

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



CK Life Sciences Int'l. (Holdings) Inc.

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0775)

THE CHAIRMAN'S STATEMENT FOR 2025

For the year ended 31 December 2025, CK Life Sciences Int'l., (Holdings) Inc. (“CK Life Sciences” or the “Company”) reported a loss attributable to shareholders of HK\$186.8 million.

The loss attributable to shareholders in 2025 was HK\$60.2 million higher than in 2024. This reflects an increase in R&D spending of HK\$66.5 million plus a combination of several non-cash extraordinary and one-off items including a much larger decline in the value of the vineyard portfolio, various provisions, and a gain from the transaction involving the R&D subsidiary Polynoma and Nasdaq-listed TransCode Therapeutics (“RNAZ”).

Excluding the one-time vineyard disposal net gain in 2024 and the extraordinary items in 2025, the 2025 net profit after tax of the Commercial Businesses was HK\$130.8 million, HK\$42.6 million higher than 2024.

The Board of Directors has not recommended a final dividend for the year ended 31 December 2025 (2024: Nil).

CORPORATE REORGANISATION

During the year, we underwent a significant corporate reorganisation, the purpose of which is to increase the intensity of our pharmaceuticals and diagnostics R&D, inject additional professional expertise to sharpen execution, and open new sources of research funding to sustain development.

In October 2025, we completed a transaction in which RNAZ, a Nasdaq-listed company in the US, acquired our late-stage melanoma vaccine seviprotimut-L. RNAZ focuses on the development of novel immuno-oncology and RNA therapeutics for high risk and advanced cancers. In 2024, we completed a transaction on our pain management product Halneuron® with Dogwood Therapeutics (“DWTX”), a company listed on Nasdaq focused on developing new medicines for pain and neuropathy, in which we hold a majority stake. The transactions have injected new life and energy into these projects.

Both RNAZ and DWTX are staffed with teams of professional researchers, clinicians, business development and operational executives with substantial years of experience and track record in their respective fields of scientific research and fund raising capability.

The US remains the most sophisticated market for the funding and development of biotech companies, with investors well versed in science and experienced in evaluating and pricing risk. It is also the market where a deep pool of capital is available to support biotech projects. Being listed on Nasdaq provides RNAZ and DWTX access to capital from the public market to support continued development of seviprotimut-L and Halneuron®.

The two transactions secure a better future for the development of both seviprotimut-L and Halneuron, through dedicated professional management and better fund raising capability.

The third plank in our reorganisation is the formation of a new wholly owned subsidiary, Sequencio Therapeutics (“Sequencio”), under which we have grouped all our R&D into cancer vaccines. The focus of Sequencio is developing therapeutic cancer vaccines, a novel class of cancer immunotherapy that trains the patient's own immune system to achieve durable, long-term remission with a favourable safety profile, addressing the critical limitations of current standard-of-care therapies. Our vision is to establish a paradigm shift from transient tumour reduction to long-term immune-controlled remission. Sequencio is also sharply focused on value-inflection milestones important for securing funding from biotech investors.

These three pillars of our R&D – RNAZ, DWTX and Sequencio – form a diversified pipeline of early and late-stage projects targeting different areas of substantial unmet medical need, potentially benefiting a large population of patients.

We have also established a Scientific Advisory Board (“SAB”), a body of independent experts from academia, clinical research, and industry to provide scientific, clinical and regulatory guidance to support the Company’s rapidly advancing R&D pipeline. Chairing the SAB is Dr. Ko Wing-man, a respected public health leader in Hong Kong. Establishment of the SAB is an important milestone for CK Life Sciences as we enter a new phase of scientific advancement.

PHARMACEUTICALS & DIAGNOSTICS R&D

Pain Therapeutics

Dogwood Therapeutics

The use of opioids in the management of cancer pain can lead to significant and undesirable side effects. Halneuron® - our platform aimed at addressing the urgent need for effective non-opioid pain treatments - continues to progress under the leadership of DWTX.

In December, DWTX reported findings from an interim analysis in the ongoing Phase 2b study of Halneuron® for chemotherapy-induced neuropathic pain. An independent statistical review committee found that patients treated with Halneuron® achieved higher responder rates than those receiving placebo, demonstrating meaningful pain improvement over the four-week study period.

