (HSCT)/solid organ transplant (SOT). Cytomegalovirus (CMV) infection is a major cause of morbidity and mortality among those patients and is one of the most common risk factors. By genetically transducing general T cells with TCR genes that specifically recognise CMV-associated antigens, there is a potential for the treatment of CMV infection-related life-threatening diseases.

Enhance the technology platform and strengthen the product pipeline

The Company is committed to continuing its studies on cellular immunotherapy products appropriate for different tumour types and stages with improved efficacy compared to currently-available products.

In the area of tumour antigens for individualisation of solid tumours, the Company intends to identify antigen-specific TCRs suitable for different individuals, with a view to ultimately constructing a gene database for TCRs targeting of tumour neoantigens in an effort to conduct research into molecule-specific TCR-T cell products for the treatment of solid tumours. Such research would target at the area of life-threatening diseases caused by viruses such as CMV and EBV.

Develop viral vector production and early-stage R&D services business

The Company has established the viral vector production system, which meets the pharmaceutical production quality standards under GMP requirements. The viral vectors that the Company has produced meet the requirements for biological products and can be produced in scale. At present, domestic CAR-T cells companies often order viral vectors from abroad.

Due to the high degrees of individualisation and the nature as biological active products, cellular immunotherapy products are subject to R&D carried out through a systematic technology platform covering cell preparation, cell quality control, cell potency studies, cell safety studies, etc. In the absence of such platform, the productisation of the cells would be difficult. The Group began to carry out CDMO business during the Reporting Period, based on the systematic technology platform established by the Group for the R&D of cellular immunotherapy products, and it can provide customised services according to the needs of customers.

Expand strategic collaboration on the basis of organic growth

Based on endogenous growth, the Company plans to expand strategic cooperation to seek the sale, technology transfer and strategic cooperation of existing and research products. The Company will also continue to seek new potential directions for the development of cellular immunotherapy products and explore opportunities for mergers and acquisitions and strategic cooperation.

FINANCIAL REVIEW

Year Ended 31 December 2024 Compared to Year Ended 31 December 2023

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other income	**33,788**	10,547
Other gains and losses, net	**(11,813)**	(106,458)
Administrative expenses	**(44,540)**	(53,223)
Research and development expenses	**(154,240)**	(177,326)
Finance costs	**(7,493)**	(8,519)
Other expenses	**(2,119)**	(500)
Loss before tax	**(186,417)**	(335,479)
Income tax expense	**(926)**	–
Loss and total comprehensive expense for the year	**(187,343)**	(335,479)
Loss and total comprehensive expense for the year attributable to:		
Owners of the Company	**(186,912)**	(334,819)
Non-controlling interests	**(431)**	(660)
	(187,343)	(335,479)
Loss per share (RMB)		
Basic	**(0.36)**	(0.65)
Diluted	**(0.36)**	(0.65)

Other income

Other income of the Group increased by approximately 220.4% from approximately RMB10.5 million for the year ended 31 December 2023 to approximately RMB33.8 million for the year ended 31 December 2024, which was primarily due to the increase in government grants during the Reporting Period.

Set out below are the components of other income for the periods indicated:

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Income from provision of cell cryopreservation services *(Note a)*	**710**	710
Income from provision of technical services	**2,409**	590
Interest income on bank deposits	**874**	2,817
Interest income on rental deposits	**197**	192
Government grants *(Note b)*	**29,369**	6,216
Others	**229**	22
Total	**33,788**	10,547

Note a: Cell cryopreservation is the process whereby cells are preserved by cooling to very low temperatures.

Note b: Government grants related to research and development activities, compensations of the capital expenditure from local PRC government.

Other gains and losses, net

Other gains and losses, net of the Group decreased by approximately 88.9% from losses of RMB106.5 million for the year ended 31 December 2023 to losses of RMB11.8 million for the year ended 31 December 2024, primarily due to the changes in fair value losses for financial assets measured at fair value (including the equity interest in Shaoxing Yongsheng Equity Investment Partnership (LP)* (紹興永晟股權投資合夥企業(有限合夥)), the changes in fair value gains for other financial liabilities (convertible bonds), the loss resulting from the termination of the TCR800 licensing agreement, and the compensation payment for the new facilities in Daxing during the Reporting Period.

Business development expenses

The Company did not incur any business development expenses for the year ended 31 December 2024, which was primarily due to larger scale of Phase II clinical trial for EAL® based on which the Company has classified all the business development expenses relevant to such clinical trial to the R&D expenses.

Administrative expenses

Administrative expenses of the Group decreased by approximately 16.4% from approximately RMB53.2 million for the year ended 31 December 2023 to approximately RMB44.5 million for the year ended 31 December 2024, which was primarily due to the decrease in staff costs and professional fees.

The Group's administrative expenses primarily include staff costs, professional fees including fees paid to contractors and recruiters, depreciation expenses of the right-of-use assets for the leases, vehicles and office equipment, travel and hospitality fees and others.

Research and development expenses

Research and development expenses of the Group decreased by approximately 13.0% from approximately RMB177.3 million for the year ended 31 December 2023 to approximately RMB154.2 million for the year ended 31 December 2024, which was primarily due to increase in materials for research and development project, depreciation and amortisation, partially offset by decrease in contracting costs and staff costs.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Materials for research and development project	**16,135**	15,125
Staff costs	**50,342**	54,193
Share Option	**–**	–
Contracting costs	**27,299**	46,883
Depreciation and amortisation	**46,829**	41,849
Service fee	**4,661**	3,855
Energy fee	**6,522**	8,464
Others	**2,452**	6,957
Total	**154,240**	177,326

Finance costs

Finance costs of the Group decreased by approximately 12.0% from approximately RMB8.5 million for the year ended 31 December 2023 to approximately RMB7.5 million for the year ended 31 December 2024, which was primarily due to decrease in interest expenses on lease liabilities recognised pursuant to IFRS 16.

Other expenses

Other expenses of the Group increased by approximately 323.8% from approximately RMB0.5 million for the year ended 31 December 2023 to approximately RMB2.1 million for the year ended 31 December 2024, which was primarily due to increase in costs for provision of technical services.

Loss before tax

For the above reasons, the loss before tax of the Group decreased by approximately 44.4% from approximately RMB335.5 million for the year ended 31 December 2023 to approximately RMB186.4 million for the year ended 31 December 2024.

Income tax expense

For the year ended 31 December 2024, the Company is not subject to any income tax in the Cayman Islands. No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Hong Kong subsidiary, which was subject to Hong Kong profit tax during the Reporting Period. The subsidiaries located in the PRC, were generally subject to the statutory enterprise income tax at a rate of 25% on the assessable profits according to the PRC Enterprise Income Tax Law. Beijing Yongtai, one of the PRC subsidiaries, was accredited as a High And New Technology Enterprise for a three-year period commencing from 2 December 2024. Yongtai Ruike was also accredited as a High And New Technology Enterprise for a three-year period commencing from 20 December 2023. Accordingly, Beijing Yongtai and Yongtai Ruike enjoyed a lower tax rate of 15% during the Reporting Period.

