



Clover Biopharmaceuticals, Ltd.

三葉草生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

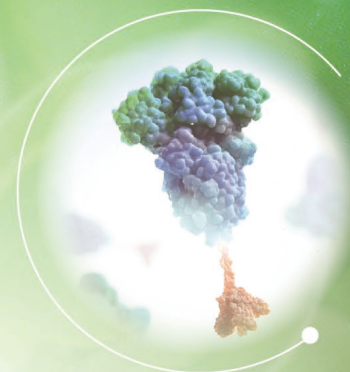
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2025

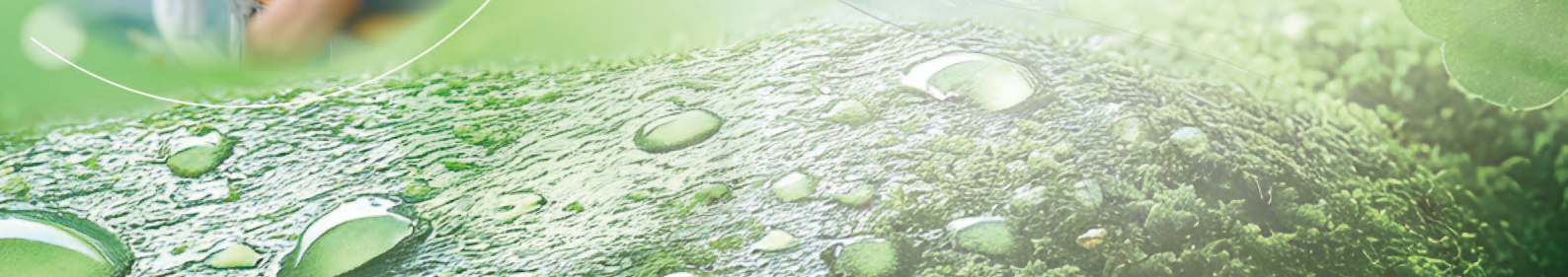
**ANNUAL
REPORT**





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COMPANY PROFILE

We are a global leading biotechnology company committed to unleashing the power of innovative vaccines to save lives and improve health around the world. Our mission is to harness transformative science and global partnerships to bring innovative vaccines to populations worldwide.

With integrated research and development capabilities leveraging the Trimer-Tag technology platform, and our in-house manufacturing and commercial capabilities to develop innovative vaccines, together with strong partnerships domestically and globally, Clover has built a diverse pipeline of candidates that have the potential to meaningfully reduce the burden of vaccine-preventable diseases.

Our COVID-19 booster vaccine which was developed globally and is currently authorized in mainland China validated our Trimer-Tag platform, and we are currently focused on utilizing Trimer-Tag to develop an in-house portfolio of Respiratory Syncytial Virus (RSV) PreF vaccine candidates, which are currently in the clinical trial stage. Based on positive clinical results and progress to-date, we believe our RSV vaccine candidates have Best-in-Class and First-in-Class profiles, with potential differentiated abilities to address unmet needs globally via combination respiratory vaccines and re-vaccination to both broaden and restore protection.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. LIANG Peng (*Chairman*)
Mr. LIANG Joshua G

Non-executive Directors

Dr. WANG Xiaodong
Dr. Donna Marie AMBROSINO
Dr. Ralf Leo CLEMENS (*retired on June 19, 2025*)

Independent Non-executive Directors

Dr. WU Xiaobin
Mr. LIAO Xiang
Mr. Jeffrey FARROW
Mr. Thomas LEGGETT

AUDIT COMMITTEE

Mr. Thomas LEGGETT (*Chairman*)
Mr. LIAO Xiang
Mr. Jeffrey FARROW

REMUNERATION COMMITTEE

Dr. WU Xiaobin (*Chairman*)
Dr. WANG Xiaodong
Mr. LIAO Xiang

NOMINATION COMMITTEE

Dr. LIANG Peng (*Chairman*)
Dr. Donna Marie AMBROSINO
(*appointed on July 1, 2025*)
Dr. WU Xiaobin
Mr. LIAO Xiang (*appointed on July 1, 2025*)
Mr. Thomas LEGGETT

AUTHORISED REPRESENTATIVES

Mr. LIANG Joshua G
Ms. CHAU Hing Ling (周慶齡)

JOINT COMPANY SECRETARIES

Ms. WANG Xiaoyan (王曉艷)
Ms. CHAU Hing Ling (周慶齡)
(*Fellow member of The Hong Kong Chartered Governance Institute*)

REGISTERED OFFICE

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Grand Cayman, KY1-1104
Cayman Islands

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Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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33 Hysan Avenue
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

CORPORATE INFORMATION

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
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HONG KONG LEGAL ADVISOR

Jingtian & Gongcheng LLP
Suites 3203-3209, 32/F
Edinburgh Tower, The Landmark
15 Queen's Road Central
Central
Hong Kong

AUDITOR

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit 4301-4307, 43/F
COSCO Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

STOCK CODE

2197

COMPANY WEBSITE

www.cloverbiopharma.com

LISTING DATE

November 5, 2021

FINANCIAL HIGHLIGHTS

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Cash and bank balances	271,403	556,515

	Year Ended December 31,	
	2025 RMB'000	2024 RMB'000
Revenue	3,505	38,419
Other income and gains	54,098	97,215
Selling and distribution expenses	(5,070)	(19,705)
Administrative expenses	(66,332)	(75,172)
Research and development expenses	(182,338)	(183,387)
Other expenses	(7,813)	(738,201)
Loss for the year	(205,092)	(903,428)
Adjusted loss for the year*	(198,405)	(887,150)

* Adjusted loss for the year is not defined under the IFRSs. It represents the loss for the year excluding the effect brought by share-based compensation expenses.

IFRS MEASURES:

Cash and bank balances, including cash and cash equivalents, time deposits, restricted cash and pledged deposits, decreased by RMB285.1 million from RMB556.5 million as of December 31, 2024 to RMB271.4 million as of December 31, 2025, primarily due to the net cash outflow resulted from bank loan repayment, continued investment in R&D activities and daily operation.

For the year ended December 31, 2025, the Group recorded a revenue of RMB3.5 million, primarily reflecting a return rate true-up of AdimFlu-S (QIS) sold in the previous period as actual returns fell below original estimates.

Other income and gains decreased by RMB43.1 million from RMB97.2 million for the year ended December 31, 2024 to RMB54.1 million for the year ended December 31, 2025, mainly because of a partial waiver of trade payables recognized in other income in 2024 which was not recurring in the Reporting Period, as well as the finalization of CEPI funding in 2024 and the decrease in bank interest income, the effect of which was partially offset by the increase in recognized government grants and net foreign exchange gains.

Selling and distribution expenses decreased by RMB14.6 million from RMB19.7 million for the year ended December 31, 2024 to RMB5.1 million for the year ended December 31, 2025, which was primarily attributable to reduced salaries and benefits for the commercial team as the Group's commercial activities of AdimFlu-S (QIS) in mainland China have been terminated.

FINANCIAL HIGHLIGHTS

Administrative expenses decreased by RMB8.9 million, from RMB75.2 million for the year ended December 31, 2024 to RMB66.3 million for the year ended December 31, 2025, primarily due to decreases in employee salaries and benefits as a reflection of the ongoing cost-saving initiatives and the enhanced operation efficiency, and the effect of which was partially offset by the increase in consulting fees.

R&D expenses decreased by RMB1.1 million, from RMB183.4 million for the year ended December 31, 2024 to RMB182.3 million for the year ended December 31, 2025, as the Group continues to streamline its corporate operations and prioritize respiratory vaccine candidates.

Other expenses decreased by RMB730.4 million from RMB738.2 million for the year ended December 31, 2024 to RMB7.8 million for the year ended December 31, 2025, primarily because a full provision of COVID-19 vaccine related raw materials was made in 2024.

Loss for the year decreased by RMB698.3 million from RMB903.4 million for the year ended December 31, 2024 to RMB205.1 million for the year ended December 31, 2025, primarily due to the non-recurring comprehensive effect of the impairment provision of inventories in 2024.

NON-IFRS MEASURES:

Adjusted loss for the year represents the loss for the year excluding the effect brought by share-based compensation expenses.

The term adjusted loss for the year is not defined under the IFRSs. The table below sets forth reconciliation of the loss for the year to adjusted loss for the year:

	Year Ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss for the year	(205,092)	(903,428)
Added:		
Share-based compensation expenses	6,687	16,278
Adjusted loss for the year	(198,405)	(887,150)

BUSINESS HIGHLIGHTS

During the Reporting Period, the Company made significant progress in expanding our product portfolio and optimizing our business operations:

OUR PRODUCTS AND CANDIDATES

Respiratory PreF-Trimer Vaccine Candidates (RSV+hMPV±PIV3)

- In October 2025, the Company announced positive Phase I clinical data for RSV + hMPV ± PIV3 combination vaccines (SCB-1022 and SCB-1033).
- In October 2025, the Company also announced positive Phase I clinical trial interim results for RSV re-vaccination (SCB-1019) in older adults.
- Respiratory combination vaccine candidates SCB-1022 and SCB-1033 and RSV standalone vaccine candidate SCB-1019 are all based on prefusion-stabilized F (PreF)-Trimer subunit vaccine antigens utilizing Clover's proprietary Trimer-Tag vaccine technology platform.

AdimFlu-S (QIS)

- Due to material changes in market conditions, the Company announced in June 2025 that it exercised its unilateral termination rights to cease its cooperation with Adimmune Corporation ("Adimmune"), and the Company will not distribute AdimFlu-S (QIS) in mainland China moving forward.

SCB-219M

- SCB-219M is a fusion protein (TPO-mimetic bispecific-Fc) targeted to treat chemo-induced thrombocytopenia (CIT).
- In November 2024, a Phase Ib trial was initiated evaluating repeated dosing of SCB-219M in CIT patients.

COVID-19 Vaccine

- The emergency use authorization (EUA) in China for our COVID-19 vaccine issued in December 2022 remains active.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Clover is a global innovative biotechnology company committed to unleashing the power of innovative vaccines to save lives and improve health around the world. With integrated R&D, manufacturing and commercial capabilities as well as strong partnerships with organizations globally, the Company has a diverse pipeline of candidates that have the potential to meaningfully reduce the burden of vaccine-preventable diseases and to make more diseases preventable.

The Trimer-Tag technology platform, which was validated by the successful development of COVID-19 vaccine SCB-2019 (CpG 1018/Alum) and is being leveraged for the development of respiratory PreF-Trimer vaccine candidates (RSV + hMPV ± PIV3), is a product development platform for the creation of protein-based vaccines based on naturally trimerization-dependent targets. The Trimer-Tag technology platform can trimerize any protein of interest into covalently-trimerized structures. The trimerization motif of Trimer-Tag is based on a human amino acid sequence derived from human C1CP (C-terminal domain of Type I procollagen). Currently, Trimer-Tag is the only trimerization technology platform globally for producing recombinant, covalently-trimerized fusion proteins (trimer-tagged proteins) utilizing a human-derived trimerization tag.

During the Reporting Period, our portfolio of non-adjuvanted RSV vaccine candidates established its global leading position in the innovative RSV vaccine market, with potential Best-in-Class (BiC) and First-in-Class (FiC) profiles validated by positive results from a series of international Phase I clinical trials in Australia and the United States (U.S.). In the middle of October 2025, the Company announced positive results for Phase I clinical trial in Australia evaluating SCB-1022 (RSV + hMPV) and SCB-1033 (RSV + hMPV + PIV3) combination vaccines compared head-to-head with SCB-1019 (RSV) in RSV vaccine-naïve older adults (60-85 years). The study is assessing safety, reactogenicity and immunogenicity, with preliminary results from 144 participants (48 participants per vaccine group) at the selected dose levels. Our positive data demonstrated potential Best-in-Class (BiC) RSV, hMPV and PIV3 neutralization antibody (nAb) responses, with no immune interference on RSV, and potential Best-in-Class (BiC) safety and tolerability profiles for SCB-1022 and SCB-1033. The Company concurrently announced positive interim results from 34 participants (16 participants receiving SCB-1019, 15 participants receiving AREXVY, 3 participants receiving saline placebo) for Phase I clinical trial in the U.S., evaluating re-vaccination with SCB-1019 compared head-to-head versus AREXVY (GSK's RSV vaccine) in older adults (60-85 years) previously receiving an initial dose of AREXVY at least 2 seasons prior to enrolling. The incremental nAb response for revaccination with SCB-1019, compared to AREXVY, may restore the peak nAb levels and protection observed after the initial dose. The full results of this Phase I heterologous revaccination trial are expected in the first half of 2026. Our RSV vaccine candidates (SCB-1019, SCB-1022 and SCB-1033) are based on prefusion-stabilized F (PreF)-Trimer subunit vaccine antigens utilizing Clover's Trimer-Tag vaccine technology platform.

The Company will continue to prioritize resources to advance the clinical development of our proprietary respiratory PreF-Trimer vaccine candidates (RSV + hMPV ± PIV3) in order to further strengthen our established Best-in-Class (BiC) and First-in-Class (FiC) positions in the global RSV and respiratory vaccine market.

MANAGEMENT DISCUSSION AND ANALYSIS

In the middle of October 2025, the Company announced positive results for Phase I clinical trial in Australia evaluating SCB-1022 (RSV + hMPV) and SCB-1033 (RSV + hMPV + PIV3) combination vaccines compared head-to-head with SCB-1019 (RSV) in RSV vaccine-naïve older adults (60-85 years). The study is assessing safety, reactogenicity and immunogenicity, with preliminary results from 144 participants (48 participants per vaccine group) at the selected dose levels. Our positive data demonstrated potential Best-in-Class (BiC) RSV, hMPV and PIV3 neutralization antibody (nAb) responses, with no immune interference on RSV, and potential Best-in-Class (BiC) safety and tolerability profiles for SCB-1022 and SCB-1033. The Company concurrently revealed positive interim results from 34 participants (16 participants receiving SCB-1019, 15 participants receiving AREXVY, 3 participants receiving saline placebo) for Phase I clinical trial in the U.S., evaluating re-vaccination with SCB-1019 compared head-to-head versus AREXVY (GSK's RSV vaccine) in older adults (60-85 years) previously receiving AREXVY at least 2 seasons prior to enrolling.

Our RSV vaccine candidates (SCB-1019, SCB-1022 and SCB-1033) are based on prefusion-stabilized F (PreF)-Trimer subunit vaccine antigens utilizing Clover's Trimer-Tag vaccine technology platform.

AdimFlu-S (QIS)

In February 2023, the Company announced that it entered into an exclusive agreement with Adimmune to distribute AdimFlu-S (QIS), a quadrivalent influenza vaccine approved in mainland China.

Due to material changes in market conditions, the Company announced in June 2025 to exercise the unilateral termination rights to cease cooperation with Adimmune, and the Company will not distribute AdimFlu-S (QIS) in mainland China moving forward.

SCB-219M

SCB-219M is a fusion protein (TPO-mimetic bispecific-Fc) targeted to treat chemo-induced thrombocytopenia (CIT). Compared to native TPO-based therapy, which is commercially available in China, SCB-219M could potentially overcome reduced efficacy due to anti-drug antibodies (ADA) and achieve a more convenient dosing regimen attributed to its longer half-life.

- In December 2023, the Company announced positive preliminary safety, efficacy and pharmacokinetics data in a Phase I clinical trial evaluating SCB-219M.
- In November 2024, a Phase Ib trial was initiated evaluating repeated dosing of SCB-219M in CIT patients.

COVID-19 Vaccine

The emergency use authorization (EUA) in China for our COVID-19 vaccine issued in December 2022 remains active.