Cancer Therapeutics

CK Life Sciences remains committed to advancing innovative cancer therapeutics, with a focus on RNA therapeutics and therapeutic cancer vaccines.

TransCode Therapeutics

The company's lead therapeutic candidate, TTX-MC138, is an investigational inhibitor of microRNA-10b (miR-10b) being developed for tumours that overexpress miR-10b, a well-documented biomarker of metastasis.

In October, RNAZ announced the completion of the Phase 1 clinical trial of TTX-MC138. The study achieved its primary safety endpoint and established a recommended Phase 2 dose. RNAZ is now preparing to advance TTX-MC138 into a Phase 2a clinical trial enrolling colorectal cancer patients.

In 2026, RNAZ also plans to begin preclinical studies evaluating the synergistic potential of combining TTX-MC138 with seviprotimut-L to enhance melanoma treatment outcomes.

Sequencio Therapeutics

In April 2025, we announced preclinical results for our novel cancer vaccines targeting Trophoblast Cell Surface Antigen 2 (“TROP2”). These candidates - based on innovative circular RNA (circRNA) and fusion-protein vaccine platforms - generated strong T-cell immune responses and achieved complete (100%) tumour growth inhibition in breast and colorectal cancer mouse studies. Alongside the announcement, we filed both a Hong Kong Original Grant Patent application and a U.S. provisional patent application covering these TROP2 vaccines.

During the same month, we also presented new preclinical data at the 2025 American Association for Cancer Research Annual Meeting in Chicago. These presentations highlighted investigational cancer vaccines targeting PRAME (Preferentially Expressed Antigen in Melanoma), PD-L1 (programmed cell death ligand 1), B7-H3 (B7 homolog 3), and Claudin 6. In addition, together with our research partner XtalPi, we presented two posters showcasing our co-developed AI-enabled cancer vaccine design platform.

Work is underway to advance several promising candidates into clinical trials as swiftly as possible to bring potential benefits to patients. In addition, Sequencio is pleased with the advances made in developing an AI platform, designed to improve the prediction of immunogenicity and enable the rational design of cancer vaccines with a higher likelihood of clinical effectiveness.

Cancer Diagnostics

Early detection of cancer enables timely intervention and significantly improves patient outcomes. To support this critical need, we have strategically invested in the R&D of liquid biopsy technologies, which offer a non-invasive and cost-effective approach to cancer detection by analysing tumour-associated biomarkers in blood and urine. During the year, Pharus Inc., in which we have a strategic investment, achieved further advances in the accuracy and specificity of its proprietary microRNA-based OncoSweep™ liquid biopsy model for the early detection of lung cancer. Additional biomarkers are also being evaluated to further enhance the model's performance.

COMMERCIAL BUSINESSES

Over the years, we have established a portfolio of nutraceutical and agriculture-related businesses, providing corporate support and funding for our R&D.

Nutraceutical Business

CK Life Sciences' nutraceutical business comprises: (i) Vitaquest International Holdings LLC ("Vitaquest") in the United States; (ii) Santé Naturelle A.G. Ltée ("SNAG") in Canada; as well as (iii) Lipa Pharmaceuticals Limited ("Lipa") in Australia.

Economic uncertainty and cost increases largely driven by tariffs challenged our nutraceutical business. Revenue in this segment was HK\$3,372 million, a decline of 2% compared to 2024 (HK\$3,452 million).

Vitaquest continued to bring in new customers and added a new probiotics module as the powder business grew into one of its largest formats consistent with market trends.

Lipa received the 2025 Complementary Medicines Australia (CMA) Manufacturer of the Year Award. This marked the ninth time Lipa has received the award and it also celebrated 30 years of operation by undertaking a brand refresh and launched a new brand tagline, "*inspiring wellness with science and nature.*"

SNAG focused on strengthening core categories, higher margin SKUs and more efficient operations while also launching innovative new products to meet current market needs.

Agriculture-Related Business

Our agriculture-related business consists of three main streams – (i) a vineyard portfolio; (ii) Australian Agribusiness (Holdings) Pty Ltd ("Australian Agribusiness"); and (iii) the salt business.