Liquidity and capital resources

The bank balances and cash decreased by approximately RMB5.2 million from approximately RMB52.2 million at 31 December 2023 to approximately RMB47.0 million at 31 December 2024, which was primarily due to the consumption of cash for R&D.

Indebtedness

Lease liabilities

As at 31 December 2024, the lease liabilities were approximately RMB116.5 million. The lease liabilities were secured by rental deposits and unguaranteed.

Contingent liabilities, charge of assets and guarantees

In February 2023, the Company completed issuance of the Convertible Bonds. The Convertible Bonds are secured by the security for the Company's payment obligations and the performance of Company's obligations in respect of the Convertible Bonds. The security includes the assets mortgage and the share mortgages. The assets mortgage includes the mortgage of: (1) a land use right; and (2) other pledged assets including certain equipment and financial assets at fair value through profit or loss, of the Group. The share mortgages include the Shares charged by Tan Zheng Ltd and Tan Yue Yue Ltd under the transaction documents, which amounts to 19,285,714 Shares held by Tan Zheng Ltd and 6,714,286 Shares held by Tan Yue Yue Ltd.

Save as disclosed above, the Company did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, loans, borrowings, lease liabilities, liabilities under acceptance or other similar indebtedness, any guarantees or other material contingent liabilities as at 31 December 2024.

CAPITAL STRUCTURE

The Shares were listed on the Main Board of the Stock Exchange on 10 July 2020, and 100,000,000 Shares were issued at the offer price of HK$11.00 per share by way of Global Offering.

Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the Global Offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering. There was no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares. As at 31 December 2024, the total issued share capital of the Company was US$514,584 divided into 514,584,000 Shares.

The capital structure of the Group was 102.9% debt and -2.9% equity as at 31 December 2024, compared with 79.8% debt and 20.2% equity as at 31 December 2023.

Completion of issue of Convertible Bonds under specific mandate

On 20 February 2023, the Board announces that all the conditions precedent under the Subscription Agreement have been fulfilled that the Convertible Bonds in the aggregated principal amount of RMB300 million have been issued to the Investor. The Convertible Bonds are convertible into the Company's ordinary shares of US$0.001 each at an initial Conversion Price of HK$4.81 per Conversion Share (subject to adjustments). The Conversion Shares has been issued by the Company pursuant to the specific mandate granted to the Directors at the extraordinary general meeting held on 11 January 2023 which authorised the Company to issue and allot up to 68,493,150 Shares to the Investor. The interest rate is 6% per annum on the outstanding principal amount of the Convertible Bonds.

The reasons for the issue of Convertible Bonds are as follows: the Company is in need of capital for its operation and R&D of pipeline and commercialisation of its products. The Company wants to seek an experienced and reputable business partner in the industry to assist its R&D and commercialisation of its products. As the Investor was one of the cornerstone investors of the Listing and is familiar with the business of the Company, the Directors consider the issue of the Convertible Bonds to raise funds will provide an opportunity for the Company to enhance its working capital and financial position and support the business development of the Group. They also consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders. The Company has considered alternative financing methods such as internal cash resources or bank financing that was available to the Company. Given that the Company is currently still in pre-revenue stage, most commercial banks in the PRC were only available to provide fundings under the condition that the Company has achieved positive cash flow. Taking into consideration the prevailing market condition, the financial position of the Group, and the Company's funding needs for its operation, R&D and commercialisation of its products, the Directors consider that it is a prudent way to issue the Convertible Bonds, even the Shareholders may suffer dilution effects under the Convertible Bonds upon conversion of the Conversion Shares (if any).

Details of the Convertible Bonds are set out in the circular of the Company dated 16 December 2022.

On 18 December 2024, the Company was informed by the Investor that it has agreed to transfer (the "**Transfer**") its entire holding of the Convertible Bonds in the aggregate principal amount of RMB300 million to Tibet Jiaze Venture Capital Co., Ltd (西藏嘉澤創業投資有限公司) (the "**Transferee**"). The transfer price of the Convertible Bonds is RMB300 million. Completion of the Transfer is subject to the fulfillment of several conditions precedent, including, among others, written notice and consent from the Company, necessary internal approvals from both parties, requisite approvals from the Stock Exchange (if required), execution of all related documents, and completion of foreign direct investment procedures as mandated by relevant authorities. The Transfer is expected to be completed within five working days following the fulfillment of all conditions. After fulfilment of the conditions precedent, and upon completion of the Transfer, the Convertible Bonds will be held by the Transferee in accordance with the terms of the Convertible Bonds. The terms of the Convertible Bonds remain unchanged despite the Transfer.

In February 2023, the Company received the aggregate principal amount of RMB300 million, of which (a) approximately RMB102.3 million will be applied for EAL® clinical trial and the Company is expected to utilise the remaining fund by the first half of the year 2025; and (b) approximately RMB197.7 million will be applied for the construction costs of new R&D and production centres and the Company is expected to utilise the remaining fund by the end of 2025.

As at 31 December 2024, the Company utilised a total of approximately RMB240.2 million of the proceeds. The table below sets out the planned applications of the net proceeds from the Convertible Bonds and actual usage up to 31 December 2024:

Use of proceeds	**Allocation of the net proceeds from the Convertible Bonds** *(RMB million)*	**Utilised amount up to 31 December 2024** *(RMB million)*	**Unutilised amount as at 31 December 2024** *(RMB million)*	**Expected timeline of full utilisation of the remaining proceeds from the Convertible Bonds**
EAL® clinical trial	102.3	102.3	0.00	By the first half of the year 2025[1]
Construction costs of new R&D and production centres	197.7	154.3	43.4	By the end of 2025
Total	300.0	256.6	43.4	

(1) As at 31 December 2024, the delay in the actual use of proceeds for the EAL® clinical trial was mainly due to the delay in the approval process of EAL®.

FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit the exposure to foreign currency risk by closely monitoring and minimising its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

SELECTED FINANCIAL RATIO

The following table sets out certain selected financial ratios as at the balance sheet dates indicated:

	Year ended 31 December	
	2024	2023
Current ratio[1]	**0.20**	0.40
Quick ratio[2]	**0.19**	0.39
Gearing ratio[3]	**–**	–

Notes:

(1) Current ratio equals current assets divided by current liabilities as at the end of the year.

(2) Quick ratio equals (a) current assets less materials for R&D project divided by (b) current liabilities as at the end of the year.

(3) Gearing ratio equals total borrowings divided by total equity as at the end of the year. As at 31 December 2024, the Group had no interest-bearing borrowings, such that the gearing ratio is not applicable for the year ended 31 December 2024.