The Company will continue to engage with regulatory authorities and policymakers regarding potential future emerging COVID-19 vaccine business opportunities.

We cannot guarantee that we will ultimately develop or market our core product successfully. Shareholders and potential investors of our Company are advised to exercise due care when dealing in the Shares of our Company.

MANAGEMENT DISCUSSION AND ANALYSIS

R&D

As a biotechnology company, the Company continues to value scientific innovation and expand its product and candidate portfolio to achieve long-term and sustainable development.

The Company has been equipped and empowered by a comprehensive R&D team enabling product candidate discovery, proof-of-concept, preclinical and clinical development. As of December 31, 2025, the Company's in-house R&D activities were supported by 116 employees across regions.

Manufacturing

During the Reporting Period, the Company utilized manufacturing capabilities at its in-house commercial-scale manufacturing facility in Changxing, Zhejiang province to support development of its RSV vaccine candidates (SCB-1019, SCB-1022 and SCB-1033). The facility has achieved commercial GMP status in China and received a vaccine Drug Manufacturing License (DML) from the China NMPA, representing potential advantages compared to other domestic manufacturers utilizing new manufacturing sites.

This in-house manufacturing site has proven commercial scale production track record and will be valuable to the development of the Company's other product candidates, including our respiratory PreF-Trimer vaccine candidates portfolio (RSV + hMPV ± PIV3).

Other Key Corporate Developments

To navigate the challenges of the current macroeconomic environment, the Company continued to take significant measures to (1) heighten focus on its core strengths and capabilities in vaccine development and (2) prudently evaluate its expenses and streamline the organization to increase efficiency and improve effectiveness. The Company will continue to focus resources on achieving its top priorities while continuing to build an innovative portfolio that can potentially generate significant value-creation opportunities.

Future Outlook

Given our validated Trimer-Tag platform, attractive commercial manufacturability, and ongoing clinical development of our respiratory PreF-Trimer combination vaccine candidates (RSV + hMPV ± PIV3), the Company remains focused on executing its long-term strategy to gradually build a global leading respiratory vaccine franchise. Based on the encouraging results from a series of international Phase I clinical trials in Australia and the U.S., our RSV vaccine candidates portfolio (SCB-1019, SCB-1022 and SCB-1033) has successfully established a leading global position in the innovative RSV vaccine field. While continuing to prioritize resources to further strengthen this leadership position, the Company has been actively exploring different value creation opportunities worldwide to maximize the commercialization potential of our proprietary RSV vaccine candidates portfolio.

In terms of corporate governance, the Company will keep taking significant measures towards corporate financial sustainability by improving operating efficiency, pursuing value-creating opportunities and maintaining a resilient cash position to support future success.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
REVENUE	3,505	38,419
Cost of sales	(765)	(16,841)
Gross profit	2,740	21,578
Other income and gains	54,098	97,215
Selling and distribution expenses	(5,070)	(19,705)
Administrative expenses	(66,332)	(75,172)
Research and development expenses	(182,338)	(183,387)
Other expenses	(7,813)	(738,201)
Finance costs	(377)	(5,756)
LOSS BEFORE TAX	(205,092)	(903,428)
Income tax expense	–	–
LOSS FOR THE YEAR	(205,092)	(903,428)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	(119,682)	79,277
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(119,682)	79,277
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	156,582	(95,577)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	156,582	(95,577)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	36,900	(16,300)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(168,192)	(919,728)
Non-IFRS Measures		
Adjusted loss for the year	(198,405)	(887,150)

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

At the end of each reporting period, the Group estimates the future sales return of the goods sold and a corresponding adjustment to revenue is recognized for those products expected to be returned. The estimation of sales return requires the use of judgment and estimates. Where the actual return rate is different from the original estimate, such a difference will be trued up in subsequent periods.

For the year ended December 31, 2025, the Group recorded a revenue of RMB3.5 million, primarily reflecting a return rate true-up of AdimFlu-S (QIS) sold in the previous period as actual returns fell below original estimates.

Without considering the aforesaid sales return recognized during the Reporting Period, no revenue generated from AdimFlu-S (QIS) sales for the year ended December 31, 2025 as the Group's commercial activities of AdimFlu-S (QIS) in mainland China have been terminated.

Other Income and Gains

The Group's other income and gains primarily consist of government grants, net foreign exchange gains and bank interest income.

For the year ended December 31, 2025, other income and gains decreased by RMB43.1 million from RMB97.2 million for the year ended December 31, 2024 to RMB54.1 million. The decrease was primarily due to a partial waiver of trade payables recognized in other income in 2024 which is not recurring in the Reporting Period, as well as the finalization of CEPI funding in 2024 and the decrease in bank interest income, the effect of which was partially offset by the increase in recognized government grants and net foreign exchange gains.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consist of salaries and benefits for commercial team and market development expenses.

For the year ended December 31, 2025, selling and distribution expenses of the Group decreased by RMB14.6 million from RMB19.7 million for the year ended December 31, 2024 to RMB5.1 million. The decrease was primarily due to reduced salaries and benefits for the commercial team as the Group's commercial activities of AdimFlu-S (QIS) in mainland China have been terminated.

Administrative Expenses

The Group's administrative expenses primarily consist of (i) employee salaries and benefits, including accrued share-based compensation expenses; (ii) consulting fees; (iii) depreciation and amortization expenses; and (iv) office expenses. Other administrative expenses include IT software license expenses and other miscellaneous expenses in connection with administration activities.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2025, administrative expenses of the Group decreased by RMB8.9 million, from RMB75.2 million for the year ended December 31, 2024 to RMB66.3 million. This reduction was primarily attributable to decreases in employee salaries and benefits and depreciation and amortization expenses as a reflection of the ongoing cost-saving measures and the enhanced operation efficiency, the effect of which was partially offset by the increase in consulting fees.

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Employee salaries and benefits	32,920	46,706
– <i>Share-based compensation expenses</i>	5,931	14,273
Consulting fees	23,575	12,005
Depreciation and amortization	4,508	8,076
Office expenses	659	1,690
Others	4,670	6,695
Total	66,332	75,172

Research and Development Expenses

The Group's R&D expenses primarily consist of: (i) employee salaries and benefits, including accrued share-based compensation expenses; (ii) clinical trial expenses, mainly consisting of payments to CROs, hospitals and other medical institutions and related fees; (iii) costs of raw materials and consumables used for R&D activities; (iv) R&D consulting and service fees, mainly related to preclinical study cost; and (v) depreciation and amortization in relation to our leasehold buildings, machinery and equipment.

For the year ended December 31, 2025, R&D expenses decreased by RMB1.1 million, from RMB183.4 million for the year ended December 31, 2024 to RMB182.3 million. The employee salaries and benefits and depreciation and amortization expenses decreased as the Group continues to streamline corporate operations. Meanwhile, the Group focuses resources on achieving its top priorities while continuing to build an innovative portfolio that can potentially generate significant value-creation opportunities.

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Employee salaries and benefits	83,816	100,428
– <i>Share-based compensation expenses</i>	1,522	7
Clinical trial expenses	36,948	11,133
R&D consulting and service fees	8,583	6,197
Costs of raw materials and consumables	11,435	11,669
Depreciation and amortization	22,714	30,988
Others	18,842	22,972
Total	182,338	183,387

MANAGEMENT DISCUSSION AND ANALYSIS

Other Expenses

The Group's other expenses primarily consist of write-down of inventories to net realizable value/(reversal of inventory provision) and severance costs.

For the year ended December 31, 2025, other expenses of the Group decreased by RMB730.4 million from RMB738.2 million for the year ended December 31, 2024 to RMB7.8 million, primarily because a full provision of COVID-19 vaccine related raw materials was made in 2024.

Finance Costs

The Group's finance costs primarily consist of (i) interest on bank loans and (ii) interest on lease liabilities, mainly in relation to its offices in Shanghai and Chengdu.

For the year ended December 31, 2025, finance costs of the Group decreased by RMB5.4 million from RMB5.8 million for the year ended December 31, 2024 to RMB0.4 million, primarily due to decreased interest expenses related to bank loans.

Loss for the Year

As a result of the above, the loss of the Group decreased by RMB698.3 million from RMB903.4 million for the year ended December 31, 2024 to RMB205.1 million for the year ended December 31, 2025.

Non-IFRS Measure

To supplement the Group's annual consolidated financial statements, which are presented in accordance with the IFRSs, the Group also provides adjusted loss for the year as supplemental information. Such measures are not required by the IFRSs, but the Group deems it useful information to its Shareholders and potential investors for the evaluation of the Group's annual consolidated financial results.

Adjusted loss for the year represents the loss for the year excluding the effect brought by share-based compensation expenses. This non-IFRS measure should not be considered in isolation from, or as a substitute for the analysis of, the Group's IFRS reporting. The Company's presentation of such adjusted figures may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this non-IFRS measure is a better indication of the Group's normal operating results and a better basis for the comparison of operating performance from period to period.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth a reconciliation of the loss for the year to the adjusted loss for the year during the years indicated:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Loss for the year	(205,092)	(903,428)
Added:		
Share-based compensation expenses	6,687	16,278
Adjusted loss for the year	(198,405)	(887,150)

Selected Data from Consolidated Statement of Financial Position

	As of December 31,	
	2025 RMB'000	2024 RMB'000
Total current assets	335,834	663,209
Total non-current assets	122,087	149,535
Total assets	457,921	812,744
Total current liabilities	1,750,637	1,907,663
Total non-current liabilities	504,603	541,379
Total liabilities	2,255,240	2,449,042
Net current liabilities	(1,414,803)	(1,244,454)

Liquidity and Source of Funding and Borrowings

As of December 31, 2025, the Group's cash and bank balances, including cash and cash equivalents, time deposits, restricted cash and pledged deposits, decreased by RMB285.1 million from RMB556.5 million as of December 31, 2024 to RMB271.4 million. The decrease primarily resulted from the net cash outflow resulted from bank loan repayment, continued investment in R&D activities and daily operation.

As of December 31, 2025, the current assets of the Group totaled RMB335.8 million, including cash and cash equivalents, restricted cash of RMB271.4 million, prepayments, other receivables and other assets of RMB39.9 million, financial assets at fair value through profit or loss of RMB14.6 million, inventories of RMB9.9 million and trade receivables of RMB0.003 million.

MANAGEMENT DISCUSSION AND ANALYSIS

As of December 31, 2025, the current liabilities of the Group were RMB1,750.6 million, including contract liabilities of RMB1,572.6 million, trade payables of RMB108.0 million, other payables and accruals of RMB59.4 million and lease liabilities of RMB10.6 million.

As of December 31, 2025, the Group had no bank loans. Currently, the Group follows a set of funding and treasury policies to manage its capital resources and mitigate potential risks. The Group endeavors to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board would also consider various funding sources depending on the Group's funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The Board reviews and evaluates the Group's funding and treasury policy from time to time to ensure its adequacy and effectiveness.

Significant Investments, Material Acquisitions and Disposals

As of December 31, 2025, the Group did not hold any significant investments. The Group also did not have material acquisitions or disposals of subsidiaries, associates, and joint ventures for the year ended December 31, 2025.

Future Plans for Material Investments or Capital Assets

The Group had no other material capital expenditure plan as of the Latest Practicable Date.

Contingent Liabilities

As of December 31, 2025, the Group did not have any contingent liabilities that we expected would materially adversely affect our business, financial position or results of operations.

Gearing Ratio

The gearing ratio is calculated using interest-bearing bank borrowings less cash and bank balances, divided by total equity and multiplied by 100%. As of December 31, 2025, the Group was in a net cash position and thus, gearing ratio is not applicable.

Capital Commitments

The capital commitments of the Group as of December 31, 2025 were RMB6.6 million, reflecting a decrease of RMB6.5 million from RMB13.1 million as of December 31, 2024, primarily attributable to the decrease in our future payments in relation to the tangible assets.

Pledge of Assets

As of December 31, 2025, the Group had no pledge of assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Exchange Exposure

The Company's functional currency is USD and the functional currency of the Company's subsidiaries in China is RMB. During the Reporting Period, the Group mainly operated in China with most of its transactions settled in RMB and USD. Our financial assets and liabilities are subject to foreign currency risk as a result of certain cash and bank balances, trade receivables, other receivables, trade payables and other payables denominated in non-functional currencies. Therefore, fluctuations in the exchange rate of functional currency against non-functional currency could affect our results of operations. The Group currently does not have a foreign currency hedging policy. However, its management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Employees and Remuneration

As of December 31, 2025, the Group had 257 employees. The total remuneration cost incurred by the Group for the year ended December 31, 2025 was RMB118.6 million. The following table sets forth the details of our employees by function as of December 31, 2025:

Function	Number of employees	% of total
R&D	116	45.1%
Manufacturing and CMC	99	38.5%
General and Administrative	41	16.0%
Selling and Marketing	1	0.4%
Total	257	100%

The remuneration package of the Group's employees includes salary, bonus and equity incentives, which is generally determined by their qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds in accordance with relevant laws and regulations.

The Company has also adopted a restricted share unit scheme and a pre-IPO share option plan on April 15, 2021 and a post-IPO share option plan on September 26, 2021 to provide incentives for the eligible participants. For details, please refer to the paragraph headed "D. Share Incentive Plans" in Appendix IV to the Prospectus.

To enhance the quality, knowledge, and skill levels of employees, the Group continuously provides education and training programs, including internal and external training, to strengthen their technical, professional, or managerial skills. The Group also periodically offers training programs to ensure that employees are well-informed and compliant with policies and procedures.

PROFILES OF DIRECTORS AND MANAGEMENT

EXECUTIVE DIRECTORS

Dr. LIANG Peng, aged 65, was appointed as an executive Director on October 31, 2018. Dr. Liang is primarily responsible for overall management of the business strategy, corporate development and R&D of the Group. Dr. Liang founded the Group when he established and acted as the chairman of Sichuan Clover in June 2007.

In addition to the Company and Sichuan Clover, Dr. Liang is also serving the following positions in the Group:

- the chairman of Zhejiang Clover since August 2016;
- the president of U.S. Clover since April 2020;
- a director of Australia Clover since June 2017;
- a director of HK Clover since November 2018; and
- a director of UK Clover since April 2024.

Dr. Liang has over 27 years of experience in both business and academic fields of the pharmaceutical industry. Prior to founding the Group, Dr. Liang founded GenHunter Corporation in October 1992 and has served as the chairman since its incorporation. From 1995 to 2010, he served as an associate professor in Cancer Biology at Vanderbilt University. From November 2007 to June 2018, Dr. Liang served as adjunct professor in Biochemistry and Molecular Biology at Sichuan University (四川大學). From July 2021 to June 2023, Dr. Liang has served as a member of the scientific advisory committee of Shandong Boan Biotech Co., Ltd. (山東博安生物技術股份有限公司).

Dr. Liang obtained a Bachelor's Degree in biochemistry from Peking University (北京大學) in July 1982 in China. He received a Doctor of Philosophy in biochemistry from the University of Illinois in May 1990, after which he was a postdoctoral fellow in biochemistry at Harvard Medical School until August 1995 in the U.S. Dr. Liang was a recipient of the 1997 Prize for Innovative Technology awarded by the Society of Chinese Bioscientists in America and the 1998 Prize Molecular Bioanalytics awarded by the German Society of Biochemistry and Molecular Biology.

Save that Dr. LIANG Peng is the father of Mr. LIANG Joshua G, none of the members of the Board is related to one another.

Mr. LIANG Joshua G, aged 34, was appointed as an executive Director on December 25, 2020. Mr. Liang is primarily responsible for leading the management and operation of all functional departments and supervising product strategy of the Group. Mr. Liang joined the Group in April 2016 as the chief strategy officer of Sichuan Clover.