Revenue in the agriculture-related business was HK\$2,037 million, 2% below 2024 (HK\$2,070 million).

Rented to wine companies or growers on long-term leases, the over 5,500 hectares of vineyards in Australia and New Zealand the Company owns generate steady and secure cash flow. The assessed fair value at the end of 2025 declined by a non-cash amount of HK\$185.8 million post-tax due to unfavourable conditions in the global wine market. Operationally, the vineyard business remains sound.

The salt business in both Australia and New Zealand improved financial performance through operational excellence and customer management despite inflationary pressures and increased energy costs.

More severe weather experienced across all regions of the country impacted Australian Agribusiness. Continued implementation of cost reduction measures and new customer development mitigated revenue and cost pressures.

SUSTAINABILITY

In 2025, we progressed from commitment to delivery through action by maintaining sustainable management practices across our businesses. Australian Agribusiness recommissioned a plant in Narangba to treat contaminated stormwater which would otherwise be disposed of as hazardous waste. Together with CK Asset Holdings Limited, we completed the acquisition of over 350,000 hectares of Australian agricultural land registered with Australia's Clean Energy Regulator for earning Australian Carbon Credit Units ("ACCUs") which companies in Australia use to offset their carbon footprints. The property has started to accrue ACCUs which have monetary value and are tradable in the market.

PROSPECTS

With continued changes in the geopolitical environment and global economic conditions, we anticipate uncertainty in operating conditions to continue. Our reorganisation will make more expertise and funding available for sustained R&D progress. With the ongoing support of our Commercial Businesses, the sharpened strategic focus and enhanced efficiency of our R&D activities will strengthen the outlook for successful scientific development.

Once again, I would like to express my appreciation to our staff for their commitment and dedication in adversity. I would also like to thank our shareholders and the Board of Directors for their continued support and contribution.

Victor T K Li
Chairman

Hong Kong, 17 March 2026

FINANCIAL REVIEW

Financial Resources, Liquidity and Treasury Policies

In 2025, the financial and liquidity position of the Group continued to be sound and healthy. It was financed mainly from internal sources such as cash generated from business activities as well as other sources such as borrowings from banks.

The Group's bank borrowings were mainly for the acquisition of the Group's overseas businesses as well as providing general working capital. As at 31 December 2025, the bank borrowings amounted to HK\$6,028.1 million. All these borrowings were made on a floating interest rate basis and were granted based on some committed terms by, and with the guarantees of, the Company. As at 31 December 2025, certain assets of the Group's overseas subsidiaries with carrying value of HK\$679.6 million were pledged as part of the security for bank borrowings totalling HK\$194.4 million. The total interest expenses on bank borrowings of the Group for the year were HK\$239.1 million.

At the end of 2025, the total assets of the Group were about HK\$11,836.6 million, of which bank balances and time deposits were about HK\$603.1 million.

The total net assets of the Group as at 31 December 2025 were HK\$3,846.1 million, representing HK\$0.40 per share. The net debt to net total capital ratio of the Group as at 31 December 2025 was approximately 58.52%, which is calculated as the Group's net borrowings over the aggregate of the Group's total equity and net borrowings. For this purpose, the Group defines net borrowings as bank borrowings less cash, bank balances and time deposits.

The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost efficient funding to the Group. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to interest rates fluctuation. The Group also entered into an interest rate swap to mitigate interest rate risks associated with a portion of the Group's bank borrowings. As at 31 December 2025, the notional amount of the interest rate swaps amounted to HK\$736.0 million. In addition, it monitors its overall net debt position closely, reviews its funding costs and maturity profile regularly, and takes necessary actions to facilitate refinancing whenever appropriate.

Material Acquisitions, Disposals and Significant Investments

In October 2025, the Group completed transactions involving (i) the disposal of 100% equity interests in ABCJ, LLC of the Group at a consideration of US\$125.0 million (equivalent to approximate HK\$975.0 million) which was settled by the issuance of common stock and preferred stock by TransCode Therapeutics, Inc. ("TransCode"); and (ii) purchase of preferred stock in TransCode for a total consideration of US\$25.0 million (equivalent to approximate HK\$195.0 million). Details of these transactions were disclosed in the Company's announcement dated 8 October 2025.