The current ratio decreased from 0.40 as at 31 December 2023 to 0.20 as at 31 December 2024 and the quick ratio decreased from 0.39 as at 31 December 2023 to 0.19 as at 31 December 2024, the decease in both ratios were primarily due to the decrease in financial assets at FVTPL of the Group from approximately RMB124.8 million as at 31 December 2023 to approximately RMB10.5 million as at 31 December 2024.

FINAL DIVIDEND

No dividend was paid, declared or proposed for the Reporting Period.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Friday, 23 May 2025 (the "**AGM**"). A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 20 May 2025 to Friday, 23 May 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, unregistered holders of shares must lodge all properly completed transfer forms accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 19 May 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance

The Company has applied the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The CG code has been applicable to the Company during the Reporting Period.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the Report Period.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

Use of Net Proceeds from Listing and Over-allotment Option

The Shares were listed on the Stock Exchange on 10 July 2020. Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the Global Offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering.

After deducting the underwriting fees and commissions, other listing expenses and other expenses in connection with the exercise of the initial Global Offering and the exercise of the over-allotment option, the net proceeds amounted to approximately HK$1,127.8 million. As at the date of this announcement, the Company used a total of approximately HK$1,124.8 million of the proceeds, including approximately HK$385.6 million for investment in the ongoing clinical trial and commercialisation of EAL®, approximately HK$374.5 million for investments in CAR-T-19 clinical trial and TCR-T product series candidates, approximately HK$212.5 million for R&D expenditure in connection with expansion of other clinical indications for EAL®, approximately HK$95.8 million for development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres and approximately HK$56.4 million for working capital and other general corporate purposes. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus.

The table below sets out the planned applications of the net proceeds from the Global Offering and the over-allotment option and actual usage up to 31 December 2024:

Use of Proceeds	Allocation of the net proceeds from the Global Offering *(HK$ million)*	Percentage of total net proceeds *(%)*	Unutilised amount (as at 1 January 2024) *(HK$ million)*	Utilised amount (from the Listing Date to 31 December 2024) *(HK$ million)*	Utilised amount (from 1 January 2024 to 31 December 2024) *(HK$ million)*	Unutilised amount (as at 31 December 2024) *(HK$ million)*	Expected timeline of full utilisation of the remaining proceeds from the Global Offering as at 31 December 2024(1)
For investment in the ongoing clinical trial and commercialisation of EAL®	385.6	34.2	–	385.6	–	–	Not applicable
For R&D expenditure in connection with expansion of other clinical indications for EAL®	213.2	18.9	0.7	212.5	–	0.7	By the end of 2025
For investments in CAR-T-19 clinical trial and TCR-T product series candidates	374.5	33.2	–	374.5	–	–	Not applicable
Development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres	98.1	8.7	2.3	95.8	–	2.3	By the end of 2025
Working capital and other general corporate purposes	56.4	5.0	–	56.4	–	–	Not applicable
Total	1,127.8	100.0	3.0	1,124.8	–	3.0	

(1) The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances.

For the Company's planned usage of the use of proceeds as described above, the Company expects the net proceeds will be used up by 2025.

Significant Investments, Material Acquisitions and Disposals

As at 31 December 2024, financial assets at FVTPL amounted to approximately RMB10.5 million, representing approximately 1.9% of the total assets of the Group.

On 20 March 2023 and 20 June 2023, the Group (through its indirect wholly-owned subsidiary, Beijing Yongtai) subscribed for certain certificates of deposits issued by Minsheng Bank with its idle own funds in the principal amount of RMB110.0 million in aggregate. On 20 July 2023, 20 March 2024 and 20 June 2024, the Group disposed of eight out of the 11 certificates of deposits in three instalments by on-market sale through Minsheng Bank at an aggregate consideration of approximately RMB82.6 million. As at the date of this announcement, the Group continues to hold three certificates of deposits in the total amount of RMB30.0 million. For further details, please refer to the announcement of the Company dated 20 June 2024.

None of the investment that was designated as financial assets at FVTPL in the Group's investment portfolio had a carrying amount that accounts for 5% or more of the Group's total assets as at 31 December 2024.

Save as disclosed and as at the date of this announcement, there were no significant investments held by the Group or future plans regarding significant investment or capital assets.

Employee and Remuneration Policy

As at 31 December 2024, the Company had a total of 154 employees in the PRC. The total amount of employee remuneration of the Group (including directors' remuneration) for the year was approximately RMB70.1 million (2023: approximately RMB77.0 million).

The following table sets forth the number of the employees for each function as at 31 December 2024:

Function	**Number of Employees**
General management and administration	19
R&D	14
Senior management	10
Production, purification, equipment and safety	56
Quality	39
Clinical support and business development	16
Total	154

The Group has designed an evaluation system to assess the performance of the employees periodically. Such system forms the basis of the determinations of whether an employee should receive a salary raise, bonus, or promotion. The Company believed the salaries and the bonuses the employees receive are competitive with market rates.

The Group places strong emphasis on providing training to the employees in order to enhance their technical and product knowledge. The Group designs and offer different training programmes for the employees in various positions.

The Group makes contributions to the social insurance and housing provident fund for all the employees in the PRC.

Share Option Schemes

In order to reward the participants defined thereunder for their contribution to the Group's success and to provide them with incentives to further contribute to the Group, the Company adopted the pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") on 31 December 2019 and the post-IPO share option scheme (the "**Post-IPO Share Option Scheme**") on 6 June 2020.

For details of the principal terms of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, please refer to Appendix IV to the Prospectus.

Pre-IPO Share Option Scheme

The summary of the share options granted under the Pre-IPO Share Option Schemes that were still outstanding as at 31 December 2024 is as follows:

Name of the grantee	No. of share options outstanding as at 31 December 2023	No. of share options granted during the Reporting Period and up to 31 December 2024	No. of share options exercised during the Reporting Period and up to 31 December 2024	No. of share options cancelled during the Reporting Period and up to 31 December 2024	No. of share options lapsed during the Reporting Period and up to 31 December 2024	No. of share options outstanding as at 31 December 2024
Tan Zheng *Chairman and executive Director*	5,000,000	–	–	–	–	5,000,000
Wang Yu *Executive Director, CEO and CTO*	23,450,000	–	–	–	–	23,450,000
Employees (in aggregate)	7,480,000	–	–	–	–	7,480,000
Total	**35,930,000**	–	–	–	–	**35,930,000**

Details regarding the number of options, date of grant, vesting period, exercise period and exercise price of the share options granted under the Pre-IPO Share Option Scheme that were still outstanding as at 31 December 2024 are set out below:

Name of the grantee	Date of grant	Vesting Period	Exercise Period	Exercise Price per share *(Note 2)*	No. of outstanding option as at 31 December 2024
Tan Zheng *Chairman and executive Director*	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK$5.5	5,000,000
Wang Yu *Executive Director, chief executive officer and chief technology officer*	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK$5.5	23,450,000
Employees (in aggregate)	31 December 2019	Three tranches of 30%, 30% and 40% on 31 December 2020, 2021 and 2022, respectively/Two equal tranches on 31 December 2020 and 2021, respectively *(Note 1)*	31 December 2019 to 30 December 2026	HK$5.5	7,480,000
Total					**35,930,000**

Notes:

1. For details of the vesting periods of share options granted to each of the employees, please refer to Appendix IV to the Prospectus.