In addition to the positions in the Company, Mr. Liang is serving the following positions in the Group:

- a director and the chief executive officer of Sichuan Clover since September 2017 and June 2020, respectively;
- a director and the general manager of Zhejiang Clover since August 2016;

PROFILES OF DIRECTORS AND MANAGEMENT

- the executive director and general manager of Beijing Clover since August 2020;
- the executive director and general manager of Shanghai Clover since February 2021;
- the chief executive officer of U.S. Clover since April 2020;
- the executive director and chief executive officer of Australia Clover since December 2020;
- a director of HK Clover since December 2020;
- a director of UK Clover since January 2024; and
- a director of Ireland Clover since April 2024.

Prior to joining the Group, Mr. Liang served as an analyst at Centerview Partners from July 2014 to February 2016, where he was mainly responsible for assisting in analyzing industry dynamics, competitive positioning and business strategies.

Mr. Liang obtained Bachelor's Degrees in both economics and biology from the University of Pennsylvania in May 2014 in the U.S.

NON-EXECUTIVE DIRECTORS

Dr. WANG Xiaodong, aged 63, was appointed as a non-executive Director on March 16, 2021. Dr. Wang is primarily responsible for providing guidance and advice on the corporate and business strategies of the Group. Dr. Wang joined the Group in December 2011 as a director of Sichuan Clover, and has not served as a director of Sichuan Clover since March 2021.

Dr. Wang is concurrently serving the following positions outside the Group:

- a director at BeOne Medicines Ltd. (formerly known as Beigene Inc.), a pharmaceutical company whose shares are listed on both NASDAQ (ticker symbol: ONC) and the Stock Exchange (stock code: 6160), since February 2016; and
- a director at National Institute of Biological Sciences, Beijing (北京生命科學研究所) since October 2009.

Prior to joining the Group, Dr. Wang served as a chair professor of Biomedical Sciences at the University of Texas Southwestern Medical Center from 2001 to 2010 and an investigator at Howard Hughes Medical Institute from 1997 to 2010 in the U.S.

Dr. Wang received a Doctor of Philosophy in biochemistry from the University of Texas Southwestern Medical Center in May 1991 in the U.S. and a bachelor's degree in biology from Beijing Normal University (北京師範大學) in July 1984 in China. Dr. Wang was awarded many prizes in his professional field, including the Shaw Prize in Life Science and Medicine by the Shaw Prize Foundation (邵逸夫基金會) in September 2006, the Qiu Shi Science and Technologies Prize from the Qiu Shi Science and Technologies Foundation (求是科技基金會) in August 2013, and the King Faisal Prize in Science from the King Faisal Foundation, Saudi Arabia in 2020.

PROFILES OF DIRECTORS AND MANAGEMENT

Dr. Donna Marie AMBROSINO, aged 74, was appointed as a non-executive Director with effect from June 17, 2022. Dr. Ambrosino has been serving as a research advisor and member of the vaccine scientific advisory board of the Company (the “SAB”) since 2020. Dr. Ambrosino has had a career as a scientific leader in biologics and vaccine development for over 35 years. She has served as the managing director of Ambrosino Biotech Consulting, LLC since 2018.

From June 2022 to October 2025, Dr. Ambrosino has been on the board of directors and a member of the scientific advisory board of Inventprise, a biotechnology company specializing in vaccine product development. From 2021 to 2024, she has served as a member of the scientific advisory board of Everest Medicines Limited, a company whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 1952). From 2020 to 2023, a member of the scientific advisory board of Vaxxinity, Inc., a company whose shares are listed on the National Association of Securities Dealers Automated Quotations (“NASDAQ”) (ticker symbol: VAXX). From 2021 to 2022, she has served as a member of the scientific advisory board of Senda, a therapeutics platform company creating novel treatments. From 2020 to 2023, she served as an advisor to the Gates Foundation. From 2020 to 2021, she served as an advisor to CEPI regarding development of COVID-19 vaccines. From 2016 to 2019, Dr. Ambrosino served as the chief executive officer at Nosocomial Vaccine Corporation, a company principally engaged in R&D of vaccines against nosocomial infections and where she was primarily responsible for leading the collaborative discovery and development of a gram-negative vaccine for hospital acquired infections. From 2014 to 2019, Dr. Ambrosino served as the chief medical officer at ClearPath Vaccines Company LLC, where she was primarily responsible for the development of vaccines. From 2012 to 2014, Dr. Ambrosino served as the chief medical officer at Visterra Inc., a company principally engaged in R&D of therapeutic and diagnostic products for infectious diseases. From 1998 to 2011, Dr. Ambrosino served as the chief executive officer at MassBiologic, where she was primarily responsible for the overall operations and management. Dr. Ambrosino was also an associate professor of paediatrics at the Dana Farber Cancer Institute and Children’s Hospital, Harvard Medical School. At Harvard Medical School she was a National Institutes of Health-funded researcher.

Dr. Ambrosino obtained a bachelor’s degree in biology from Harvard University in 1974 and a Doctor of Medicine Degree from the Geisel School of Medicine at Dartmouth (formerly known as Dartmouth Medical School) in 1977. Dr. Ambrosino was granted the Governor’s Award for Public Service by the State of Massachusetts in 2006.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. WU Xiaobin, aged 64, was appointed as an independent non-executive Director on April 19, 2021 with effect from September 26, 2021. He is primarily responsible for supervising and providing independent judgement to our Board.

Dr. Wu has more than 26 years of rich experience in the pharmaceutical industry, including 19 years leading China operations of multinational companies, with expertise in integrated R&D, strategy, commercialization and general management. Prior to joining the Group, Dr. Wu was global president and general manager of BeOne (formerly known as BeiGene) since May 2018. Before joining BeOne, Dr. Wu served as the country manager of Pfizer China; and regional president of Pfizer Essential Health in Greater China Region from October 2009 to April 2018. Under his leadership, Pfizer China experienced significant growth, and established its position as a leading multinational pharmaceutical company in China and a significant contributor to China’s healthcare system. Dr. Wu is widely recognized as an industry opinion leader in China and has actively worked with industry associations and helped to shape and influence the environment to ensure Chinese patients have access to high-quality medicines and vaccines.

PROFILES OF DIRECTORS AND MANAGEMENT

Prior to Pfizer, Dr. Wu served as president and managing director of Wyeth China and Hong Kong from 2004 to 2009. Before joining Wyeth, Dr. Wu served as the general manager of Bayer Healthcare in China from 2001 to 2004. He started his career in 1992 in sales and marketing with Bayer in Germany.

Dr. Wu was elected as the vice chairman of the China Pharmaceutical Industry Research and Development Association since 2019. He is also a research fellow at the Research Center of National Drug Policy and Ecosystem. Dr. Wu served as the vice chairman of the R&D-based Pharmaceutical Association Committee in China from 2008 to 2018. In addition to his duties in industrial associations, Dr. Wu is frequently awarded with industry awards, including being voted as “Person of the Year” in Healthy China Award 2017 and having won the award of “2017 Top 10 Most Influential Person in Chinese Healthcare Industry” and the “2017 Social Responsibility Eminent Person Award”.

Dr. Wu obtained a Doctor of Philosophy in biochemistry and pharmacology in April 1993 and a Master’s Degree in molecular biology in January 1990 from the University of Konstanz in Germany.

Mr. LIAO Xiang, aged 61, was appointed as an independent non-executive director on April 19, 2021 with effect from September 26, 2021. He is primarily responsible for supervising and providing independent judgement to the Board.

In addition to his position in the Company, Mr. Liao has served as the chief executive officer of NovaStream Biotech Co., Ltd. (北京欣生禾生物科技有限公司) since March 2012. From January 2008 to January 2012, he worked for Novartis Vaccines. From May 1992 to December 2007, he worked for Sanofi Pasteur, the vaccines division of the Sanofi group at the time, where he served various positions with the last one being a corporate development director.

Mr. Liao obtained a bachelor’s degree in medicine from West China University of Medical Sciences (華西醫科大學) in July 1987 in China and a master’s degree in biochemistry from the University of Scranton in August 1992 in the U.S. He obtained a Master of Business Administration from Columbia University in October 2003 in the U.S.

Mr. Jeffrey FARROW, aged 64, was appointed as an independent non-executive Director on April 19, 2021 with effect from September 26, 2021. He is primarily responsible for supervising and providing independent judgement to the Board.

In addition to his position in the Company, Mr. Jeffrey FARROW has been appointed as the chief financial officer and chief strategy officer of Tarsus Pharmaceuticals, Inc., a company whose shares are listed on the NASDAQ (ticker symbol: TARS) with effect from April 24, 2023. Mr. Farrow also served as the chief financial officer of Global Blood Therapeutics, Inc., a company whose shares are listed on the NASDAQ (ticker symbol: GBT) by December 2022. From June 2015 to March 2016, he worked for ZS Pharma, Inc., a biotechnology company, as its chief financial officer. From November 2009 to May 2015, he first worked as the vice president of finance and then the chief financial officer of Hyperion Therapeutics, Inc. From May 2008 to December 2009, he served as the vice president of finance of Evotec, a biotechnology company listed on Frankfurt Stock Exchange (ticker symbol: EVT), where he was mainly responsible for US finance operations and SEC filings. From January 2004 to July 2007, he first worked as the senior director of finance and then the vice president of finance and chief accounting officer at Renovis, Inc. (a company acquired by Evotec in 2008). From July 1996 to January 2004, he worked for KPMG with his last position being a senior manager.

PROFILES OF DIRECTORS AND MANAGEMENT

Mr. Farrow obtained a Bachelor's Degree in business administration with a concentration in finance from California State University of Fullerton in June 1993 in the U.S. Mr. Farrow obtained the Certified Public Accountant license from California Board of Accountancy in May 2002 in the U.S.

Mr. Thomas LEGGETT, aged 49, was appointed as an independent non-executive Director on April 19, 2021 with effect from September 26, 2021. He is primarily responsible for supervising and providing independent judgement to the Board.

In addition to his position at the Company, Mr. Leggett serves as the chief financial officer of Stoke Therapeutics, Inc., a company whose shares are listed on the NASDAQ (ticker symbol: STOK). Prior to his current role, Mr. Leggett served as the chief financial officer of privately held company, Affinia Therapeutics, Inc., from December 2021 to May 2024. Prior to Affinia, Mr. Leggett served as the chief financial officer of Black Diamond Therapeutics, Inc., a company whose shares are listed on the NASDAQ (ticker symbol: BDTX) from September 2019 to December 2021. Prior to Black Diamond, he worked for a NASDAQ listed company, Axcella Health, Inc. (ticker symbol: AXLA) as its chief financial officer from January 2017 to August 2019. Starting in May 2015, he worked as the treasurer and head of business development finance of Purdue Pharma L.P., a pharmaceuticals company. From November 2009 to May 2015, Mr. Leggett first served as a director and then an executive director of UBS Securities, where he was mainly responsible for providing corporate finance and strategic advisory services to life sciences clients. From January 2007, he worked at Lazard Freres & Co., an investment bank. From August 2004 to January 2007, he worked for J.P. Morgan Securities as an associate.

Mr. Leggett obtained a Bachelor's Degree in economics from Columbia University in May 1999 and a Master of Business Administration from the Wharton School of the University of Pennsylvania in May 2004 in the U.S.

SENIOR MANAGEMENT

Mr. LIANG Joshua G, aged 34, was appointed as the chief executive officer on December 25, 2020. Please see the section headed "Executive Directors" above for details of his biography.

Dr. LIANG Peng, aged 65, has been the chief scientific officer since the incorporation of the Company on October 31, 2018. Please see the section headed "Executive Directors" above for details of his biography.

JOINT COMPANY SECRETARIES

Ms. WANG Xiaoyan (王曉艷), aged 45, was appointed as one of the Company's joint company secretaries (the "Joint Company Secretary(ies)") on March 31, 2023.

Prior to joining the Company in April 2022, Ms. Wang served as the general counsel at AIM Vaccine Co., Ltd., a company whose shares are listed on the Stock Exchange (stock code: 6660), from April 2020 to April 2022. From September 2012 to March 2020, Ms. Wang served as the legal director at Shenzhen Sanofi Pasteur Biological Products Co., Ltd. (深圳賽諾菲巴斯德生物製品有限公司), a company primarily engaged in research, development and sales of vaccine. From January 2007 to August 2012, Ms. Wang served as the senior legal counsel at Sanofi (China) Investment Co., Ltd. (賽諾菲(中國)投資有限公司). From April 2004 to December 2006, Ms. Wang served as a legal counsel at Aurora (China) Investment Co., Ltd. (震旦(中國)投資有限公司).

PROFILES OF DIRECTORS AND MANAGEMENT

Ms. Wang obtained a Bachelor of Law Degree from Dalian Maritime University (大連海事大學) in July 2002, Masters of Law Degrees from University College London and Renmin University of China (中國人民大學) in November 2003 and September 2016, respectively, and an Executive Master of Business Administration Degree from China Europe International Business School (中歐國際工商學院) in May 2018.

Ms. CHAU Hing Ling (周慶齡), aged 51, was appointed as the Joint Company Secretary of the Company on December 22, 2021. Ms. CHAU is currently an executive director of corporate services of Vistra Corporate Services (HK) Limited. She has over 22 years of experience in the corporate services industry. She is currently the company secretary/joint company secretary of certain listed companies.

Ms. Chau obtained a master of laws majoring in corporate and financial law from The University of Hong Kong in November 2007. She has been a fellow member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and a fellow member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in United Kingdom since May 2013.

CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company since the publication date of the Company's annual report for 2024, are set out below:

Dr. Donna Marie AMBROSINO has not been on the board of directors and a member of the scientific advisory board of Inventprise since October 2025.

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REPORT OF THE DIRECTORS

The Board is pleased to present this report of the Directors together with the consolidated financial statements of the Group for the year ended December 31, 2025.

BOARD OF DIRECTORS

There are currently two executive Directors, two non-executive Directors and four independent non-executive Directors on the Board.

During the year ended December 31, 2025 and as of the Latest Practicable Date, the Directors were:

Executive Directors

Dr. LIANG Peng (*Chairman of the Board*)
Mr. LIANG Joshua G

Non-executive Directors

Dr. WANG Xiaodong
Dr. Donna Marie AMBROSINO
Dr. Ralf Leo CLEMENS (*retired on June 19, 2025*)

Independent Non-executive Directors

Dr. WU Xiaobin
Mr. LIAO Xiang
Mr. Jeffrey FARROW
Mr. Thomas LEGGETT

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on October 31, 2018 as an exempted limited liability company under the laws of the Cayman Islands. The Company's Shares were listed on the Main Board of the Stock Exchange on November 5, 2021.

PRINCIPAL ACTIVITIES

We are a global leading biotechnology company committed to unleashing the power of innovative vaccines to save lives and improve health around the world. We leverage the proprietary Trimer-Tag technology platform to conduct R&D for innovative vaccines that can fulfill unmet need, with a focus on building a respiratory vaccine franchise to reduce the burden of vaccine-preventable diseases.

For further details of the Company's principal activities, please see the section headed "Business Review" under "Management Discussion and Analysis" of this annual report.

During the Reporting Period, we also tried to strategically develop our commercialization capabilities to produce and distribute vaccines.

REPORT OF THE DIRECTORS

BUSINESS REVIEW AND RESULTS

A review of the business and future prospects of the Group during the Reporting Period is provided in the section headed “Business Review” under “Management Discussion and Analysis” of this annual report. An analysis of the Group’s financial performance during the Reporting Period is provided in the section headed “Financial Review” under “Management Discussion and Analysis” of this annual report.