In November 2025, the Group completed the conversion of its preferred stock of Dogwood Therapeutics, Inc. ("Dogwood") into common stock. Upon the conversion, the Group held approximately 83% of Dogwood's equity interest and became the controlling shareholder of Dogwood.

Other than the aforementioned, there was no other material acquisitions/disposals during the year under review.

The Group has continued in investing significantly in pharmaceuticals and diagnostics research and development activities. Total research and development expenditure incurred in 2025 amounted to about HK\$320.6 million.

Capital Commitments and Future Plans for Material Investments or Capital Assets

As of 31 December 2025, the total capital commitments by the Group amounted to HK\$51.4 million which were mainly made up of contracted/authorised commitments in respect of the acquisition of plant and equipment, and maintenance of vineyards.

Information on Employees

The total number of full-time employees of the Group was 1,920 as at 31 December 2025 (2024: 2,033). The total staff costs, including directors' emoluments, amounted to approximately HK\$1,238.4 million for the year under review, which represents an increase of 0.1% as compared to the previous year.

The Group's remuneration policies and fringe benefits remained basically the same as before. The Group would ensure the pay levels of its employees are competitive and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2025 (2024: Nil).

Consolidated Income Statement

For the year ended 31 December 2025

	Notes	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Revenue	3	5,410,228	5,522,674
Cost of sales		<u>(3,833,314)</u>	<u>(3,830,119)</u>
		1,576,914	1,692,555
Other income, gains and losses	4	379,551	168,090
Staff costs	5	(705,668)	(655,399)
Depreciation		(83,396)	(89,206)
Amortisation of intangible assets		(2,465)	(2,506)
Other expenses	6	(916,412)	(867,980)
Finance costs	7	(266,894)	(337,184)
Share of results of joint ventures		<u>359</u>	<u>148</u>
Loss before taxation		(18,011)	(91,482)
Taxation	8	<u>(170,436)</u>	<u>(35,072)</u>
Loss for the year		<u>(188,447)</u>	<u>(126,554)</u>
Attributable to:			
Shareholders of the Company		(186,806)	(126,554)
Non-controlling interests of subsidiaries		<u>(1,641)</u>	<u>-</u>
		<u>(188,447)</u>	<u>(126,554)</u>
Loss per share	9		
- Basic		<u>(1.94) cents</u>	<u>(1.32) cents</u>

Consolidated Statement of Comprehensive Income For the year ended 31 December 2025

	2025	2024
	HK\$'000	HK\$'000
Loss for the year	(188,447)	(126,554)
Other comprehensive income/(expenses)		
Item that will not be reclassified to profit or loss:		
Actuarial gain of defined benefit retirement plan	393	51
Gain on revaluation of property, plant and equipment	34,967	339
	35,360	390
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising from translation of foreign operations	279,231	(551,541)
Change in fair value of a hedging instrument designated in a cash flow hedge	(3,441)	-
	275,790	(551,541)
Other comprehensive income/(expenses) for the year	311,150	(551,151)
Total comprehensive income/(expenses) for the year	122,703	(677,705)
Attributable to:		
Shareholders of the Company	124,344	(677,705)
Non-controlling interests of subsidiaries	(1,641)	-
	122,703	(677,705)

Consolidated Statement of Financial Position As at 31 December 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current assets			
Investment properties		1,543,562	1,581,730
Property, plant and equipment		2,297,907	2,098,832
Right-of-use assets		423,696	471,053
Intangible assets		3,333,653	3,419,054
Interests in joint ventures		11,072	6,303
Other financial assets		1,172,340	42,900
Loan receivable		-	128,700
Deferred taxation		47,548	75,094
		8,829,778	7,823,666
Current assets			
Other financial assets		-	17,242
Tax recoverable		5,525	4,044
Inventories		1,230,494	1,157,332
Receivables and prepayments	11	1,167,699	1,232,314
Bank balances and deposits		603,067	553,970
		3,006,785	2,964,902
Current liabilities			
Payables and accruals	12	(979,971)	(904,319)
Bank borrowings		(2,368,083)	(1,276,615)
Lease liabilities		(80,444)	(73,741)
Taxation		(39,467)	(58,633)
		(3,467,965)	(2,313,308)
Net current (liabilities)/assets		(461,180)	651,594
Total assets less current liabilities		8,368,598	8,475,260