2. Closing price of the shares is not applicable as the Shares were not listed at the date of grant.

As at the date of this announcement, the total number of Shares available for issue under the Share Option Scheme is 35,930,000 Shares, representing approximately 6.98% of the total issued Shares.

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme will remain in force for a maximum period of 10 years commencing on the date on which the Post-IPO Share Option Scheme is adopted.

No share options were granted, exercised, cancelled or lapsed under the Post-IPO Option Scheme during the period from the Listing Date to date of this announcement.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

Directors' Interest in Contracts

None of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party throughout the Reporting Period and up to the date of this Announcement.

Purchase, Sale or Redemption of the Company's Listed Securities

As at 31 December 2024, there is no treasury shares held by the Company.

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares (includes the sale of treasury shares) during the Reporting Period.

Audit Committee and Review of Financial Report

The Audit Committee was established on 6 June 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. As at the date of this announcement, the Audit Committee consists of three members, being two independent non-executive Directors, namely Mr Ng Chi Kit, who is the chairman of the Audit Committee, Professor Wang Yingdian, and one non-executive Director, namely Mr Tao Ran. Mr Ng Chi Kit is an independent non-executive Director possessing the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Directors.

The Audit Committee has reviewed the Company's annual financial results for the year ended 31 December 2024, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 31 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Extract from the Auditor's Report

The following is an extract from the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2024.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB187,343,000 and a net operating cash outflow of RMB125,742,000 for the year ended 31 December 2024, and as of that date, the Group has net current liabilities of RMB342,712,000, net liabilities of RMB16,453,000, bank balances of RMB46,957,000, pledged bank deposits of RMB5,581,000 and investment in the certificate of deposit of RMB10,536,000. These events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Changes to Directors' Information

There has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting period.

Directors' Rights to Acquire Shares or Debentures

Save for the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, no arrangement has been made by the Company or any of its subsidiaries for any Director to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate, and no rights to any share capital or debt securities of the Company or any other body corporate were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised during or at the end of the Reporting Period.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		For the year ended 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Other income	*5*	**33,788**	10,547
Other gains and losses, net	*6*	**(11,813)**	(106,458)
Administrative expenses		**(44,540)**	(53,223)
Research and development expenses		**(154,240)**	(177,326)
Finance costs	*7*	**(7,493)**	(8,519)
Other expenses	*5*	**(2,119)**	(500)
Loss before tax		**(186,417)**	(335,479)
Income tax expense	*8*	**(926)**	–
Loss and total comprehensive expense for the year	*9*	**(187,343)**	(335,479)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		**(186,912)**	(334,819)
Non-controlling interests		**(431)**	(660)
		(187,343)	(335,479)
Loss per share (RMB)	*11*		
Basic		**(0.36)**	(0.65)
Diluted		**(0.36)**	(0.65)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**451,603**	500,759
Intangible assets		**19,551**	41,882
Prepayments, deposits and other receivables	*13*	**5,180**	42,113
Contract costs		**214**	464
Financial assets at fair value through profit or loss ("**FVTPL**")	*12*	**–**	46,362
Pledged bank deposits		**–**	810
		476,548	632,390
CURRENT ASSETS			
Contract costs		**250**	256
Financial assets at FVTPL	*12*	**10,536**	124,812
Prepayments, deposits and other receivables	*13*	**18,528**	30,718
Amounts due from related parties		**100**	–
Materials for research and development project		**5,542**	4,924
Pledged bank deposits		**5,581**	1,023
Bank balances		**46,957**	52,161
		87,494	213,894
CURRENT LIABILITIES			
Contract liabilities		**1,729**	710
Trade and other payables	*14*	**131,925**	176,911
Lease liabilities		**27,445**	24,679
Deferred government grants	*15*	**46**	1,136
Other financial liability		**268,097**	326,839
Tax liabilities		**964**	–
		430,206	530,275
NET CURRENT LIABILITIES		**(342,712)**	(316,381)
TOTAL ASSETS LESS CURRENT LIABILITIES		**133,836**	316,009

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
NON-CURRENT LIABILITIES			
Contract liabilities		**811**	1,274
Lease liabilities		**89,017**	105,655
Deferred government grants	*15*	**60,461**	38,190
		150,289	145,119
NET (LIABILITIES) ASSETS		**(16,453)**	170,890
CAPITAL AND RESERVES			
Share capital		**3,576**	3,576
Reserves		**(16,872)**	170,040
(Deficit) equity attributable to owners of the Company		**(13,296)**	173,616
Non-controlling interests		**(3,157)**	(2,726)
TOTAL (DEFICIT) EQUITY		**(16,453)**	170,890

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Immunotech Biopharm Ltd (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act Chapter 22 (Law of 3 of 1961, as consolidated and revised) of the Cayman Islands on 11 April 2018. Its ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 10 July 2020. The address of the Company's registered office is at P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at 8/F, Block 1, Guosheng Technology Park, No.1 Kangding Street, Beijing Economic-Technological Development Area, Beijing, the PRC.

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in research and development, manufacturing and commercialisation of immune cell products for treatments of cancers in the PRC. The Company and its subsidiaries are hereinafter collectively referred to as the "**Group**".

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Accounting Standards")

(a) Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the Group's annual period on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The followings are the impact of the application of the amendments:

Convertible instruments with conversion options not meeting "fixed for fixed criterion" designated at FVTPL

The Group's outstanding convertible bonds include counterparty conversion options that do not meet equity instruments classification by applying IAS 32. The convertible bonds were designated at FVTPL. Upon the application of the 2020 Amendments, given that the convertible bonds are exercisable anytime, the convertible bonds designated at FVTPL as at 31 December 2023 are reclassified to current liabilities as the holders have the option to convert within twelve months after the reporting period.

Except as described above, the application of the 2020 Amendments has no other material impact on the classification of the Group's other liabilities. The change in accounting policy does not have impact to the Group's profit or loss or earnings per share for the current and prior years presented. The details of the impacts on each financial statement line item on the consolidated statement of financial position arising from the application of the amendments are set out below in this note. Comparative figures have been restated.