The results of the Group for the Reporting Period are set out in the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize the Group’s product candidates, or experience significant delays in doing so, our business will be significantly harmed;
- If the Group encounters difficulties enrolling patients or participants in our clinical trials, our clinical development activities could be delayed and result in increased costs and longer development periods or otherwise adversely affected;
- If clinical trials of product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates;
- Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results;
- The regulatory approval processes of regulatory authorities of national and multilateral institutions are lengthy, time-consuming and inherently unpredictable. If the Group is ultimately unable to obtain regulatory approval for product candidates, our business will be substantially harmed;
- The Group’s rights to develop and commercialize our Trimer-Tag pipeline products are subject, in part, to the terms and conditions of licenses granted to us by the Group’s licensor GenHunter;
- If the Group is unable to maintain sufficient distribution, marketing, and sales capabilities, the Group may not be able to generate product sales revenues;
- The regulatory pathway for vaccines is highly dynamic and continues to evolve and may result in unexpected or unforeseen delays or challenges;
- The manufacture of biologics is a complex process which requires significant expertise and capital investment, and if the Group encounters problems in manufacturing our future products, the business could suffer;

REPORT OF THE DIRECTORS

- If the Group is unable to obtain and maintain patent protection for our product candidates or the Trimer-Tag technology platform, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against the Group, and its ability to successfully commercialize any product or technology may be adversely affected;
- The Group engages CROs to conduct certain elements of its pre-clinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties, meet expected deadlines, or comply with regulatory requirements, the Group may not be able to obtain regulatory approval for or commercialize product candidates and its business could be substantially harmed; and
- The Group has entered into collaborations and may form or seek collaborations or form strategic alliances or enter into licensing arrangements in the future, and the Group may not realize the benefits of such alliances or licensing arrangements.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Our corporate vision and mission are intricately linked with social responsibility in promoting sustainability and protecting the environment.

We are subject to and comply with the environmental protection and occupational health and safety laws and regulations in China. During the Reporting Period, we did not have any incidents or complaints in relation to environmental protection and occupational health and safety which had a material and adverse effect on our business, financial condition or results of operations. Besides China, we also have limited R&D and business operations overseas. Regardless of the scale of our operations, we make every effort to ensure that we are compliant with all local laws and regulations in the jurisdictions where we operate.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. For the year ended December 31, 2025 and up to the Latest Practicable Date, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

EMPLOYEE AND REMUNERATION POLICIES

As of December 31, 2025, the Group had 257 employees.

The number of employees of the Group varies from time to time depending on need. The remuneration package of the Group's employees includes salary, bonus and equity incentives, which is generally determined by their qualifications, industry experience, position and performance. The Company makes contributions to social insurance and housing provident funds in accordance with relevant laws and regulations.

REPORT OF THE DIRECTORS

The Company also has adopted the Pre-IPO Share Option Plan, the RSU Scheme and the Post-IPO Share Option Plan to provide rewards or incentives to eligible participants for their contribution or potential contribution to the Group. Please refer to the sections headed “Pre-IPO Share Option Plan”, “RSU Scheme” and “Post-IPO Share Option Plan” in this annual report for further details.

The total remuneration cost incurred by the Group for the year ended December 31, 2025 was RMB118.6 million.

For the year ended December 31, 2025, the Group did not experience any material labor disputes or strikes that may have a material adverse effect on the Group’s business, financial condition or results of operations, or any difficulty in recruiting employees.

MAJOR SUPPLIERS

During the Reporting Period, the Group’s suppliers primarily consisted of suppliers of CROs, raw materials and consumables, vaccine products, and equipment and devices.

For the year ended December 31, 2025, purchases from the Group’s five largest suppliers accounted for approximately 33.39% (2024: 42.5%) of the Group’s total purchase amount in the same year. Purchases from the Group’s largest supplier for the year ended December 31, 2025 accounted for approximately 10.83% (2024: 28.2%) of the Group’s total purchase amount for the same year.

None of the Directors, their respective close associates, or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company’s issued share capital) has any interest in any of the Group’s five largest suppliers.

MAJOR CUSTOMERS

For the year ended December 31, 2025, the Group’s five largest customers and the Group’s largest customer accounted for approximately 100.0% and 91.0%, respectively, of the Group’s total sales revenue (2024: 100.0% and 91.6%, respectively).

None of the Directors, their respective close associates, or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company’s issued share capital) has any interest in the Group’s five largest customers.

KEY RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that various stakeholders including suppliers, customers, employees, Shareholders and other business associates are key to the Group’s success. The Group strives to achieve corporate sustainability by cultivating strong relationships with them.

REPORT OF THE DIRECTORS

Relationship with Employees

The Group endeavors to cultivate talented and loyal employees by treating our employees with dignity, respect and fairness. The Group conducts new employee training, as well as professional and compliance training programs for employees. It enters into employment contracts with its employees to cover matters such as wages, benefits and grounds for termination. The remuneration package of its employees usually includes salary, bonus and equity incentives, which are generally determined by their qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds in accordance with relevant laws and regulations.

Relationship with Shareholders

The Group recognizes the importance of protecting the interests of the Shareholders and of having effective communication with them. The Group believes that communication with the Shareholders is a two-way process and strives to ensure the quality and effectiveness of information disclosure, maintain regular dialogue with the Shareholders and listen carefully to the views and feedback from the Shareholders. This has been done through general meetings, corporate communications, interim and annual reports and results announcements.

Relationship with Suppliers

The Group selects its suppliers by considering their product quality, industry reputation and compliance with relevant regulations and industry standards. The Group has maintained strict control over the quality of services offered by its suppliers. The Group understands the importance of maintaining a good relationship with its suppliers to meet its immediate and long-term goals. It strives to cultivate a mutually beneficial and trusting relationship with its suppliers so that they are able to deliver services of the highest standard in an efficient manner.

Relationship with Customers

The Group holds a deep commitment to building and nurturing customer relationships in achieving both immediate and long-term goals. It recognizes that the satisfaction of its customers is of utmost importance and, therefore, endeavors to foster positive and mutually beneficial connections with its customers. By upholding stringent quality control measures, the Group aims to facilitate the delivery of exceptional products of superior quality and compliant with relevant regulations and industry standards to customers in the most efficient manner as possible.

Further details are set out in the section headed “Environmental, Social and Governance Report” of this annual report.

FINANCIAL SUMMARY

A summary of the consolidated operating results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements, is set out in the section headed “Five-Year Financial Summary” of this annual report. This summary does not form part of the audited consolidated financial statements.

REPORT OF THE DIRECTORS

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 1 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group for the year ended December 31, 2025 are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2025 and details of the Shares issued for the year ended December 31, 2025 are set out in Note 30 to the consolidated financial statements.

DEBENTURE ISSUED

The Group did not issue any debenture for the year ended December 31, 2025.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreements were entered into by the Group for the year ended December 31, 2025.

DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025.

PERMITTED INDEMNITY

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

REPORT OF THE DIRECTORS

Such permitted indemnity provision has been in force for the year ended December 31, 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

DISTRIBUTABLE RESERVES

The Company may pay dividends out of the share premium account, retained earnings and any other reserves provided that immediately following the payment of such dividends, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

As of December 31, 2025, the Company's reserves available for distribution from share premium less accumulated losses, calculated in accordance with the provisions of the Companies Act, amounted to approximately RMB762.5 million (2024: RMB752.7 million).

Details of movements in the reserves of the Group and the Company during the year ended December 31, 2025 are set out in the section headed "Consolidated Statement of Changes in Equity" and Note 42 to the consolidated financial statements.

BANK LOANS AND OTHER BORROWINGS

As of December 31, 2025, the Company had no bank loans and other borrowings.

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has entered into a service contract with the Company on September 26, 2021. The initial term of the service contracts shall commence from the date of his appointment and continue for a period of three years after or until the third annual general meeting of the Company from the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years, until otherwise terminated.

Dr. WANG Xiaodong, being a non-executive Director, has entered into an appointment letter with our Company on September 26, 2021. The initial term for the appointment letter shall commence from the date of appointment and continue for a period of three years after or until the third annual general meeting of the Company since the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years, until otherwise terminated.

Dr. Donna Marie AMBROSINO and Dr. Ralf Leo CLEMENS (retired on June 19, 2025), each being a non-executive Director, entered into an appointment letter with the Company on June 17, 2022. The initial term for the appointment letter shall commence from the date of his/her appointment and continue for a period of three years.

REPORT OF THE DIRECTORS

Each of our independent non-executive Directors has entered into an appointment letter with the Company on September 26, 2021. The initial term for the appointment letters shall commence from the date of his appointment and continue for a period of three years after or until the third annual general meeting of the Company since the Listing Date, whichever is earlier, and shall be automatically renewed for successive periods of three years, until otherwise terminated.

The above appointments are always subject to the provisions of retirement and rotation of directors under the Articles of Association and the Corporate Governance Code.

None of the Directors has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" below, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had any interest in any business which competes with or is likely to compete with the businesses of the Group for the year ended December 31, 2025.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed for the year ended December 31, 2025.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

REPORT OF THE DIRECTORS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of December 31, 2025, the interests and short positions of the Directors or chief executive of the Company in any of the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director or Chief Executive	Nature of Interest	Number of Shares/ Underlying Shares Held (Long position)	Approximate Percentage of Shareholding Interest ⁽⁶⁾
Dr. LIANG Peng	Beneficial owner	211,630,334	16.31%
	Beneficial owner ⁽¹⁾	3,006,590	0.23%
	Interest of a party to an agreement ⁽²⁾	21,758,867	1.68%
	Interest of a party to an agreement ⁽³⁾	51,800,000	3.99%
Mr. LIANG Joshua G	Beneficial owner	21,758,867	1.68%
	Beneficial owner ⁽⁴⁾	24,118,500	1.86%
	Interest of a party to an agreement ⁽²⁾	211,630,334	16.31%
Dr. WANG Xiaodong	Beneficial owner ⁽⁵⁾	1,182,500	0.09%
	Beneficial owner	28,558,000	2.20%
Dr. WU Xiaobin	Beneficial owner ⁽⁵⁾	1,182,500	0.09%
	Beneficial owner	558,000	0.04%
Mr. LIAO Xiang	Beneficial owner ⁽⁵⁾	1,182,500	0.09%
	Beneficial owner	558,000	0.04%
Mr. Jeffrey FARROW	Beneficial owner ⁽⁵⁾	1,182,500	0.09%
	Beneficial owner	558,000	0.04%
Mr. Thomas LEGGETT	Beneficial owner ⁽⁵⁾	1,182,500	0.09%
	Beneficial owner	558,000	0.04%
Dr. Donna Marie AMBROSINO	Beneficial owner ⁽⁵⁾	1,284,000	0.10%
	Beneficial owner	266,296	0.02%

REPORT OF THE DIRECTORS

Notes:

1. Referring to the Shares underlying the RSUs and options granted to Dr. Liang under the RSU Scheme and the Post-IPO Share Option as of December 31, 2025.
2. Pursuant to the Acting-in-concert Deed, Dr. Liang and Mr. Joshua Liang agreed to act in concert by aligning their votes at Shareholders' meetings of the Company. Therefore, they were deemed to be jointly interested in the aggregate number of Shares held by each other.
3. Pursuant to the voting proxy agreements entered into on March 16, 2021 by each of Dr. WANG Xiaodong, Mr. ZHU Jianwei, Mr. JIANG Pu and Mr. PING Zheng (the "Grantors") and Dr. Liang, respectively, each of the Grantors granted the voting right of the then Shares of the Company held by them to Dr. Liang. Therefore, Dr. Liang was deemed to be interested in the then Shares of the Company held by the Grantors under the SFO.
4. Referring to the Shares underlying the RSUs and options granted to Mr. Joshua Liang under the RSU Scheme and the Post-IPO Share Option as of December 31, 2025.
5. Referring to the Shares underlying the RSUs and options granted to each of these Directors under the RSU Scheme and Post-IPO Share Option as of December 31, 2025.
6. Calculated based on 1,297,836,552 total issued Shares of the Company as of December 31, 2025.

Save as disclosed above, as of December 31, 2025, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2025, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company or any other members of the Group:

Long Positions in the Shares of the Company

Name of Substantial Shareholder	Nature of Interest	Shares/Underlying Shares Held as of December 31, 2025	
		Number of Shares	Approximate Percentage ⁽⁴⁾
JNRY ⁽¹⁾	Beneficial owner	93,796,257	7.23%
AUT-XXI ⁽¹⁾	Beneficial owner	70,797,172	5.46%
Shanghai Tianhe ⁽²⁾	Beneficial owner	69,999,500	5.39%
Ms. Wang Shibi ⁽²⁾	Interest in controlled corporation	90,589,000	6.98%
Lapam Fund IV ⁽³⁾	Beneficial owner	49,213,878	3.79%
Lapam Fund III ⁽³⁾	Beneficial owner	35,152,768	2.71%
Lapam Capital Management ⁽³⁾	Beneficial owner	2,377,143	0.18%

Notes:

- (1) AUT-XXI HK Holdings Limited (“AUT-XXI”) is wholly owned by AUT-XXI Holdings Limited (“AUT Holding”). The sole shareholder of AUT Holding is HH IMV Holdings, L.P. (“HH IMV”). The sole limited partner of HH IMV is Hillhouse Fund IV, L.P. (“Hillhouse Fund”), which is managed and controlled by Hillhouse Investment Management, Ltd. (“Hillhouse Investment”). Therefore, each of AUT Holding, HH IMV, Hillhouse Fund, and Hillhouse Investment was deemed to be interested in the Shares held by AUT-XXI under the SFO.

JNRY V Holdings Limited (“JNRY”) is ultimately managed and controlled by Hillhouse Investment. Therefore, Hillhouse Investment was deemed to be interested in the Shares held by JNRY under the SFO. Shares under JNRY and AUT-XXI are based on the latest DI disclosure of Hillhouse Investment Management as of Dec 13th 2022 on SEHK.

- (2) Chengdu Tianhe Conventional Chinese and Medicine Technology Nurture Co., Ltd. (成都天河中西醫科技保育有限公司) (“Chengdu Tianhe”) is a limited partner and holds 99% of the equity interest in Shanghai Tianhe Shengtai Enterprise Management Partnership (Limited Partnership) (上海天合生泰企業管理合夥企業(有限合夥)) (“Shanghai Tianhe”). Chengdu Tianhe was controlled by Ms. WANG Shibi and Ms. CHENG Xinxin, Ms. WANG Shibi’s daughter, as to 42% and 58% of the equity interests, respectively. Chengdu Hejisheng Health Technology Co., Ltd. (成都和濟生健康科技有限公司) (“Chengdu Hejisheng”) is the general partner of Shanghai Tianhe. Chengdu Hejisheng is wholly controlled by Chengdu Biaohui Testing Technology Co., Ltd. (成都標匯檢測技術有限公司) (“Chengdu Biaohui”). Chengdu Biaohui is wholly controlled by Chengdu Tianhe. Therefore, each of Chengdu Tianhe, Chengdu Hejisheng, Chengdu Biaohui, Ms. WANG Shibi and Ms. CHENG Xinxin was deemed to be interested in the Shares in which Shanghai Tianhe was interested under the SFO.

Sichuan Tianhe Biomedicine Venture Capital Fund Partnership Enterprise (Limited Partnership) (四川天河生物醫藥產業創業投資基金合夥企業(有限合夥)) (“Sichuan Tianhe”), which was beneficially interested in 20,589,500 Shares as of December 31, 2025, is managed by its general partner, Chengdu Ronghui Datong Equity Investment Fund Management Co., Limited (成都融匯大通股權投資基金管理有限公司) (“Ronghui Datong”). Ronghui Datong was controlled by Chengdu Tianhe which held 70% equity interests in Ronghui Datong. Therefore, each of Ronghui Datong, Chengdu Tianhe, Ms. WANG Shibi and Ms. CHENG Xinxin was deemed to be interested in the Shares in which Sichuan Tianhe was interested under the SFO.