Consolidated Statement of Financial Position (cont'd)
As at 31 December 2025

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Non-current liabilities		
Other financial liabilities	(3,441)	-
Bank borrowings	(3,660,000)	(4,198,283)
Lease liabilities	(512,703)	(551,030)
Deferred taxation	(335,397)	(204,106)
Retirement benefit obligations	(10,973)	(10,293)
	<u>(4,522,514)</u>	<u>(4,963,712)</u>
Total net assets	<u><u>3,846,084</u></u>	<u><u>3,511,548</u></u>
Capital and reserves		
Share capital	961,107	961,107
Share premium and reserves	<u>2,818,516</u>	<u>2,550,441</u>
Equity attributable to shareholders of the Company	3,779,623	3,511,548
Non-controlling interests of subsidiaries	<u>66,461</u>	<u>-</u>
Total equity	<u><u>3,846,084</u></u>	<u><u>3,511,548</u></u>

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to shareholders of the Company										
	Share capital	Share premium	Investment at fair value through other comprehensive income reserve	Translation reserve	Asset revaluation reserve	Hedging reserve	Other reserves	Retained earnings	Sub-total	Attributable to non-controlling interests of subsidiaries	Total
			HK\$'000								
As at 1 January 2024	961,107	3,109,546	(103,347)	(1,631,676)	59,298	-	(542,249)	2,336,574	4,189,253	-	4,189,253
Loss for the year	-	-	-	-	-	-	-	(126,554)	(126,554)	-	(126,554)
Exchange differences arising from translation of foreign operations	-	-	-	(551,541)	-	-	-	-	(551,541)	-	(551,541)
Actuarial gain of defined benefit retirement plan	-	-	-	-	-	-	-	51	51	-	51
Gain on revaluation of property, plant and equipment	-	-	-	-	339	-	-	-	339	-	339
Total comprehensive (expenses)/ income for the year	-	-	-	(551,541)	339	-	-	(126,503)	(677,705)	-	(677,705)
As at 31 December 2024	961,107	3,109,546	(103,347)	(2,183,217)	59,637	-	(542,249)	2,210,071	3,511,548	-	3,511,548
Loss for the year	-	-	-	-	-	-	-	(186,806)	(186,806)	(1,641)	(188,447)
Exchange differences arising from translation of foreign operations	-	-	-	279,231	-	-	-	-	279,231	-	279,231
Actuarial gain of defined benefit retirement plan	-	-	-	-	-	-	-	393	393	-	393
Gain on revaluation of property, plant and equipment	-	-	-	-	34,967	-	-	-	34,967	-	34,967
Change in fair value of cash flow hedge	-	-	-	-	-	(3,441)	-	-	(3,441)	-	(3,441)
Total comprehensive income/(expenses) for the year	-	-	-	279,231	34,967	(3,441)	-	(186,413)	124,344	(1,641)	122,703
Acquisition of a subsidiary	-	-	-	-	-	-	143,731	-	143,731	66,458	210,189
Capital injection by non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	1,644	1,644
Disposal of subsidiaries	-	-	-	-	-	-	53,650	(53,650)	-	-	-
As at 31 December 2025	961,107	3,109,546	(103,347)	(1,903,986)	94,604	(3,441)	(344,868)	1,970,008	3,779,623	66,461	3,846,084

Notes to the Consolidated Financial Statements

1. General Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in research and development, manufacturing, commercialisation, marketing and selling of health and agriculture-related products, as well as investment in a portfolio of vineyards, and various financial and investment products.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by HK\$461,180,000. The Directors are of the opinion that, taking into account of the available banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period. The Directors are confident that the bank borrowings can be refinanced based on the Group's healthy financial position and strength of its business prospects. Hence, the consolidated financial statements have been prepared on a going concern basis.