2.1.1 Transition and summary of impact

The effects of the changes in accounting policy as a result of application of 2020 Amendments on the consolidated statement of financial position as at the end of the reporting period, i.e. 31 December 2024 and the end of the immediately preceding financial year, i.e. 31 December 2023 are as follows:

	31 December 2024 (As reported) *RMB'000*	**Adjustments** *RMB'000*	**31 December 2024 (Without the application of 2020 Amendments)** *RMB'000*
Current Liability			
Other financial liabilities	**268,097**	**(268,097)**	**–**
Non-current Liability			
Other financial liabilities	**–**	**268,097**	**268,097**
Total effects on net assets	**268,097**	**–**	**268,097**

	31 December 2023 (Originally stated) *RMB'000*	Adjustments *RMB'000*	31 December 2023 (Restated) *RMB'000*
Current Liability			
Other financial liabilities	–	326,839	326,839
Non-current Liability			
Other financial liabilities	326,839	(326,839)	–
Total effects on net assets	326,839	–	326,839

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

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

Standards/Amendments	**Content**	**Effective for annual periods beginning on or after**
Amendments to IFRS 9 and IFRS 7	Amendment to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

Except as described below, the directors of the Company anticipate that the application of the above new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2.2 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 Standards, 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 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB.For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition,the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

In preparation of the consolidated financial statements for the year ended 31 December 2024, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of RMB187,343,000 and a net operating cash outflow of RMB125,742,000 for the year ended 31 December 2024, and as of that date, the Group has net current liabilities of RMB342,712,000, net liabilities of RMB16,453,000, bank balances of RMB46,957,000, pledged bank deposits of RMB5,581,000 and investment in the certificate of deposit of RMB10,536,000. The Group's ability to continue as a going concern is highly dependent on its ability to maintain minimal cash outflows from operations and sufficient financing resources to meet its financial obligations as and when they fall due.

The Group has formulated various plans and measures with the objective to improve the liquidity and cashflows of the Group, including but not limited to, the following:

i) The Group is actively negotiating with several banks to obtain borrowings at a reasonable cost. Subsequent to 31 December 2024, a subsidiary of the Group has successfully entered into bank facility agreements with reputable banks in Mainland China at a total amount of RMB110 million, including: a) a bank facility agreement of RMB100 million which is guaranteed by an independent third party guarantee company with maturity date of 24 March 2026; and b) two bank facility agreements of each RMB5 million which are guaranteed by Dr. Wang Yu, the chief executive officer of the Group, and another independent third party guarantee company, respectively, with maturity date of 21 March 2026.

ii) In respect of convertible bonds due in February 2026, the Group is actively seeking for an extension of the convertible bonds with an aggregate amount of principal of RMB300 million and its outstanding interest with Tibet Jiaze Venture Capital Co., Ltd* ("**Tibet Jiaze**") (西藏嘉澤創業投資有限公司), which has entered into an agreement with the original convertible bonds holder, Tasly (Hong Kong) Pharmaceutical Investment Limited ("**Tasly (Hong Kong)**") on 30 December 2024 and agreed to undertake the convertible bonds currently held by Tasly (Hong Kong). On condition the aforesaid extension of the convertible bonds is not successful, as an alternative, a qualified investment company has agreed to undertake the convertible bonds and its outstanding interests.

iii) In March 2025, the Group has obtained financial support committed by Dr. Wang Yu, the chief executive officer of the Group, who has agreed to provide financial support to the Group with an amount of RMB17 million carrying interest at market rates not less than 12 months from 1 April 2025 including but not limited to her currently available personal bank savings. The Directors have evaluated and are satisfied with Dr. Wang Yu's ability of providing necessary financial support to the Group.

iv) The Group continues to negotiate with certain of its construction contractors and suppliers to manage and extend the payment schedules. In October 2024, the Group has entered into a supplementary agreement with a construction contractor that an outstanding payable balance of approximately RMB35 million as of 31 December 2024 would be settled gradually according to the Group's financial situation.

v) The Group is actively seeking equity financing.

vi) The Group is actively applying applicable government subsidies.

The Directors performed an assessment of the Group's future liquidity and cash flows, which included a cash flow projection for a period of not less than twelve months from 31 December 2024 and a review of assumptions about the likelihood of success of the plans and measures being implemented to meet the Group's financing needs. Taking into account the above plans, measures and considering the underlying bases of management's cash flow projection, the Directors are of the opinion that the Group will have funds available to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2024. Accordingly, the Directors consider it appropriate to prepare the Group's consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group can achieve the plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon:

i) the success in timely obtaining sufficient bank borrowings within its available and new bank facilities as needed.

ii) the success in timely obtaining an extension of convertible bonds or undertaking of the convertible bonds by the qualified investment company as needed.

iii) the success in timely obtaining financial support from Dr. Wang Yu, the chief executive officer of the Group as needed.

iv) the success in management of the payments to construction contractors and suppliers.

v) the success in timely seeking equity financing as needed.

vi) the success in timely obtaining government subsidies.

If the Group fails to achieve the above-mentioned plans and measures, it may not be able to continue as a going concern and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amount, to provide for further liabilities that may arise and to reclassify certain non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments are not reflected in these consolidated financial statements.

* *English name is for identification purpose only*

4. **MATERIAL ACCOUNTING POLICY INFORMATION**

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

Geographical information

The Group did not record any revenue during the year ended 31 December 2024 (year ended 31 December 2023: nil). As at 31 December 2024, the Group's non-current assets excluding financial instruments amounted to RMB473,205,000 (31 December 2023: RMB581,596,000). Majority of the Group's non-current assets are located in the PRC, accordingly, no analysis of geographical information is presented.

5. **OTHER INCOME/OTHER EXPENSES**

Other income

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Income from provision of cell cryopreservation services	**710**	710
Government grants	**29,369**	6,216
Income from provision of technical services	**2,409**	590
Interest income on bank deposits	**874**	2,817
Interest income on rental deposits	**197**	192
Others	**229**	22
Total	**33,788**	10,547

Other expenses

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Costs for provision of cell cryopreservation services	**288**	288
Costs for provision of technical services	**1,473**	212
Others	**358**	–
Total	**2,119**	500

6. OTHER GAINS AND LOSSES, NET

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Fair value loss on financial assets at FVTPL, net	**(19,811)**	(90,011)
Fair value gain (loss) on other financial liability *(Note 15)*	**58,742**	(16,770)
(Loss) gain on disposal of property, plant and equipment	**(39)**	196
Exchange gain (loss), net	**216**	(65)
Termination loss of an intangible asset	**(19,316)**	–
Impairment loss of an intangible asset	**(562)**	–
Impairment loss on prepayment to suppliers	**(4,736)**	–
Compensation for suspension of construction in progress	**(26,323)**	–
Gain on early termination of a lease	**23**	–
Gain on lease modification	**–**	185
Others	**(7)**	7
Total	**(11,813)**	(106,458)

7. FINANCE COSTS

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Interest expenses on:		
Lease liabilities	**7,493**	8,494
Bank borrowings	**–**	25
Total	**7,493**	8,519

8. INCOME TAX EXPENSE

(a) Income tax expense

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current tax:		
PRC enterprise income tax ("**EIT**")	**964**	–
Over provision in prior years:		
PRC EIT	**(38)**	–
Total	**926**	–

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the statutory tax rate of the Company's PRC subsidiaries is 25% for both years.