- (3) Beijing Lapam Healthcare Investment Center (Limited Partnership) (北京龍磐健康醫療投資中心(有限合夥)) (“Lapam Fund III”) is a limited partnership established under the laws of the PRC. The general partner of Lapam Fund III is Tibet Lapam Yijing Chuangye Investment Center (Limited Partnership) (西藏龍磐怡景創業投資中心(有限合夥)) (“Tibet Yijing”), which is in turn managed by its general partner, Beijing Lapam Investment Management Consulting Center (General Partnership) (北京龍磐投資管理諮詢中心(普通合夥)) (“Lapam Investment”). The general partner of Lapam Investment is Mr. YU Zhihua (余治華). The single largest limited partner of Lapam Investment is Tibet Lapam Management Consulting Center (Limited Partnership) (西藏龍磐管理諮詢中心(有限合夥)) (“Tibet Lapam Consulting”) which is controlled by Mr. YU Zhihua. Hangzhou Yuhang Lapam Healthcare Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州余杭龍磐健康醫療股權投資基金合夥企業(有限合夥)) (“Lapam Fund IV”), is a limited partnership established under the laws of the PRC. The general partner of Lapam Fund IV is Tibet Lapam Consulting that is controlled by Mr. YU Zhihua. The single largest limited partner of Lapam Fund IV is National Council for Social Security Fund (全國社會保障基金理事會), which is controlled by the State Council of China. Lapam Capital Management Co., Ltd (USD GP) is an exempted limited liability company incorporated under the laws of the Cayman Islands, holding 2,377,143 shares of Clover Biopharmaceuticals.

- (4) Calculated based on 1,297,836,552 total issued Shares of the Company as of December 31, 2025.

Save as disclosed above, as of December 31, 2025, so far as the Directors are aware, no person, other than the Directors or chief executives of the Company whose interests are set out in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or Any of its Associated Corporations” above, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

PRE-IPO SHARE OPTION PLAN

The Pre-IPO Share Option Plan was approved and adopted by the resolutions of the Board and the Shareholders dated April 15, 2021.

The following is a summary of the principal terms of the Pre-IPO Share Option Plan.

REPORT OF THE DIRECTORS

(a) Purpose of the Pre-IPO Share Option Plan

The purpose of the Pre-IPO Share Option Plan is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

(b) Who May Join

Eligible participants include:

- (i) any full-time employees of the Group or any of the company in which the Company or any subsidiary has any equity interest (the “Invested Entity”);
- (ii) any non-executive directors of the Group or any of the Invested Entities but excluding any independent non-executive directors;
- (iii) consultants and advisors, provided that such consultants and advisors render bona fide services and that such services are not in connection with the offer and sale of securities in a capital-raising transaction; and
- (iv) general partners.

The options under this Pre-IPO Share Option Plan can be granted to any company wholly owned by one or more eligible participants, or any discretionary trust where any eligible participant is a discretionary object.

(c) Maximum Number of Shares Available for Subscription

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Plan is 25,947,096 Shares (the “Plan Limit”). Option lapsed and/or canceled in accordance with the terms of this plan shall not be counted for the purpose of calculating the Plan Limit, and the number of Shares in respect of which options may be granted under this plan shall be increased by the same number of options lapsed and/or canceled.

Under the Pre-IPO Share Option Plan, there is no specific limit on the maximum number of options which may be granted to a single Eligible participant.

No options under the Pre-IPO Share Option Plan shall be granted after the Listing Date.

(d) Exercise Price

The exercise price in relation to each option offered to an eligible participant shall, subject to the adjustments as a result of capital restructuring in accordance with the Prospectus, be a price that is set out in the offer notice representing not less than the par value of a Share.

(e) Duration of the Pre-IPO Share Option Plan

The Pre-IPO Share Option Plan shall be valid and effective for a period commencing on the date of its adoption and ending immediately prior to the Listing Date (both dates inclusive). No further options shall be granted under this plan after the Listing Date but the provisions of this Plan shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of this plan and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this plan.

(f) Outstanding Options

No options under the Pre-IPO Share Option Plan were granted after the Listing Date. The exercise period of the options granted is ten years commencing from the date upon which the options are deemed to be granted and accepted pursuant to the terms of the Pre-IPO Share Option Plan. The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Option Plan as of December 31, 2025.

Name	Date of Grant	Exercise Price	Number of Shares underlying the options outstanding as of January 1, 2025	Number of options granted during the Reporting Period	Exercise Date	Number of options exercised during the Reporting Period	Number of options lapsed during the Reporting Period	Number of options canceled during the Reporting Period	Number of Shares underlying the options as of December 31, 2025	Approximate percentage of the Shares underlying the options ⁽²⁾	Weighted average closing price of the Shares immediately before the dates on which the options exercised
Mr. JIANG Yuting (江宇霆) ⁽¹⁾	August 6, 2021	USD0.001	2,500	-	September 11, 2025	2,500	-	-	-	0.00%	HKD1.71
Employees	Between April 18, 2021 to October 11, 2021	USD0.001	1,833,317	-	Between January 20, 2025 and October 21, 2025	154,500	14,500	-	1,664,317	0.13%	HKD0.92
Total			1,835,817	-		157,000	14,500	-	1,664,317	0.13%	HKD0.93

Notes:

- (1) Mr. JIANG Yuting is the nephew of Dr. Liang, our executive Director, and therefore a connected person.
- (2) Calculated based on 1,297,836,552 total issued Shares of the Company as of December 31, 2025.

As of the Latest Practicable Date, a total of 1,498,817 shares may be issued under the Pre-IPO Share Option Plan, representing 0.12% of the total issued shares of the Company.

Further details of the Pre-IPO Share Option Plan are set out in the Prospectus.

REPORT OF THE DIRECTORS

RSU SCHEME

The RSU Scheme was approved and adopted by the resolutions of the Board and the Shareholders dated April 15, 2021 and amended on September 26, 2021, and is subject to certain applicable requirements under Chapter 17 of the Listing Rules. As disclosed in the announcement of the Company dated April 2, 2024, the RSU Scheme will be funded solely by the existing Shares and will not be funded by any new Shares.

(a) Purpose of the RSU Scheme

The purpose of the RSU Scheme is to enable the Company to grant RSUs to eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

(b) Who May Join

Eligible participants (the “**Eligible Participants**”) means any person belonging to any of the following classes of persons:

- (i) Any full-time employees of the Group or any of the company in which the Company or any subsidiary has any equity interest (the “**Invested Entity**”);
- (ii) any non-executive Directors of the Group or any of the Invested Entities;
- (iii) consultants and advisors, provided that such consultants and advisors render bona fide services and that such services are not in connection with the offer and sale of securities in a capital-raising transaction; and
- (iv) general partners.

The RSUs under this Scheme can be granted to any company wholly owned by one or more Eligible Participants, or any discretionary trust where any Eligible Participant is a discretionary object.

(c) Maximum Number of Underlying Shares

Pursuant to the RSU Scheme, the overall limit on the number of underlying Shares to be granted under the RSU Scheme is 77,350,000 Shares, which represents approximately 5.96% of the total issued Shares (excluding treasury shares) of the Company as of the Latest Practicable Date. As of the Latest Practicable Date, the number of Shares available for issue under the RSU Scheme was nil as all Shares underlying the RSUs granted and to be granted under the RSU Scheme have been allotted and issued to the trustee of the RSU Scheme before the Listing Date.

Under the RSU Scheme, there is no specific limit on the maximum number of RSUs which may be granted to a single Eligible participant.

(d) Awards

A grant shall be made to an Eligible Participant by a letter and/or any such notice or document in such form as the Board may from time to time determine (the “**Notice of Grant**”) and such grant shall be subject to the terms as specified in this Scheme and the Notice of Grant shall be substantially in the form set out in the RSU Scheme. The Eligible Participant shall undertake to hold the award on the terms on which it is granted and be bound by the provisions of this Scheme and the terms set forth in the Notice of Grant. Such award shall remain open for acceptance by the Eligible Participant to whom a grant is made for a period to be determined by the Board, provided that no such grant shall be open for acceptance after the expiry of the Term or after this Scheme has been terminated in accordance with the provisions hereof. To the extent that the award is not accepted within the period determined by the Board, it will be deemed to have been irrevocably declined and shall immediately lapse.

If the Eligible Participant accepts the offer of grant of RSUs, he/she is required to sign a acceptance notice (the “**Acceptance Notice**”) and return it to the Company within the period specified and in a manner prescribed in the Notice of Grant. Upon the receipt from the Eligible Participant of a duly executed Acceptance Notice, the RSUs are granted to such Eligible Participant, who becomes a grantee in this Scheme.

The Board shall, after any RSUs have been granted and duly accepted by the Eligible Participant(s), inform the trustee (the “**Trustee**”) of the name(s) of the Eligible Participant(s), the number of RSUs and the number of underlying Shares that can be acquired by each Eligible Participant upon exercise of the RSUs granted to each such Eligible Participant, the vesting schedule of RSUs (if any) and other terms and conditions (if any) that RSUs are subject to as determined by the Board. The RSUs will be granted to the Eligible Participant(s) at nil consideration.

(e) Vesting Period

Unless otherwise provided hereof, the RSUs granted under this Scheme shall be vested to grantees in the manner set forth in the Notice of Grant (unless otherwise agreed by the Board in writing, in no event can any RSU granted be vested earlier than the day after the first half-year anniversary of the Listing Date).

Upon fulfillment or waiver of the vesting period and vesting conditions (if any) applicable to each of the grantees, a vesting notice (the “**Vesting Notice**”) will be sent to the grantee by the Board confirming (a) the extent to which the vesting period and vesting conditions (if any) have been fulfilled or waived and, (b) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the grantee will receive.

REPORT OF THE DIRECTORS

RSUs held by a grantee that are vested as evidenced by the Vesting Notice may be exercised (in whole or in part) by the grantee serving an exercise notice (the “**Exercise Notice**”) in writing on the Trustee and copied to the Company. Any exercise of RSUs must be in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof (except where the number of Shares underlying the RSUs which remains unexercised is less than one board lot). In an Exercise Notice, the grantee shall, subject to the paragraph below, request the Trustee to, and the Board shall direct and procure the Trustee to within five (5) Business Days, transfer the Shares underlying the RSUs exercised (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the grantee which the Company has allotted and issued to the Trustee as fully paid up Shares or which the Trustee has either acquired by purchasing existing Shares or by receiving existing Shares from any Shareholder of the Company, subject to the grantee paying all tax, stamp duty, levies and charges applicable to such transfer to the Trustee or as the Trustee directs.

The grantee acknowledges that, at least three months in advance of the vesting of any installment of the RSUs held by him, the Company will instruct the Trustee to, promptly after such RSUs vest, sell certain number of Shares (being in a board lot or an integral multiple thereof except where the number of Shares underlying the RSUs which remains unexercised is less than one board lot) underlying such RSUs and Shares that have been vested but not yet transferred by the Trustee to him on the open market following the trading method designated by the grantee.

No purchase price shall be paid by the Grantees on vesting of the RSUs.

(f) **Duration of the RSU Scheme**

The RSU Scheme shall be valid and effective commencing on the date of passing the resolutions of the Board and the Shareholders and shall remain in effect for a period of 10 years from such date which may be refreshed from time to time in the sole discretion of the Board (the “**Term**”), after which period no further awards will be granted, but the provisions of this Scheme shall in all other respects remain in full force and effect and awards that are granted during the Term may continue to be exercisable in accordance with their terms of issue. The RSU Scheme was approved and adopted by the resolutions of the Board and the Shareholders dated April 15, 2021 and amended on September 26, 2021. Accordingly, the remaining life of the RSU Scheme is approximately 5.4 years as of the Latest Practicable Date.

REPORT OF THE DIRECTORS

(g) Outstanding RSUs

As of December 31, 2025, 42 grantees were granted with RSUs with a total of 20,587,138 underlying Shares under the RSU Scheme. The table below shows the details of the outstanding RSUs granted to all grantees under the RSU Scheme as of December 31, 2025.

Name	Position	Date of Grant	Vesting Period	Number of Shares underlying the outstanding RSUs as of January 1, 2025	Number of RSUs granted during the Reporting Period	Vesting Date	Number of RSUs vested during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of RSUs canceled during the Reporting Period	Number of Shares underlying the outstanding RSUs as of December 31, 2025	Approximate percentage of the Shares underlying the outstanding RSUs ⁽¹⁾	Weighted average closing price of the Shares immediately before the dates on which the RSUs vested
Directors												
Mr. LIANG Joshua G	Executive Director and chief executive officer	April 18, 2021	Note (2) and Note (11)	454,972	-	Between January 15, 2025 and April 15, 2025	454,972	-	-	-	0.00%	HKD0.21
		April 2, 2024	Note (14)	3,074,000	-	April 2, 2025	768,500	-	-	2,305,500	0.18%	HKD0.22
		January 20, 2025	Note (18)	-	6,204,500	-	-	-	-	6,204,500	0.48%	NA
		April 2, 2025	Note (19)	-	6,577,500	-	-	-	-	6,577,500	0.51%	NA
Dr. LIANG Peng	Executive Director and chief scientific officer	April 18, 2021	Note (2) and Note (11)	260,043	-	Between January 15, 2025 and April 15, 2025	260,043	-	-	-	0.00%	HKD0.21
		March 31, 2022	Note (3) and Note (11)	51,716	-	Between March 31, 2025 and December 31, 2025	41,376	-	-	10,340	0.001%	HKD1.28
		April 2, 2024	Note (14)	1,145,000	-	April 2, 2025	286,250	-	-	858,750	0.07%	HKD0.22
		April 2, 2025	Note (19)	-	1,145,000	-	-	-	-	1,145,000	0.09%	NA
Dr. WANG Xiaodong	Non-executive Director	October 11, 2021	Note (4)	104,125	-	September 26, 2025	104,125	-	-	-	0.00%	HKD2.13
		April 2, 2024	Note (15)	49,000	-	April 2, 2025	49,000	-	-	-	0.00%	HKD0.22
		April 2, 2025	Note (20)	-	49,000	-	-	-	-	49,000	0.004%	NA
Dr. WU Xiaobin	Independent non-executive Director	October 11, 2021	Note (4)	104,125	-	September 26, 2025	104,125	-	-	-	0.00%	HKD2.13
		April 2, 2024	Note (15)	49,000	-	April 2, 2025	49,000	-	-	-	0.00%	HKD0.22
		April 2, 2025	Note (20)	-	49,000	-	-	-	-	49,000	0.004%	NA
Mr. LIAO Xiang	Independent non-executive Director	October 11, 2021	Note (4)	104,125	-	September 26, 2025	104,125	-	-	-	0.00%	HKD2.13
		April 2, 2024	Note (15)	49,000	-	April 2, 2025	49,000	-	-	-	0.00%	HKD0.22
		April 2, 2025	Note (20)	-	49,000	-	-	-	-	49,000	0.004%	NA
Mr. Jeffrey FARROW	Independent non-executive Director	October 11, 2021	Note (4)	104,125	-	September 26, 2025	104,125	-	-	-	0.00%	HKD2.13
		April 2, 2024	Note (15)	49,000	-	April 2, 2025	49,000	-	-	-	0.00%	HKD0.22
		April 2, 2025	Note (20)	-	49,000	-	-	-	-	49,000	0.004%	NA