2. Application of New and Amendments to HKFRS Accounting Standards

In the current year, the Group has adopted, for the first time, amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective in the current year.

The adoption of the amendments to an HKFRS Accounting Standard has no material impact on the consolidated financial statements of the Group for the current or prior accounting period.

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

Amendments to HKFRS 9 and HKFRS 7	Amendment to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements (“HKAS 1”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 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 HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 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 not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

Apart from the above, the Group is also in the process of assessing the impact of other HKFRS Accounting Standards, which are not yet effective, on the Group’s consolidated financial statements. Up to the date of approval of financial statements, the Group anticipates the application of such amendments to HKFRS Accounting Standards will have no material impact on the Group.

3. Revenue

Revenue represents net invoiced value of goods sold, after allowance for returns and trade discounts, as well as rental income and income from investments, and is analysed as follows:

	<u>2025</u>	<u>2024</u>
	HK\$’000	HK\$’000
Sales of goods:		
Agriculture-related	1,886,708	1,906,977
Nutraceutical	3,371,935	3,451,588
Revenue from contracts with customers	5,258,643	5,358,565
Rental income (included in agriculture-related segment)	150,175	162,768
Investment income	1,410	1,341
	5,410,228	5,522,674

Rental income represents the operating lease income with fixed lease payments.

4. Other Income, Gains and Losses

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Included in other income, gains and losses are:		
Interest income from bank deposits	17,647	13,530
Other interest income	3,557	365
Exchange gain/(loss)	1,289	(4,200)
Net unrealised loss on fair value changes of investment properties	(197,660)	(105,598)
Net impairment of property, plant and equipment	(28,790)	(33,486)
Net (impairment)/reversal of impairment of other intangible assets	(27,272)	2,172
Impairment of goodwill	(147,792)	-
Net impairment of trade receivables	(497)	(5,484)
Impairment of other receivables	(3,753)	(5,000)
Net (loss)/gain on disposal of investment properties	(214)	1,783
Gain on disposal of intangible assets	-	172,195
Net (loss)/gain on disposal of property, plant and equipment	(248)	28,720
Gain on disposal of subsidiaries	693,921	-
Gain arising from sale and leaseback transactions	-	42,133
Net gain on financial assets at fair value through profit or loss	<u>658</u>	<u>5,399</u>

5. Staff Costs

Staff costs which include salaries, bonuses, retirement benefit scheme contributions and recruitment costs for the year amounted to HK\$1,238.4 million (2024: HK\$1,237.6 million) of which HK\$532.7 million (2024: HK\$582.2 million) relating to direct labor costs were included in cost of sales.

6. Other Expenses

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Included in other expenses are:		
Auditor's remuneration	22,495	21,761
Clinical trial and laboratory expenses	194,416	160,811
Freight and delivery expenses	323,937	326,821
Information technology expenses	55,974	42,174
Insurance expenses	31,054	26,809
Professional, legal and consultancy expenses	58,226	66,575
Selling, promotion, advertising and related expenses	<u>73,618</u>	<u>80,020</u>

7. Finance Costs

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings	239,050	310,318
Lease liabilities	<u>27,844</u>	<u>26,866</u>
	<u>266,894</u>	<u>337,184</u>

8. Taxation

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
The tax expenses for the year represent:		
Current tax		
Hong Kong	-	-
Other jurisdictions	78,691	68,840
Over provision in prior years		
Hong Kong	-	-
Other jurisdictions	(3,136)	(4,374)
Deferred tax		
Hong Kong	-	-
Other jurisdictions	<u>94,881</u>	<u>(29,394)</u>
	<u>170,436</u>	<u>35,072</u>

Hong Kong profits tax has been provided for at the rate of 16.5% of the estimated assessable profits. Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. Loss Per Share

The calculations of the basic loss per share attributable to shareholders of the Company are based on the following data :

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Loss for the year attributable to shareholders of the Company		
Loss for calculating basic loss per share	<u>(186,806)</u>	<u>(126,554)</u>
Number of shares		
Number of ordinary shares in issue used in the calculation of basic loss per share	<u>9,611,073,000</u>	<u>9,611,073,000</u>

No diluted loss per share for the years ended 31 December 2025 and 31 December 2024 were presented as there were no potential ordinary shares in issue.