Beijing Yongtai has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities on 31 October 2018 for a term of three years and further extend to December 2024 and December 2027 subsequently. Beijing Yongtai has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2018.

Yongtai Ruike has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Beijing and relevant authorities on 20 December 2023 for a term of three years, and has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2023.

Accordingly, the profits derived by Beijing Yongtai is subject to EIT rate of 15% (year ended 31 December 2023: 15%) for the year ended 31 December 2024, and the profits derived by Yongtai Ruike is subject to EIT rate of 15% (year ended 31 December 2023: 15%) for the year ended 31 December 2024.

No provision for PRC enterprise income tax was made as the Group's PRC subsidiaries incurred tax losses for the year ended 31 December 2023.

No Hong Kong Profits Tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong Profits Tax.

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

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(186,417)**	(335,479)
Tax at the applicable tax rate of 25% (2023: 25%)	**(46,604)**	(83,870)
Tax effect of non-taxable income	**(19,294)**	(77)
Tax effect of expenses not deductible for tax purpose	**13,635**	29,345
Tax effect of additional deduction for research and development expenses *(Note)*	**(32,290)**	(35,427)
Tax effect of unrecognised tax losses	**86,067**	90,029
Utilisation of tax losses previously not recognised	**(550)**	–
	964	–

Note: Pursuant to Caishui 2023 circular No. 7, Beijing Yongtai, Yongtai Ruike and Beijing Weixiao enjoy deduction of 200% on qualifying research and development expenses for the years ended 31 December 2024 and 2023.

(b) Deferred taxation

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Deferred tax assets	**14,678**	17,695
Deferred tax liabilities	**(14,678)**	(17,695)
	–	–

The following are the deferred tax liabilities and assets recognised and movements thereon during the Track Record Period:

	Right-of-use assets	**Lease liabilities**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	(21,684)	21,684	–
Credit (charge) to profit or loss	3,989	(3,989)	–
At 31 December 2023	(17,695)	17,695	–
Credit (charge) to profit or loss	3,017	(3,017)	–
At 31 December 2024	**(14,678)**	**14,678**	**–**

As at 31 December 2024, the Group had unused tax losses of RMB1,931,152,000 (31 December 2023: RMB1,594,145,000) which are available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining unused tax losses as at 31 December 2024 and 2023 due to the unpredictability of future profit streams.

The unused tax losses will be expired as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
2024	**–**	5,221
2025	**18,693**	19,118
2026	**46,033**	47,103
2027	**42,876**	43,189
2028	**37,716**	37,946
2029	**125,720**	122,953
2030	**261,958**	261,958
2031	**381,415**	381,415
2032	**320,898**	320,898
2033	**354,344**	354,344
2034	**341,499**	–
Total	**1,931,152**	1,594,145

9. LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
– salaries and other allowances	**64,427**	70,631
– retirement benefits	**5,626**	6,403
Total staff costs	**70,053**	77,034
Depreciation of property, plant and equipment	**58,521**	53,676
Less: capitalised in construction in progress	**(258)**	(2,507)
	58,263	51,169
Amortisation of intangible assets	**2,609**	2,230
Auditor's remuneration	**2,160**	1,560
Short-term lease expense	**81**	228
Cost of materials included in research and development expenses	**16,135**	15,125
Outsourcing service fees included in research and development expenses	**27,299**	46,883

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2024, nor has any dividend been proposed since the end of the reporting period (year ended 31 December 2023: nil).

11. LOSS PER SHARE

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

	For the year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss for the year attributable to owners of the Company	**(186,912)**	(334,819)

	For the year ended 31 December	
	2024	2023
	Shares	Shares
	('000)	*('000)*
Number of shares		
Number of ordinary shares for the purpose of basic and diluted loss per share	**514,584**	514,584

For the purpose of calculation of diluted loss per share for the years ended 31 December 2024 and 2023, the share options granted under the pre-IPO share option scheme and the conversion of the Company's outstanding convertible bonds were not included as their inclusion would result in a decrease in loss per share.

12. FINANCIAL ASSETS AT FVTPL

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Investment in the Tasly Fund *(Note i)*	**–**	2,393
Investment in the Shaoxing Fund *(Note ii)*	**–**	43,969
Investment in a financial product *(Note iii)*	**–**	22,461
Investment in the certificate of deposit *(Note iv)*	**10,536**	102,351
Total	**10,536**	171,174
Analysed as:		
Non-current	**–**	46,362
Current	**10,536**	124,812
	10,536	171,174

Notes:

i. In December 2020, the Company entered into a subscription agreement with Tasly Bioscience Fund Limited, in relation to the subscription of limited partner interests in Tasly Fund.The investment represents indirect interests in a bio-science company in Korea ("**Target A**") which is accounted for as a financial asset at FVTPL under IFRS 9. As at 31 December 2024, Target A has ceased its clinical research and did not expect the research activities to be resumed in the foreseeable future, therefore, the fair value of the investment approximates to nil.

ii. In February 2021, the Company's subsidiary, Beijing Yongtai, entered into a subscription agreement in relation to the subscription of limited partner interests in Shaoxing Fund. Subject to the terms of the limited partnership agreement, the initial term of the Shaoxing Fund shall be seven years and each of the partners will be entitled to share the profit or loss attributable to a project investment in proportion to their respective paid capital commitment to fund the acquisition cost of such project investment. The general partner, Tianjin Jinxin Health Technology Co., Ltd.* (天津金新健康科技有限公司), has exclusive power over the management and control of the operation, investment affairs and other matters relating to the Shaoxing Fund.

The subscription amount of RMB50,000,000 had been paid in April 2021. The investment was accounted for as financial assets at FVTPL under IFRS 9. The Shaoxing Fund made the investment of RMB500,000,000 to subscribe convertible bonds of a company principally engaged in gene testing services in Mainland China ("**Target B**"). The convertible bonds carry interests of 6% per annum and had an original maturity period to May 2024 and an expected extension to May 2025. In March 2024, Target B repaid RMB180,000,000 to Shaoxing Fund and the subscription amount of RMB24,195,000 was redeemed by Beijing Yongtai in June 2024.

As at 31 December 2024, the remaining principal of RMB320,000,000 of the convertible bonds did not extend and have been past due. According to the management's assessment, considering the financial position of Target B, the fair value of the remaining investment in Shaoxing Fund was RMB nil, resulting in a loss of fair value change of RMB19,774,000.