REPORT OF THE DIRECTORS

Name	Position	Date of Grant	Vesting Period	Number of Shares underlying the outstanding RSUs as of January 1, 2025	Number of RSUs granted during the Reporting Period	Vesting Date	Number of RSUs vested during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of RSUs canceled during the Reporting Period	Number of Shares underlying the outstanding RSUs as of December 31, 2025	Approximate percentage of the Shares underlying the outstanding RSUs ⁽¹⁾	Weighted average closing price of the Shares immediately before the dates on which the RSUs vested
Mr. Thomas LEGGETT	Independent non-executive Director	October 11, 2021	Note (4)	104,125	-	September 26, 2025	104,125	-	-	-	0.00%	HKD0.13
		April 2, 2024	Note (15)	49,000	-	April 2, 2025	49,000	-	-	-	0.00%	HKD0.22
		April 2, 2025	Note (20)	-	49,000	-	0	-	-	49,000	0.004%	NA
Dr. Ralf Leo CLEMENS (Note 21)	Non-executive Director	April 18, 2021	Note (3)	69,363	-	Between January 15, 2025 and April 15, 2025	69,363	-	-	-	0.00%	HKD0.25
		July 19, 2022	Note (5)	29,000	-	June 15, 2025	14,500	-	-	14,500	0.00%	HKD0.26
		April 2, 2024	Note (15)	49,000	-	April 2, 2025	49,000	-	-	-	0.00%	HKD0.22
		April 2, 2025	Note (20)	-	49,000	-	-	-	-	49,000	0.004%	NA
Dr. Donna Marie AMBROSINO	Non-executive Director	April 18, 2021	Note (3)	10,528	-	Between January 15, 2025 and April 15, 2025	10,528	-	-	-	0.00%	HKD0.25
		July 19, 2022	Note (5)	29,000	-	June 15, 2025	14,500	-	-	14,500	0.00%	HKD0.26
		April 2, 2024	Note (15)	49,000	-	April 2, 2025	49,000	-	-	-	0.00%	HKD0.22
		April 2, 2025	Note (20)	-	49,000	-	-	-	-	49,000	0.00%	NA
5 highest paid individuals (excluding Directors)		Between May 12, 2022 and April 11, 2023	Note (6), Note (7), Note (8), Note (9), or Note (23)	319,284	-	Between January 1, 2025 and December 1, 2025	169,502	-	-	149,782	0.01%	HKD0.85
		April 2, 2024	Note (16) and Note (23)	377,500	-	April 2, 2025	94,375	-	-	283,125	0.02%	HKD0.22
		April 2, 2025	Note (22) and Note (23)	-	332,500	-	-	-	-	332,500	0.03%	NA
Other grantees (including employees (excluding Directors) and consultant advisors)		April 18, 2021	Note (2), Note (3), or Note (23)	207,655	-	Between January 1, 2025 and April 15, 2025	204,316	3,339	-	-	0.00%	HKD0.25
		Between May 12, 2022 and April 11, 2023	Note (6), Note (7), Note (8), Note (9), or Note (23)	3,018,096	-	Between January 1, 2025 and December 1, 2025	1,360,987	942,843	-	714,266	0.06%	HKD0.76
		April 2, 2024	Note (16), Note (17), or Note (23)	2,096,500	-	April 2, 2025	480,641	539,984	-	1,075,875	0.08%	HKD0.22
		April 2, 2025	Note (22) and Note (23)	-	618,500	-	-	60,500	-	558,000	0.04%	NA
Total				12,006,282	15,221,000⁽¹⁰⁾		5,093,478	1,546,666	-	20,587,138	1.59%	HKD0.61

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Notes:

- (1) Calculated based on 1,297,836,552 total issued Shares of the Company as of December 31, 2025.
- (2) 25% of the RSU granted will vest on the 1st anniversary of the vesting commencement date as contemplated in the notice of grant, and one-forty-eighth (1/48th) of the RSU granted shall vest upon each month after that during a 36-month term. In addition, all the RSU shall only be vested subject to the satisfaction of listing-based condition on the date after the first half year anniversary of the Listing Date.
- (3) 100% of the RSUs granted shall vest evenly on a monthly basis within four years from the vesting commencement date as contemplated in the notice of grant, in addition, all the RSU shall only be vested subject to the satisfaction of listing-based condition on the date after the first half-year anniversary of the Listing Date.
- (4) 25% of the RSU granted will vest on the 1st anniversary of the vesting commencement date as contemplated in the notice of grant, and 25% of the RSU granted shall vest upon each anniversary after that during a three-year term. In addition, all the RSUs shall only be vested subject to the satisfaction of listing-based condition on the date after the first half-year anniversary of the Listing Date.
- (5) Twenty-five percent (25%) of the RSUs granted shall vest on June 15, 2023 and the rest of the RSUs granted will vest yearly thereafter.
- (6) Pursuant to the relevant notice of grant issued to each grantee, the RSUs granted are subject to either of the following vesting schedules: (i) one-forty-eighth (1/48th) of the RSUs granted shall vest on monthly basis with one-year cliff, which means the first 25% will vest on the first anniversary of the first Business Day of the grantee's onboarding month, and the remaining 75% of RSUs granted will vest on monthly basis thereafter; or (ii) one-forty-eighth (1/48th) of the RSUs granted shall vest on monthly basis starting from the date of grant.
- (7) Pursuant to the relevant notice of grant issued to each grantee, the RSUs granted are subject to either of the following vesting schedules: (i) twenty-five percent (25%) of the RSUs granted shall vest on the first anniversary of the first day of the grantee's onboarding month and the rest of the RSUs granted will vest monthly in three years thereafter equally; or (ii) twenty-five percent (25%) of the RSUs granted shall vest on December 1, 2023 and the rest of the RSUs granted will vest monthly in three years thereafter equally.
- (8) Subject to both a service condition (twenty-five percent (25%) of the RSUs will vest on the first anniversary of April 1, 2023, and the remaining seventy-five percent (75%) of the RSUs will vest in six equal installments on a semi-annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual and/or semi-annual performance targets shall be satisfied).
- (9) The vesting of the RSUs granted to the RSU grantees will be subject to both the group level performance targets and the individual annual and/or semi-annual performance targets as stipulated in the respective grant letter issued by the Company to each of the RSU grantees. For the group level performance, the Board and management of the Company will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as progress of R&D programs and pipeline, product commercialization performance and the Company's financial conditions. For the individual level performance, the Group has established a standard performance appraisal system for the Directors, senior management and employees to evaluate their performance and contribution to the Group. The Company will determine whether the RSU grantees meet the individual performance targets based on their performance appraisal results for the relevant vesting period. The RSUs will only be vested if the RSU grantees pass their respective performance evaluation in the annual and/or semi-annual assessment (as the case may be) for the corresponding vesting period.
- (10) The closing price of the Shares immediately before the date of grant on March 31, 2022, May 12, 2022, July 19, 2022, December 15, 2022, April 11, 2023, April 2, 2024, January 20, 2025 and April 2, 2025 was HK\$6.99, HK\$3.11, HK\$3.62, HK\$3.5, HK\$1.65, HK\$0.41, HK\$0.229 and HK\$0.223, respectively. The fair values per RSU granted under the RSU Scheme on March 31, 2022, May 12, 2022, July 19, 2022, December 15, 2022, April 11, 2023, April 2, 2024, January 20, 2025 and April 2, 2025 were HK\$6.9, HK\$2.82, HK\$3.64, HK\$3.24, HK\$1.82, HK\$0.40, HK\$0.222 and HK\$0.223, respectively, which were measured based on the closing price of the Shares at the respective date of grant. The weighted average closing price of the Shares immediately before the dates on which the RSUs were vested during the Reporting Period was HK\$0.61. As for the accounting standard and policy adopted, please refer to Note 2.4 and Note 31 to the consolidated financial statements.

REPORT OF THE DIRECTORS

- (11) On December 16, 2022, the Board resolved to amend the vesting schedule so that the unvested RSUs as of January 31, 2023 shall vest quarterly thereafter equally.
- (12) On May 30, 2023, the Board was informed by Dr. Liang and Mr. Joshua Liang that after due and careful considerations, each of Dr. Liang and Mr. Joshua Liang decided not to accept the RSUs granted in the year of 2023.
- (13) During the Reporting Period, save as disclosed above, no RSUs were granted to consultants and advisors and general partners.
- (14) Mr. Joshua G LIANG, Dr. Peng LIANG and RSU Grantees other than non-executive Directors and independent non-executive Directors: twenty-five percent (25%) of the RSUs will vest on the first anniversary of the Grant Date, and the rest RSUs will vest in three equal installments on an annual basis thereafter, to be satisfied over a four-year term and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (15) 100% of the RSUs will vest on the first anniversary of the Grant Date, to be satisfied over a one-year term and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (16) Subject to both a service condition (twenty-five percent (25%) of the RSUs will vest on the first anniversary of April 2, 2024, and the remaining seventy-five percent (75%) of the RSUs will vest in three equal installments on an annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (17) Due to personal reason, one consultant rejected the RSU grant of 106,000 shares, which was not included in the April 2, 2024 grant.
- (18) Twenty-five percent (25%) of the RSUs will vest on the first anniversary of the Grant Date, and the rest RSUs will vest in three equal installments on an annual basis thereafter, to be satisfied over a four-year term and a performance condition (the group level performance targets shall be satisfied).
- (19) Mr. Joshua G LIANG, Dr. Peng LIANG: twenty-five percent (25%) of the RSUs will vest on the first anniversary of the Grant Date, and the rest RSUs will vest in three equal installments on an annual basis thereafter, to be satisfied over a four-year term and a performance condition (the group level performance targets shall be satisfied).
- (20) 100% of the RSUs will vest on the first anniversary of the Grant Date, to be satisfied over a one-year term and a performance condition (the group level performance targets shall be satisfied).
- (21) Dr. Ralf Leo CLEMENS retired as a non-executive Director of the Company on June 19, 2025.
- (22) Subject to both a service condition (twenty-five percent (25%) of the RSUs will vest on the first anniversary of April 2, 2025, and the remaining seventy-five percent (75%) of the RSUs will vest in three equal installments on an annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (23) Due to the adjustment of the candidates for the 5 highest paid individuals, there are the changes respectively in the beginning of the reporting period for adjustment.

The number of RSUs available for grant under the RSU Scheme at the beginning and the end of the Reporting Period are 28,314,028 and 14,639,694, respectively.

POST-IPO SHARE OPTION PLAN

The Post-IPO Share Option Plan was approved and adopted by the resolutions of the Board and the Shareholders dated September 26, 2021, and is subject to the requirements under Chapter 17 of the Listing Rules.

The following is a summary of principal terms of the Post-IPO Share Option Plan.

(a) Purpose of the Post-IPO Share Option Plan

The purpose of the Post-IPO Share Option Plan is to enable the Company to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

(b) Who May Join

Eligible participants include:

- (i) any full-time employees of the Group or any of the company in which the Company or any subsidiary has any equity interest (the “**Invested Entity**”);
- (ii) any non-executive directors of the Group or any of the Invested Entities;
- (iii) consultants and advisors, provided that such consultants and advisors render bona fide services and that such services are not in connection with the offer and sale of securities in a capital-raising transaction; and
- (iv) general partners.

The options under this Post-IPO Share Option Plan can be granted to any company wholly owned by one or more eligible participants, or any discretionary trust where any eligible participant is a discretionary object.

(c) Maximum Number of Shares Available for Subscription

At the time of adoption by the Company of the Post-IPO Share Option Plan or any new share option scheme (the “**New Scheme**”), the aggregate number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Plan, the New Scheme and all schemes, which became effective after the Shares were listed on the Stock Exchange, existing at such time (the “**Existing Scheme(s)**”) of the Company must not in aggregate exceed 10% of the total number (i.e., 115,811,472) of Shares in issue as of the date the Shares commence trading on the Stock Exchange (i.e., 1,158,114,723) or the date of adoption of the New Scheme (as the case may be) (the “**Scheme Mandate Limit**”). As of the date of the Latest Practicable Date, 114,901,511 Shares are available for issue under the Post-IPO Share Option Plan (i.e. Shares underlying (i) options available for grant and (ii) outstanding options under the Post-IPO Share Option Plan), representing approximately 8.85% of the total number of Shares in issue (excluding treasury shares) as of the Latest Practicable Date. For the purposes of calculating the Scheme Mandate Limit, Shares which are the subject matter of any options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) shall not be counted.

REPORT OF THE DIRECTORS

(d) Maximum Entitlement of Each Eligible Participant

No option shall be granted to any eligible participants (the “**Relevant Eligible Participants**”) if, at the relevant time of grant, the total number of Shares issued and to be issued upon exercise of all options and options under any other share option schemes of the Company (including those options granted and proposed to be granted, whether exercised, canceled or outstanding) to the Relevant Eligible Participants in the 12-month period up to and including the date of such grant would exceed 1% of the total number of Shares in issue at such time, within any 12-month period unless approved by the Shareholders in accordance with the Listing Rules.

(e) Option Period

Option period (a period within which an option may be exercised) is to be determined and notified by the Board to each grantee during which the option may be exercised, which period shall expire in any event not later than last day of 10-year period after the date of grant of the option (subject to provisions for early termination contained in the Post-IPO Share Option Plan).

(f) Exercise Price

The price at which each Share subject to an option may be subscribed for on the exercise of that option (the “**Subscription Price**”) shall be a price solely determined by the Board and notified to an eligible participant and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the offer date, which must be a Business Day;
- (ii) the average of the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five Business Days immediately preceding the offer date; and
- (iii) the nominal value of the Shares.

(g) Vesting

The Board may in its absolute discretion specify such conditions as it thinks fit when making an offer to an Eligible Participant (including as to performance criteria and vesting period).

(h) Duration of the Post-IPO Share Option Plan

The Post-IPO Share Option Plan shall be valid and effective for a period of 10 years commencing on the date on which it is adopted by ordinary resolution of the Shareholders in general meeting which is September 26, 2021, after which period, no further options shall be granted. Accordingly, the remaining life of the Post-IPO Share Option Plan is approximately 5.4 years as of the Latest Practicable Date. Subject to the above, in all other respects, in particular, in respect of options remaining outstanding on the expiry of the 10-year period referred to in this paragraph, the provisions of the Post-IPO Share Option Plan shall remain in full force and effect.

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(i) Outstanding Options

As of December 31, 2025, 117 grantees were granted with outstanding options with a total of 32,698,855 underlying Shares under the Post-IPO Share Option Plan. The table below shows details of the outstanding Share options granted to all grantees under the Post-IPO Share Option Plan as of December 31, 2025.