10. Dividends

The Board of Directors has not recommended a final dividend for the year ended 31 December 2025 (2024: Nil).

11. Receivables and Prepayments

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Trade receivables related to:		
- Sales of goods	986,268	930,858
- Operating leases	219	2,332
	<u>986,487</u>	<u>933,190</u>
Less: provision for impairment	<u>(19,690)</u>	<u>(28,381)</u>
	966,797	904,809
Other receivables, deposits and prepayments	<u>200,902</u>	<u>327,505</u>
	<u><u>1,167,699</u></u>	<u><u>1,232,314</u></u>

The following is an analysis of trade receivables by age, presented based on invoice dates:

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
0 - 90 days	900,771	861,565
Over 90 days	66,026	43,244
	<u>966,797</u>	<u>904,809</u>

12. Payables and Accruals

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Trade payables	373,039	332,161
Other payables and accrued charges	606,932	572,158
	<u>979,971</u>	<u>904,319</u>

The following is an analysis of trade payables by age, presented based on invoice dates:

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
0 - 90 days	351,795	326,123
Over 90 days	21,244	6,038
	<u>373,039</u>	<u>332,161</u>

13. Segment Information

The Group's reportable segments and other information required under HKFRS 8 are summarised as follows:

(a) Reportable segment information

	Agriculture-related		Nutraceutical		Pharmaceuticals & Diagnostics R&D		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	2,036,883	2,069,745	3,371,935	3,451,588	-	-	1,410	1,341	5,410,228	5,522,674
Segment results	25,326	302,576	(50,850)	292,508	373,311	(254,084)	-	-	347,787	341,000
Unallocated other income, gains or losses									4,977	(1,177)
Corporate expenses									(103,881)	(94,121)
Finance costs									(266,894)	(337,184)
Loss before taxation									(18,011)	(91,482)
Taxation									(170,436)	(35,072)
Loss for the year									(188,447)	(126,554)
Other information										
Interest income	6,320	4,723	3,742	5,137	6,035	393	5,107	3,642	21,204	13,895
Amortisation of intangible assets	(1,002)	(1,120)	(1,463)	(1,386)	-	-	-	-	(2,465)	(2,506)
Depreciation	(121,171)	(119,066)	(111,754)	(112,673)	(3,294)	(4,163)	(6,632)	(6,750)	(242,851)	(242,652)
Net reversal of impairment/ (impairment) of trade receivables	347	(3,014)	(844)	(2,470)	-	-	-	-	(497)	(5,484)
Impairment of other receivables	-	-	(3,753)	(5,000)	-	-	-	-	(3,753)	(5,000)
Net (loss)/gain on disposal of investment properties	(214)	1,783	-	-	-	-	-	-	(214)	1,783
Gain on disposal of intangible assets	-	172,195	-	-	-	-	-	-	-	172,195
Net (loss)/gain on disposal of property, plant and equipment	(19)	29,003	(207)	(358)	(21)	-	(1)	75	(248)	28,720
Gain arising from sale and leaseback transactions	-	728	-	41,405	-	-	-	-	-	42,133
Net unrealised loss on fair value changes of investment properties	(197,660)	(105,598)	-	-	-	-	-	-	(197,660)	(105,598)
Net impairment of property, plant and equipment	(28,790)	(33,486)	-	-	-	-	-	-	(28,790)	(33,486)
Net (impairment)/ reversal of impairment of other intangible assets	(8)	2,172	(27,264)	-	-	-	-	-	(27,272)	2,172
Impairment of goodwill	-	-	(147,792)	-	-	-	-	-	(147,792)	-
Gain on disposal of subsidiaries	-	-	-	-	693,921	-	-	-	693,921	-

(b) Geographical information

Revenue is analysed by the Group's sales by geographical market while the carrying amount of non-current assets is analysed by the geographical area in which the assets are located.

	Revenue (note i)		Non-current assets (note ii)	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Asia Pacific	2,789,263	2,813,144	4,552,589	4,359,585
North America	2,619,555	2,708,189	3,057,301	3,217,387
	<u>5,408,818</u>	<u>5,521,333</u>	<u>7,609,890</u>	<u>7,576,972</u>

Notes :

- i. Revenue excluding investment income generated from financial instruments.
- ii. Non-current assets excluding deferred tax assets, other financial assets and loan receivable.