* *English names are for identification purpose only.*

The fair value of investment in the Shaoxing Fund is as follows:

	Investment in the Shaoxing Fund
	RMB'000
As 1 January 2023	51,262
Change in fair value	(7,293)
At 31 December 2023	43,969
Redemption of the investment	(24,195)
Change in fair value	(19,774)
At 31 December 2024	–

As at 31 December 2023, the fair value of investment in the Shaoxing Fund was determined by the Directors with assistance from an independent qualified professional valuer. The Shaoxing Fund engages in investment management, its operation purely depends on the investment it holds. Its long-term investment was convertible bonds held in Target B, the fair value of the convertible bonds was determined using discounted cash flow method based on discount rates of 12.16% or 12.86% per annum as of 31 December 2023. The valuations of the remaining assets and liabilities of the Shaoxing Fund, other than long term investment, are carried out by reference to their book values.

iii. As at 31 December 2023, the Group invested in a financial product with fair value of US$3,171,000 (equivalent to RMB22,461,000) managed by a financial institution in Hong Kong which can be redeemed at maturity in March 2024. There is no predetermined or guaranteed return for the product. Such financial products are accounted for as financial assets at FVTPL under IFRS 9. In 2024, the Group redeemed all the investment.

	Investment in a financial product	Shown in the consolidated financial statements as
	US$'000	*RMB'000*
At l January 2024	3,171	22,461
Redemption of the investment	(3,238)	(23,032)
Change in fair value *(Note)*	67	571
At 31 December 2024	–	–

Note: Change in fair value presented in RMB also includes the exchange effect on translation from US$ balances into RMB.

iv. The Group invested in certain certificate of deposits with a bank in PRC. The certificate of deposits carry fixed interest rate of 3.00% per annum. The Directors determine the deposits are mainly for the purpose of short-term fund management, which will be sold in the secondary market within one year, therefore the deposits are accounted for as financial assets at FVTPL and classified as current assets.

As at 31 December 2024, the Group's investment in the Tasly Fund and investment in the Shaoxing Fund were pledged to secure convertible bonds of the Group (Note 15).

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Prepayments to suppliers and service providers	**13,411**	26,581
Value added tax recoverable	**3,939**	4,334
Prepayments for purchase of property, plant and equipment	**1,029**	36,898
Rental deposits	**3,375**	3,622
Other deposits	**1,140**	1,109
Advances to employees	**706**	181
Others	**108**	106
	23,708	72,831
Analysed as:		
Non-current	**5,180**	42,113
Current	**18,528**	30,718
	23,708	72,831

14. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**33,609**	45,737
Payables for acquisition of property, plant and equipment	**74,932**	101,552
Accrued salaries and other allowances	**8,797**	10,372
Payables for acquisition of intangible assets	**1,947**	5,779
Payables for service expense	**12,207**	11,280
Notes payable	**–**	1,023
Others	**433**	1,168
	131,925	176,911

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**16,855**	31,000
1 year to 2 years	**11,674**	14,737
2 years to 3 years	**5,080**	–
	33,609	45,737

15. OTHER FINANCIAL LIABILITY

	31 December	
	2024	2023
	RMB'000	*RMB'000*
Convertible bonds	**268,097**	326,839

On 28 October 2022, the Company and Tasly (Hong Kong) (the "**Investor**") entered into a convertible bonds subscription agreement (the "**Subscription Agreement**"), pursuant to which the Company has conditionally agreed to issue and the Investor has conditionally agreed to subscribe for the convertible bonds in the principal amount of RMB300 million. The Investor is controlled by Tasly Pharmaceutical Group Co., Ltd. ("**Tasly Pharmaceutical**"), a listed company on Shanghai Stock Exchange, both Tasly Pharmaceutical and Tasly Fund are controlled by Tasly Holding Group Co., LTD.

As at 1 January 2023, the conditions precedent under the Subscription Agreement have not been fulfilled. The Subscription Agreement represented a forward contract to issue convertible bonds which met the definition of a derivative. Accordingly the Company recorded a fair value loss of RMB10,069,000 in profit or loss in relation to the change in fair value of the Subscription Agreement for the year ended 31 December 2023.

In February 2023, the issuance of the convertible bonds was completed and the Company received the principle amount of RMB300 million which will mature in 3 years from the date of issuance (the "**Maturity Date**"). The convertible bonds carry interests of 6% per annum and the interest will be payable annually and can convert into the shares of the Company at the option of the Investor at any time commencing from six months after the issue date up to the Maturity Date at the initial conversion price of RMB4.38 per conversion share subject to adjustment. If the convertible bonds are not fully converted at the Maturity Date, the Company would make up an aggregate return on the relevant principal amount of the convertible bonds of 8% per annum. The convertible bonds were secured by property, plant and equipment, financial assets at FVTPL and ordinary shares of the Company provided by Mr. Tan Zheng and and his close family members as set out in Notes 16, 18, and 36, respectively. The convertible bonds are designated at FVTPL.

The fair value of other financial liabilities is as follows:

	Convertible bonds *RMB'000*	Forward contract to issue convertible bonds *RMB'000*	Total *RMB'000*
At 1 January 2023	–	10,069	10,069
Addition	300,000	–	300,000
Change in fair value	26,839	(10,069)	16,770
At 31 December 2023	326,839	–	326,839
Change in fair value	(58,742)	–	(58,742)
At 31 December 2024	**268,097**	**–**	**268,097**

The fair value of convertible bonds is valued by an independent valuer using the Binomial Model. The key valuation assumptions and inputs as at 31 December 2024 to the model are as follows:

	As at 31 December	
	2024	2023
Bond maturity	**1.13 years**	2.13 years
Volatility	**79.44%**	78.15%
Stock price of the Company	**RMB2.13**	RMB4.00
Risk-free interest rate	**1.08%**	2.2%
Discount rate for the Company	**44.35%**	46.58%

Volatility was estimated on the valuation date based on the average of historical volatilities of the Company for a period of three years.

Risk-free interest rate was estimated based on the China government bond yield curve with similar time to maturity as at the valuation date.

On 30 December 2024, Tasly (Hong Kong) and Tibet Jiaze entered an agreement to transfer the convertible bonds at a consideration of RMB300,000,000, subject to certain conditions. The interest incurred before the transfer belongs to Tasly (Hong Kong) and the interest incurred after the transfer belongs to Tibet Jiaze. The related parties of Tasly (Hong Kong) will provide additional security in relation to the convertible bonds to Tibet Jiaze. The security provided by the Group to Tasly (Hong Kong) in relation to the convertible bonds will also be transfered to Tibet Jiaze.

The Completion of the transfer is subject to the fulfillment of several conditions, including, among others, written notice and consent from the Company, necessary internal approvals from both parties, requisite approvals from the Stock Exchange (if required), execution of all related documents, and completion of foreign direct investment procedures as mandated by relevant authorities. The transfer is expected to be completed within five working days following the fulfillment of all conditions. At the date of the report, the transfer is still in progress.

PUBLICATION OF THE ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The annual results announcement for the current year is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.eaal.net).