Name	Date of Grant	Exercise Price ⁽¹⁾	Vesting Period ⁽²⁾	Number of Shares underlying the outstanding options as of January 1, 2025	Number of options granted during the Reporting Period	Exercise Date	Number of options exercised during the Reporting Period	Number of options lapsed during the Reporting Period	Number of options canceled during the Reporting Period	Number of Shares underlying the outstanding options as of December 31, 2025	Approximate percentage of the Shares underlying the option ⁽³⁾	Weighted average closing price of the Shares immediately before the dates on which the Options exercised
Directors												
Mr. LIANG Joshua G	March 31, 2022	HKD7.30	Note (4)	9,031,000	-	-	-	-	-	9,031,000	0.70%	-
Dr. LIANG Peng	March 31, 2022	HKD7.30	Note (4)	992,500	-	-	-	-	-	992,500	0.08%	-
Dr. WANG Xiaodong	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2025	HKD0.241	Note (15)	-	291,000	-	-	-	-	291,000	0.02%	-
Dr. WU Xiaobin	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2025	HKD0.241	Note (15)	-	291,000	-	-	-	-	291,000	0.02%	-
Mr. LIAO Xiang	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2025	HKD0.241	Note (15)	-	291,000	-	-	-	-	291,000	0.02%	-
Mr. Jeffrey FARRROW	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2025	HKD0.241	Note (15)	-	291,000	-	-	-	-	291,000	0.02%	-
Mr. Thomas LEGGETT	March 31, 2022	HKD7.30	Note (5)	260,500	-	-	-	-	-	260,500	0.02%	-
	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2025	HKD0.241	Note (15)	-	291,000	-	-	-	-	291,000	0.02%	-
Dr. Ralf Leo CLEMENS	July 19, 2022	HKD3.894	Note (6)	347,500	-	-	-	-	-	347,500	0.03%	-
Note (16)	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2025	HKD0.241	Note (15)	-	291,000	-	-	-	-	291,000	0.02%	-
Dr. Donna Marie	July 19, 2022	HKD3.894	Note (6)	347,500	-	-	-	-	-	347,500	0.03%	-
AMBROSINO	April 11, 2023	HKD1.82	Note (7)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2024	HKD0.432	Note (13)	291,000	-	-	-	-	-	291,000	0.02%	-
	April 2, 2025	HKD0.241	Note (15)	-	291,000	-	-	-	-	291,000	0.02%	-
Employees (excluding Directors)	May 12, 2022	HKD4.116	Note (8)	2,568,470	-	-	-	432,992	-	2,135,478	0.16%	-
	December 15, 2022	HKD3.83	Note (9)	1,889,380	-	-	-	109,380	-	1,780,000	0.14%	-
	April 11, 2023	HKD1.82	Note (10)	3,235,563	-	Between September 15, 2025 and October 29, 2025	202,373	461,313	-	2,571,877	0.20%	2.24
	April 2, 2024	HKD0.432	Note (14)	6,017,000	-	Between August 28, 2025 and December 8, 2025	419,250	1,157,750	-	4,440,000	0.34%	1.35
	April 2, 2025	HKD0.241	Note (17)	-	3,927,000	-	-	267,500	-	3,639,500	0.28%	-
Total				29,805,413	5,964,000		621,623	2,448,935	-	32,698,855	2.52%	1.48

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Notes:

- (1) The closing price of the Shares immediately before the date of grant on March 31, 2022, May 12, 2022, July 19, 2022, December 15, 2022, April 11, 2023, April 2, 2024 and April 2, 2025 was HK\$6.99, HK\$3.11, HK\$3.62, HK\$3.5, HK\$1.65, HK\$0.41 and HK\$0.223, respectively. The fair values per option granted under the Post-IPO Share Option Plan on March 31, 2022, May 12, 2022, July 19, 2022, December 15, 2022, April 11, 2023, April 2, 2024 and April 2, 2025 were HK\$4.15, HK\$1.24, HK\$2.23, HK\$1.60, HK\$0.99, HK\$0.22 and HK\$0.12, respectively. As for the accounting standard and policy adopted, please refer to Note 2.4 and Note 31 to the consolidated financial statements.
- (2) The validity period is 10 years from the date of grant.
- (3) Calculated based on 1,297,836,552 total issued Shares of the Company as of December 31, 2025.
- (4) 100% of the options granted shall become exercisable evenly on a monthly basis within four years from the date of grant provided that the first few tranches of options to become exercisable during the date of grant to May 5, 2022 (being the first half-year anniversary of the Listing Date) shall become exercisable in one go in May 2022.
- (5) 100% of the options granted shall vest on the first anniversary of the date of grant.
- (6) Twenty-five percent (25%) of the options granted shall vest on June 15, 2023 and the rest of the options granted will vest yearly thereafter.
- (7) Subject to both a service condition (100% of the options will vest on the first anniversary of April 1, 2023) and a performance condition (both the group level performance targets and the individual annual and/or semi-annual performance targets shall be satisfied).
- (8) Pursuant to the relevant offer letter issued to each grantee, the options granted are subject to either of the following vesting schedules: (i) one-forty-eighth (1/48th) of the options granted shall vest on monthly basis with one-year cliff, which means the first 25% will vest on the first anniversary of the first Business Day of the grantee's onboarding month, and the remaining 75% of options granted will vest on monthly basis thereafter; or (ii) one-forty-eighth (1/48th) of the options granted shall vest on monthly basis starting from the date of grant.
- (9) Pursuant to the relevant offer or award letter issued to each grantee, the options granted are subject to either of the following vesting schedules: (i) twenty-five percent (25%) of the options granted shall vest on the first anniversary of the first day of the option grantee's onboarding month and the rest of the options granted will vest monthly in three years thereafter equally; or (ii) twenty-five percent (25%) of the options granted shall vest on December 1, 2023 and the rest of the options granted will vest monthly in three years thereafter equally.
- (10) Subject to both a service condition (twenty-five percent (25%) will vest on the first anniversary of April 1, 2023, and the remaining seventy-five percent (75%) of the options will vest in six equal installments on a semi-annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual and/or semi-annual performance targets shall be satisfied).
- (11) The vesting of the options granted to the option grantees will be subject to both the group level performance targets and the individual annual and/or semi-annual performance targets as stipulated in the respective grant letter issued by the Company to each of the option grantees. For Group level performance, the Board and management of the Company will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as progress of R&D programs and pipeline, product commercialization performance and the Company's financial conditions. For individual level performance, the Group has established a standard performance appraisal system for the Directors, senior management and employees to evaluate their performance and contribution to the Group. The Company will determine whether the option grantees meet the individual performance targets based on their performance appraisal results for the relevant vesting period. The options will only be vested if the option grantees pass their respective performance evaluation in the annual and/or semi-annual assessment (as the case may be) for the corresponding vesting period.
- (12) On May 30, 2023, the Board was informed by Dr. Liang and Mr. Joshua Liang that after due and careful considerations, each of Dr. Liang and Mr. Joshua Liang decided not to accept the options granted in the year of 2023.

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- (13) 100% of the Options will vest on the first anniversary of the Grant Date, to be satisfied over a one-year term and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (14) Subject to both a service condition (twenty-five percent (25%) will vest on the first anniversary of April 2, 2024, and the remaining seventy-five percent (75%) of the options will vest in 3 equal installments on an annual basis thereafter) and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).
- (15) 100% of the Options will vest on the first anniversary of the Grant Date, to be satisfied over a one-year term and a performance condition (the group level performance targets shall be satisfied).
- (16) Dr. Ralf Leo CLEMENS retired as a non-executive Director of the Company on June 19, 2025.
- (17) Subject to both a service condition (twenty-five percent (25%) will vest on the first anniversary of April 2, 2025, and the remaining seventy-five percent (75%) of the options will vest in 3 equal installments on an annual basis thereafter, and a performance condition (both the group level performance targets and the individual annual performance targets shall be satisfied).

US\$0.001 shall be paid by each Option Grantee upon acceptance of the Options granted.

The total number of options available for grant under the Post-IPO Share Option Plan at the beginning and the end of the Reporting Period is 85,945,723 and 82,430,658, respectively.

The number of Shares that may be issued in respect of options and awards granted under all Share schemes of the Company during the Reporting Period divided by weighted average number of Shares in issue for the Reporting Period is 0.47%.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time for the year ended December 31, 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position, performance and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the Pre-IPO Share Option Plan, the RSU Scheme and the Post-IPO Share Option Plan.

Details of the remuneration of the Directors, management and the five highest paid individuals are set out in Note 10 and Note 11, respectively, to the consolidated financial statements.

Except for Mr. Joshua Liang has agreed to waive the cash-based base salary for the year 2025, none of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

REPORT OF THE DIRECTORS

For the year ended December 31, 2025, the Directors were not granted discretionary bonuses.

CONNECTED TRANSACTIONS

Details on related party transactions for the year ended December 31, 2025 are set out in Note 36 to the consolidated financial statements. The related party transactions disclosed in Note 36 to the consolidated financial statements do not fall under the definition of “connected transaction” or “continuing connected transaction” pursuant to Chapter 14A of the Listing Rules. The Company had complied with the disclosure requirements set out in Chapter 14A of the Listing Rules. The following transaction constitutes the continuing connected transaction for the Company and is required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules.

Non-exempt Continuing Connected Transaction

License Agreement

Principal Terms

Pursuant to the license agreement entered into between GenHunter, being the licensor, and Sichuan Clover, being the licensee, dated October 14, 2019 (the “**License Agreement**”), GenHunter agreed to grant to Sichuan Clover, and Sichuan Clover agreed to accept, worldwide (the “**Territory**”) and in the field (the “**Field**”) of all biological drug products and research & development applications an exclusive license under relevant patents and patent applications, trademarks, and copyrights related to Trimer-Tag technology platform (together the “**GenHunter IP Rights**”) to develop, manufacture and commercialize drug products (including the right to grant sublicense subject to GenHunter’s approval). In consideration, Sichuan Clover agreed to pay GenHunter (i) a royalty of 2% on net sales of drug products (the “**Products**”) developed by the Group using the GenHunter IP Rights (the “**Net Sales Royalty**”) and (ii) a royalty of 20% of sublicense income (the “**Sublicense Income Royalty**”). GenHunter is a connected person to the Company because it is wholly owned by Dr. Liang, our executive Director. Therefore, the transaction under the License Agreement constitutes continuing connected transaction under Chapter 14A of the Listing Rules.

Reasons for and Benefits of the Transaction

As disclosed in the section headed “Business – Licensing and Collaboration Arrangements – License Agreement with GenHunter” in the Prospectus, GenHunter and Sichuan Clover entered into the License Agreement to ensure that the GenHunter IP Rights could be fully utilized by Sichuan Clover in development, manufacture and commercialization of the Products. As a result of the License Agreement, our Group held all of the relevant intellectual property rights to carry out our principal businesses and GenHunter would be able to benefit from the potential Net Sales Royalty and Sublicense Income Royalty generated thereunder. Therefore, our role and the role of GenHunter are complementary and beneficial to each other.

The Group has followed the pricing policies and payment terms, as disclosed in the announcement published by the Company on December 28, 2023, of the continuing connected transaction conducted during the year.

REPORT OF THE DIRECTORS

Annual Review and Confirmation by the Auditor of the Company

There was no Net Sales Royalty or Sublicense Income Royalty incurred for the year ended December 31, 2025. Therefore, the auditor of the Group has not reported on the above continuing connected transactions pursuant to Rule 14A.56 of the Listing Rules.

Annual Review by the Independent Non-executive Directors

The independent non-executive Directors have confirmed that the above continuing connected transaction: (i) has been entered into, and will be carried out, in the ordinary and usual course of business of our Group, on normal commercial terms or better and, according to the License Agreement, on terms that are fair and reasonable and are in the interests of our Company and our Shareholders as a whole; and (ii) the proposed annual caps in formula are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

For further details of the License Agreement, please refer to the section headed “Connected Transactions” in the Prospectus.

Save as disclosed above, for the year ended December 31, 2025, we have not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the Rules 14A.49 and 14A.71 of the Listing Rules.

CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed “Connected Transactions” above, no contract of significance was entered into between the Company, or one of its subsidiary companies, and any of the Single Largest Group of Shareholders or subsidiaries for the year ended December 31, 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company for the year ended December 31, 2025.

As at December 31, 2025, the Company did not hold any treasury shares (as defined in the Listing Rules).

REPORT OF THE DIRECTORS

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company's Shares were listed on the Stock Exchange on November 5, 2021. The net proceeds from the Global Offering amounted to approximately HKD1,884.3 million (equivalent to approximately RMB1,549.0 million).

Reference is made to the announcement of the Company dated August 23, 2023 in relation to the change in use of proceeds from the Global Offering. In order to navigate the current macroeconomic environment and focus on programs that will bring long-term value, on August 22, 2023, the Board has resolved to change the intended use of the unutilized net proceeds from the Global Offering of approximately RMB415.2 million in total as of August 22, 2023.

As of December 31, 2025, approximately RMB1,549.0 million, accounting for 100% of the net proceeds from the Global Offering had been utilized in accordance with the use as stated in the section headed "Future Plans and Use of Proceeds" in the Prospectus or the use after change approved on August 22, 2023 (see below).

The utilization of the net proceeds from the Global Offering during the year ended December 31, 2025 and the expected timeline for utilization are as follows:

	Revised percentage of unutilized net proceeds approved on August 22, 2023	Revised allocation of unutilized net proceeds approved on August 22, 2023 <i>RMB million</i>	Unutilized net proceeds as of December 31, 2024 <i>RMB million</i>	Actual usage during the year ended December 31, 2025 <i>RMB million</i>	Unutilized net proceeds as of December 31, 2025 <i>RMB million</i>	Expected timeline of full utilization of the unused net proceeds
Use of proceeds after change						
For the preclinical development and clinical trials of RSV vaccine candidate, SCB-1019	55.0%	228.4	41.2	41.2	-	Completed
For the R&D of other product candidates, including ≥ 1 mid-to late-stage in-licensed vaccines	22.5%	93.4	35.1	35.1	-	Completed
For the R&D and regulatory submission for updated version of COVID-19 vaccine including the XBB.1.5 variant	12.5%	51.9	-	-	-	Completed
For working capital and other general corporate purposes	10.0%	41.5	-	-	-	Completed
Total	100.0%	415.2	76.3	76.3	-	

Note:

- The net proceeds were received in HKD and translated to RMB for application planning.

REPORT OF THE DIRECTORS

USE OF NET PROCEEDS FROM THE PLACING

References are made to the Company's announcements dated December 6, 2022 and December 13, 2022 in relation to the Placing. On December 6, 2022, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as agent of the Company to procure subscribers, on a best effort basis, to subscribe for a total of 128,000,000 Placing Shares at the Placing Price upon the terms and subject to the conditions set out in the Placing Agreement. The Placing was completed on December 13, 2022. The net proceeds from the Placing (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HKD500.5 million (equivalent to RMB449.0 million).

Reference is made to the announcement of the Company dated August 23, 2023 in relation to the change in use of proceeds from the Placing. In order to expand commercialization capabilities to support the commercialization of the Company's respiratory vaccine products including seasonal influenza and COVID-19 vaccines, on August 22, 2023, the Board has resolved to change the intended use of the unutilized net proceed from the Placing of approximately RMB69.4 million in total as of August 22, 2023.

As of December 31, 2025, approximately RMB449.0 million, accounting for 100% of the net proceeds from the Placing had been utilized in accordance with the use as stated in the Placing Agreement or the use after change approved on August 22, 2023.

Set out below is the utilization of the net proceeds from the Placing for the year ended December 31, 2025 and the expected timeline for utilization:

Use of proceeds after change	Revised percentage of unutilized net proceeds approved on August 22, 2023	Revised allocation of net proceeds approved on August 22, 2023 <i>RMB million</i>	Unutilized net proceeds as of December 31, 2024 <i>RMB million</i>	Actual usage during the year ended December 31, 2025 <i>RMB million</i>	Unutilized net proceeds as of December 31, 2025 <i>RMB million</i>	Expected timeline of full utilization of the unused net proceeds
For expanding commercialization capabilities to support the commercialization of respiratory vaccine products including seasonal influenza and COVID-19 vaccine	100.0%	69.4	22.5	22.5	-	Completed
Total	100.0%	69.4	22.5	22.5	-	

Note:

- The net proceeds were received in HKD and translated to RMB for application planning.

REPORT OF THE DIRECTORS

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company has maintained the prescribed percentage of public float under the Listing Rules.

AUDITOR

Due to the lack of consensus with Ernst & Young (“EY”) on the audit fee in respect of the audit of the Group’s consolidated financial statements for the year ending December 31, 2025, EY has retired as the auditor of the Company at the annual general meeting of the Company held on June 16, 2025 (“AGM”). At the AGM, Rongcheng (Hong Kong) CPA Limited (“Rongcheng Hong Kong”) has been appointed as the auditor of the Company for the year ending December 31, 2025, with its term commencing from the conclusion of the AGM and ending upon the conclusion of the next annual general meeting of the Company. For details, please refer to the announcements of the Company dated May 19, 2025 and June 19, 2025, and the circular of the Company dated May 21, 2025. Save as disclosed above, there has been no change in the auditor of the Company in the past three years.