The major countries where the group companies domiciled include China (including Hong Kong), Australia, New Zealand, USA and Canada.

The Group does not have any material sales (excluding investment income generated from financial instruments) to countries other than those in which the Group companies are domiciled. There are no material non-current assets (excluding deferred tax assets, other financial assets and loan receivable) which are located in countries other than those in which the Group companies are domiciled.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2025, the Company and its subsidiaries did not hold any treasury shares whether in the Clearing and Settlement System, or otherwise.

CORPORATE GOVERNANCE CODE

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures of the Company and its subsidiaries ("Group"). The Company acknowledges a good corporate governance framework is essential for effective management, a healthy corporate culture, business growth and shareholder value enhancement. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the year ended 31 December 2025.

The Group adheres to high corporate governance standards and conducts its businesses with ethics and integrity. The Group's vision, values and strategy are inextricably linked to its purpose and business operations. In compliance with the CG Code, the Company has adopted, and regularly reviews its comprehensive set of corporate governance policies such as Anti-Fraud and Anti-Bribery Policy, Anti-Money Laundering Policy, Employee Code of Conduct, Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing, and Whistleblowing Policy - Procedures for Reporting Possible Improprieties. The Group maintains a robust corporate governance framework and internal control systems to uphold its accountability with support from internal and external auditors and other professional advisors.

AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are Independent Non-executive Directors. The Audit Committee is chaired by Mr. Kwan Kai Cheong with Mr. Paul Joseph Tighe and Mr. Donald Jeffrey Roberts as members.

The Group's annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee and audited by the independent auditor of the Company, Deloitte Touche Tohmatsu.

REMUNERATION COMMITTEE

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Mrs. Kwok Eva Lee, an Independent Non-executive Director, with another Independent Non-executive Director, Mr. Donald Jeffrey Roberts and the Chairman of the Board, Mr. Victor T K Li, as members.

NOMINATION COMMITTEE

A majority of the members of the Company's Nomination Committee are Independent Non-executive Directors. The Nomination Committee is chaired by Mr. Paul Joseph Tighe, an Independent Non-executive Director, with two other Independent Non-executive Directors, Mrs. Kwok Eva Lee and Mr. Donald Jeffrey Roberts, and the Chairman of the Board, Mr. Victor T K Li, as members.

SUSTAINABILITY COMMITTEE

The Sustainability Committee comprises an Executive Director, an Independent Non-executive Director and the Company Secretary. The Sustainability Committee is chaired by Mr. Paul Joseph Tighe, an Independent Non-executive Director. Other members include the Senior Vice President and Chief Investment Officer, Mr. Ip Tak Chuen, Edmond, and the Company Secretary, Ms. Eirene Yeung.

ANNUAL GENERAL MEETING

The 2026 Annual General Meeting ("2026 AGM") of the shareholders of the Company will be held on Thursday, 21 May 2026. Details of the arrangements will be provided in the Company's circular in relation to the 2026 AGM which will be published and disseminated to the shareholders in accordance with the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATES

The record date for determining the eligibility of shareholders (except holders of treasury shares, if any) to attend and vote at the 2026 AGM is Thursday, 21 May 2026. The Register of Members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the 2026 AGM, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 15 May 2026.

As at the date of this document, the Executive Directors of the Company are Mr. Li Tzar Kuoi, Victor (Chairman), Mr. Kam Hing Lam, Mr. Ip Tak Chuen, Edmond, Mr. Yu Ying Choi, Alan Abel, Mr. Lance Richard Lee Yuen and Dr. Toh Kean Meng, Melvin; and the Non-executive Directors are Mr. Peter Peace Tulloch, Mrs. Kwok Eva Lee (Independent Non-executive Director), Mr. Kwan Kai Cheong (Independent Non-executive Director), Mr. Paul Joseph Tighe (Independent Non-executive Director) and Mr. Donald Jeffrey Roberts (Independent Non-executive Director).