The annual report for the year ended 31 December 2024 containing all the information required by Appendix D2 to the Listing Rules will be published on the websites of the Stock Exchange and the Company. The Company has set out in detail on its website under the "Investor Relations" section the manner for the dissemination of its corporate communications, and the relevant arrangements for Shareholders to request for corporate communications in printed form. Shareholders may send a written request to the Company's Hong Kong branch Share registrar, Computershare Hong Kong Investor Services Limited at 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or send an email to immunotech.ecom@computershare.com.hk, requesting for a printed copy of the annual report.

DEFINITIONS AND GLOSSARY TERMS

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

"6B11"	the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9
"6B11-OCIK Injection"	Injection of ovarian cancer autologous cytotoxic T lymphocyte, one of the Group's biologic product pipeline for treatment of ovarian cancer
"aT19 Injection"	aT19 injection, the active component of the aT19 Injection product candidate is autologous T cells genetically modified to express CD19
"Audit Committee"	the audit committee of the Board
"B-ALL"	relapsed/refractory B cell acute lymphoblastic leukaemia, a type of blood cancer that usually begin in the bone marrow and result in high numbers of abnormal blood cells
"B cells"	a type of Lymphocytes
"Beijing Weixiao"	Beijing Weixiao Biotechnology Development Limited* (北京緯曉生物技術開發有限責任公司), a limited liability company established in the PRC on 15 July 2016 and owned as to 70.0% by our subsidiary Beijing Yongtai, 29.0% by Wu Shuangchen and 1% by Liao Qian

"Beijing Yongtai"	Immunotech Applied Science Limited (北京永泰生物製品有限公司), a limited liability company established in the PRC on 20 November 2006 and an indirect wholly-owned subsidiary of the Company
"Board" or "Board of Directors"	the board of directors of the Company
"CAR-T cells"	chimeric antigen receptor T cells, are T cells that have been genetically engineered to produce an artificial T-cell receptor and chimeric antigen receptors that have been engineered to give T cells the new ability to target a specific protein on the surfaces of cells
"CAR-T-19 Injection"	CAR-T-19 injection, one of the Group's core of CAR-T cell product pipeline
"CD19"	a cell surface protein expressed on the surface of nearly all B cell leukemias and lymphomas
"CDE"	Centre for Drug Evaluation of the NMPA
"CDMO"	Contract Development Manufacturing Organisation
"CEO"	the chief executive officer of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administration Region and Taiwan
"CMV"	Cytomegalovirus
"Company"	Immunotech Biopharm Ltd (永泰生物製藥有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 11 April 2018
"Conversion Price"	the conversion price of the Convertible Bonds, initially being HK$4.81 per Conversion Share, equivalent to RMB4.38 per Conversion Share (based on the exchange rate of RMB1 to HK$1.09849 which is the average mid-point daily exchange rate of RMB to HK$ published by the People's Bank of China for five business days prior to and excluding the date of the Subscription Agreement) (subject to adjustments)

"Conversion Shares"	the Shares falling to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds
"Convertible Bonds"	the 11.75% secured convertible bonds due in 2025 in the aggregate principal amount of RMB300 million have been issued by the Company to the Investor pursuant to the Subscription Agreement
"Core Product Candidate"	the "core product" as defined under Chapter 18A of the Listing Rules, namely EAL®
"Denocabtagene Ciloleucel Injection"	Denocabtagene Ciloleucel injection, an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma
"Director(s)"	the director(s) of the Company
"EBV"	Epstein-Barr virus, a member of the herpes virus family
"FVTPL"	Financial assets at fair value through profit or loss
"Global Offering"	the Hong Kong Public Offering and the International Offering
"GMP"	good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimise the risks of contamination, cross contamination, confusion, and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"Group" or "the Group"	the Company and its subsidiaries
"Guosheng Laboratory"	a R&D facility located at Guosheng Technology Park, No.1 Kangding Street, Beijing Economic-technological Development Area, Beijing, China leased by the Group
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HLA"	human leukocyte antigen, a gene complex encoding the major MHC proteins

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IND"	investigational new drug
"Industry Fund"	the cellular immunotherapy specialised industry fund (細胞免疫治療專項產業基金)
"Investor"	Tasly (Hong Kong) Pharmaceutical Investment Limited
"Korea"	Republic of Korea
"Leadman"	Beijing Leadman Biochemistry Co., Ltd, a company incorporated in the PRC, being the landlord under the Lease Agreement
"Lease Agreement"	the formal lease agreement dated 9 October 2021 entered into between Beijing Yongtai as the tenant and Leadman as the landlord in relation to the lease of the Premises
"Listing" or "IPO"	the listing of the Shares on the Main Board of the Stock Exchange on 10 July 2020
"Listing Date"	10 July 2020, being the date on which the Shares were listed on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Lymphocytes"	a sub-type of white blood cells, such as T cells, B cells and NK cells
"Main Board"	the Main Board of the Stock Exchange
"MHC"	major histocompatibility complex, proteins found on the surfaces of cells specialised for displaying short peptide fragments on the surface of cells
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NK cells"	natural killer cells, a type of Lymphocytes and a component of innate immune system

"NMPA"	National Medical Products Administration of the People's Republic of China
"Prospectus"	the prospectus issued by the Company dated 29 June 2020
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the 12-month period from 1 January 2024 to 31 December 2024
"Shaoxing Fund"	Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (LP)* (紹興濱海新區生物醫藥產業股權投資基金合夥企業(有限合夥))
"Share(s)"	ordinary shares with a nominal value of US$0.001 each in the capital of the Company
"Shareholder(s)"	holder(s) of Shares
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Agreement"	the subscription agreement dated 28 October 2022 entered into among the Company, the Investor and others in relation to the subscription of the Convertible Bonds
"T cells" or "T Lymphocytes"	a type of Lymphocytes produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of a T cell receptor on the cell surface
"Tasly Fund"	the Company entered into the subscription agreement with Tasly Bioscience Fund Limited, to govern their relationship and provide for, among others, the manner of operation and management of the investment fund
"TCR"	T cell receptor, a molecule found on the surface of T cells responsible for recognising fragments of antigen
"TGF-ß"	transforming growth factor beta, a family of proteins involved in regulating and mediating processes at the cellular level

"U.S. dollar(s)", "USD" or "US$"	United States dollars, the lawful currency of the United States of America
"Yongtai Ruike"	Beijing Yongtai Ruike Biotechnology Company Ltd (北京永泰瑞科生物科技有限公司), a company established in the PRC with limited liability on 8 June 2018 and is a wholly-owned subsidiary of the Company

By order of the Board
Immunotech Biopharm Ltd
Tan Zheng
Chairman and executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises Mr Tan Zheng as Chairman and executive Director, Dr Wang Yu as executive Directors, Mr Tao Ran, Mr Wang Ruihua, Mr Yang Fan and Mr Wang Donghu as non-executive Directors, and Professor Wang Yingdian, Mr Ng Chi Kit and Ms Peng Sujiu as independent non-executive Directors.

* *For identification purposes only*