The consolidated financial statements of the Group as of December 31, 2025 have been audited by Rongcheng Hong Kong, who will retire and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company. A resolution for the re-appointment of Rongcheng Hong Kong as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Grant of RSUs and Share Options

On March 27, 2026, the Company granted an aggregate of 8,965,000 RSUs to 33 RSU grantees pursuant to the RSU Scheme, among which a total of 8,016,500 RSUs were granted to 8 Directors and on the same date, the Company also granted an aggregate of 10,195,500 options to 43 option grantees pursuant to the Post-IPO Share Option Plan, among which a total of 1,746,000 options were granted to 6 Directors. For further details, please refer to the announcement of the Company dated March 27, 2026.

Save as disclosed above and disclose in note 41 to the consolidated financial statements, no other important events affecting the Company occurred since the Reporting Period and up to the Latest Practicable Date.

By Order of the Board
Clover Biopharmaceuticals, Ltd.
Dr. Peng LIANG
Chairman of the Board

Shanghai, PRC, April 23, 2026

CORPORATE GOVERNANCE REPORT

The Board presents this corporate governance report in the Group's annual report for the year ended December 31, 2025.

CORPORATE GOVERNANCE PRACTICES

The Company strives to achieve high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices. The Company regularly reviews its compliance with the Corporate Governance Code and the Board believes that the Company was in compliance with the code provisions of the Corporate Governance Code for the year ended December 31, 2025.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices.

The Company has complied with the Corporate Governance Code throughout the year ended December 31, 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiries have been made to all Directors and, save as disclosed below, the Directors have confirmed that they have complied with the Model Code for the year ended December 31, 2025.

Paragraph A.6 of the Model Code states that the restrictions on dealings by a director contained in the Model Code will be regarded as equally applicable to any other dealings in which for the purpose of Part XV of the SFO he is or is to be treated as interested. Pursuant to Part XV of the SFO, the disposal of 500,000 Shares on March 13, 2026 (the "Disposal") by Mr. ZHU Jianwei ("Mr. Zhu"), a person entered into Voting Proxy Agreement with Dr. Liang and granted the voting right of the then Shares of the Company held by him to Dr. Liang, was regarded as the dealings of Dr. Liang on March 13, 2026, which was within the blackout period. Notwithstanding that the Company had clearly clarified to Mr. Zhu prior to the Disposal that, by virtue of the Voting Proxy Agreement entered into with Dr. Liang, he was subject to the provisions of the Model Code and was therefore prohibited from dealing in the Shares during the blackout period, Mr. Zhu failed to check the information sent by the Company in a timely manner and effect a transaction. As a result, Dr. Liang was placed in breach of the provisions of Paragraphs A.3 and B.8 of the Model Code regarding the Disposal.

CORPORATE GOVERNANCE REPORT

In addition, Dr. Liang had not been informed of the disposals of a total of 5,900,000 Shares conducted by Mr. Zhu during the period from 2023 up to the present (the “Previous Disposals”) by Mr. Zhu prior to such disposals and he had only been informed of the details of the Previous Disposals recently, Dr. Liang was therefore not able to comply with paragraph B.8 of the Model Code by first notifying and obtaining written acknowledgement from the Director designated by the Board for the purpose of the Model Code before the Previous Disposals took place. As a result, Dr. Liang was placed in breach of the provisions of Paragraph B.8 of the Model Code regarding the Previous Disposals.

In order to avoid similar incidents in the future, the Company has reminded all persons who have entered into Voting Proxy Agreements with Dr. Liang the importance of complying with the Model Code in their dealings of the Shares of the Company. The Company has also circulated the share trading compliance guidelines to such persons to reiterate the relevant share trading compliance procedures, ensuring compliance with the relevant rules and regulations.

The Company has also established a policy on unpublished price-sensitive information (the “Inside Information”) to comply with its obligations under the SFO and the Listing Rules. In case the Company becomes aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

The Company’s relevant employees, who are likely to be in possession of Inside Information of the Company, have also been subject to the Model Code. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company for the year ended December 31, 2025.

CORPORATE CULTURE

The Group treasures its employees as the most valuable assets fueling the Group’s sustainable long-term growth and is committed to creating a safe, open and mutually trustworthy corporate culture for employees to thrive.

During the year ended December 31, 2025, the Company continued to strengthen its cultural framework by focusing on the following:

- Vision: Unleashing the power of innovative vaccines to save lives and improve health around the world.
- Mission: Harness transformative science and global partnerships to bring innovative vaccines to populations worldwide.

The Board sets and promotes corporate culture and expects and requires all employees to reinforce. All of our new employees are required to attend orientation and training programs so that they may better understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. In addition, from time to time, the Company invites external experts to provide training to our management personnel to improve their relevant knowledge and management skills.

The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board currently comprises two executive Directors, two non-executive Directors and four independent non-executive Directors.

The composition of the Board during the Reporting Period and as at the Latest Practicable Date is as follows:

Executive Directors:

Dr. LIANG Peng (*Chairman of the Board*)
Mr. LIANG Joshua G (*Chief Executive Officer*)

Non-executive Directors:

Dr. WANG Xiaodong
Dr. Donna Marie AMBROSINO
Dr. Ralf Leo CLEMENS (*retired on June 19, 2025*)

Independent Non-executive Directors:

Dr. WU Xiaobin
Mr. LIAO Xiang
Mr. Jeffrey FARROW
Mr. Thomas LEGGETT

The biographical details of the Directors are set out in the section headed “Profiles of Directors and Management” of this annual report.

Save that Dr. LIANG Peng is the father of Mr. LIANG Joshua G, there are no other relationships (including financial, business, family or other material relationships) among the members of the Board.

Board Meetings and Attendance Record of Directors

Code provision C.5.1 of Part 2 of the Corporate Governance Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication.

Apart from regular Board meetings, the Chairman should hold meetings with the independent non-executive Directors without the presence of other Directors each year.

CORPORATE GOVERNANCE REPORT

Four Board meetings and one shareholder meeting were held during the Reporting Period. Our Company expects to comply with code provision C.5.1 of Part 2 of the Corporate Governance Code by convening at least four regular Board meetings in each financial year at approximately quarterly intervals. The attendance of the individual Directors at these meetings is set out below:

Name of Directors	Number of attendance/meetings held during the term of office of the Director	
	Board Meeting	Annual General Meeting
Dr. LIANG Peng	4/4	1/1
Mr. LIANG Joshua G	4/4	1/1
Dr. WANG Xiaodong	4/4	1/1
Dr. WU Xiaobin	4/4	0/1
Mr. LIAO Xiang	4/4	1/1
Mr. Jeffrey FARROW	4/4	1/1
Mr. Thomas LEGGETT	4/4	1/1
Dr. Donna Marie AMBROSINO	4/4	1/1
Dr. Ralf Leo CLEMENS (<i>retired on June 19, 2025</i>)	1/4	0/1

Independent Non-executive Directors

For the year ended December 31, 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Board Independence

The Company recognizes that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and independent views. The current composition of the Board comprising more than one third of the independent non-executive Directors and the members of the Audit Committee are all independent non-executive Directors exceeds the independence requirements under the Listing Rules. The remuneration of independent non-executive Directors is subject to regular review to maintain competitiveness and commensurate with their responsibilities and workload. The independence of each independent non-executive Director is assessed upon his/her appointment and annually.

Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The independent non-executive Directors have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board.

CORPORATE GOVERNANCE REPORT

The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances require.

Appointment, Re-election and Removal of Directors

Each of the executive Directors entered into a service contract with the Company on September 26, 2021. The initial term of their respective service agreements commenced from September 26, 2021 and will continue for a period of three years or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, and subject always to re-election as and when required under the Articles of Association and the Corporate Governance Code, until terminated in accordance with the terms and conditions of the service agreement.

Dr. WANG Xiaodong, being a non-executive Director, has entered into an appointment letter with our Company on September 26, 2021. The initial term for his appointment letter commenced from September 26, 2021 and will continue for a period of three years or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, subject always to re-election as and when required under the Articles of Association, until terminated in accordance with the terms and conditions of the appointment letter.

Dr. Donna Marie AMBROSINO and Dr. Ralf Leo CLEMENS (retired on June 19, 2025), each being the non-executive Director, has entered into an appointment letter with our Company on June 17, 2022. The initial term for their respective appointment letters commenced from June 17, 2022 and will continue for a period of three years, until terminated in accordance with the terms and conditions of the appointment letter.

Each of our independent non-executive Directors has entered into an appointment letter with our Company on September 26, 2021. The initial term for their respective appointment letters commenced from September 26, 2021 and will continue for a period of three years or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, subject always to re-election as and when required under the Articles of Association, until terminated in accordance with the terms and conditions of the appointment letter.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service agreement or appointment letter with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

In accordance with the Articles of Association and the Corporate Governance Code, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a casual vacancy or as an addition to the Board shall submit himself/herself for election by Shareholders at the first general meeting of the Company after appointment.

The Nomination Committee is responsible for reviewing the Board composition, identifying and recommending individuals suitably qualified to become Board members, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and succession planning for Directors and assessing the independence of independent non-executive Directors. The Nomination Committee considers candidates with individual skills, experience and professional knowledge that can best assist and facilitate the effectiveness of the Board.

The Nomination Committee takes the policy on Board diversity of the Company into consideration when it considers the balance of composition of the Board as a whole.

CORPORATE GOVERNANCE REPORT

The Company has established a director nomination policy. When evaluating and determining the candidates of Directors, the Nomination Committee and the Board of Directors shall consider the following factors: personal characters; professional qualifications, skills, knowledge, and experience related to the Group's business and strategy; willingness to devote sufficient time to fulfilling the duties of the Directors and members of the special committees of the Board; whether their appointment is in compliance with the requirements of the Listing Rules (including the independence requirements of independent non-executive Directors); and whether their appointment is in compliance with the Company's Board Diversity Policy and any measurable targets adopted by the Nomination Committee to diversify the members of the Board.

Responsibilities of the Directors

The Board is responsible for making all major decisions of the Company including the approval and monitoring of all major policies of the Group and overall strategies, internal control and risk management systems, notifiable and connected transactions, nomination of the Directors and Joint Company Secretaries, and other significant financial and operational matters.

All of the Directors have full and timely access to all relevant information as well as the advice and services of the Joint Company Secretaries, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

The day-to-day management, administration and operation of the Company are delegated to the management. The delegated functions are periodically reviewed. Approval must be obtained from the Board before any significant transaction is entered into.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

Board Diversity Policy

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the Board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve the diversity of the Board through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

CORPORATE GOVERNANCE REPORT

We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the management levels. In particular, Dr. Donna Marie AMBROSINO, our non-executive Director responsible for providing guidance and advice on the corporate and business strategies of our Group, and certain other employees of management team are women, and form an important part of our Board and management team. We will continue to ensure that at least one Board member is of a different gender, and to ensure there is gender diversity when recruiting staff at mid to senior levels, so our management pipeline includes multiple genders and thus a diverse set of potential successors to our Board in due time. Our Group will continue to emphasize training of talented employees from underrepresented genders and provide them with long-term development opportunities. Among the 257 employees (including senior management members) of our Group as at December 31, 2025, 114 are males (44%) and 143 are females (56%). The Board believes that the Company has achieved gender diversity among its employees and has not adopted any plan or measurable target for gender diversity as of the Latest Practicable Date and is not aware of any factors or circumstances that would make it more challenging or less relevant for the Group to achieve gender diversity among its employees.

As of the Latest Practicable Date, the Company had a total of eight Directors. They have a balanced mix of knowledge and skills, including in biochemistry, pharmaceuticals, business development, R&D, investment management and corporate finance. They obtained degrees in various majors including, among others biology, pharmaceuticals, economics and business development. We have four independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the Listing, our Nomination Committee has been monitoring the implementation of the Board Diversity Policy and reviewing the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance coverage for Directors' and officers' liabilities in respect of legal actions against Directors, officers and senior management of the Company arising out of corporate activities.

Continuous Professional Development of Directors

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

Every newly appointed Director should receive formal, comprehensive and tailored induction on the first occasion of their appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the Reporting Period, the Directors, namely Dr. Liang, Mr. Joshua Liang, Dr. WANG Xiaodong, Dr. Donna Marie AMBROSINO, Dr. Ralf Leo CLEMENS (retired on June 19, 2025), Dr. WU Xiaobin, Mr. LIAO Xiang, Mr. Jeffrey FARROW, Mr. Thomas LEGGETT, were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

CORPORATE GOVERNANCE REPORT

The Joint Company Secretaries of the Company may from time to time and, as the circumstances required, provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange. During the year, each of the Directors studied these training materials. The Company has received confirmation from all Directors of their respective training records for the year ended December 31, 2025.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authorities and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company has established the Audit Committee and has formulated its written terms of reference, which will from time to time be modified, in accordance with the prevailing provisions of the Corporate Governance Code.

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Thomas LEGGETT, Mr. Jeffrey FARROW and Mr. LIAO Xiang, Mr. Thomas LEGGETT is the chairman of the Audit Committee. Mr. Jeffrey FARROW is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Group's annual results for the year ended December 31, 2025 have been reviewed by the Audit Committee and the annual results have also been audited by the independent auditor of the Company, Rongcheng (Hong Kong) CPA Limited. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company during the Reporting Period.

The Audit Committee held three meetings during the Reporting Period. The attendance of the meeting by the Audit Committee members is set out in the table below:

Name of Directors	Number of attendance/ meetings held during the term of office of the Audit Committee member
Mr. Thomas LEGGETT	3/3
Mr. LIAO Xiang	3/3
Mr. Jeffrey FARROW	3/3

CORPORATE GOVERNANCE REPORT

On March 23, 2026, the Audit Committee held another meeting and reviewed (i) the audited consolidated financial statements for the Reporting Period of the Group; (ii) a draft of this annual report; (iii) the accounting principles and policies for the Reporting Period; (iv) the internal control and risk management system of the Group; (v) the effectiveness of the Company's internal audit function; and (vi) the Audit Committee's performance of its other duties under the Corporate Governance Code in the presence of the representatives from Rongcheng (Hong Kong) CPA Limited and the Company's management. The Audit Committee concluded that the internal control systems and risk management of the Group are effective and adequate.

Remuneration Committee

We have established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management, and approve the terms of the service contracts of executive Directors.

The Remuneration Committee comprises two independent non-executive Directors, namely Dr. WU Xiaobin and Mr. LIAO Xiang, and one non-executive Director, namely Dr. WANG Xiaodong. Dr. WU Xiaobin is the chairman of the Remuneration Committee. The Remuneration Committee has (i) reviewed policy and structure for the remuneration of the Directors and senior management of the Company by reference to the individual performance; (ii) reviewed the remuneration proposal of the Directors and senior management of the Company for the year ended December 31, 2025; (iii) made recommendations to the Board on the remuneration packages of individual Directors and senior management pursuant to code provision E.1.2 (c)(ii) of Part 2 of the Corporate Governance Code during the Reporting Period; and (iv) considered and made recommendation to the Board in respect of the grant of (1) options pursuant to the Post-IPO Share Option Plan and (2) RSUs pursuant to the RSU Scheme. For further details of such grant of options and RSUs, please refer to section headed "RSU Scheme" and "Post-IPO Share Option Plan" under the "Report of the Directors" in this annual report.

The Remuneration Committee held one meeting during the Reporting Period. The attendance of the meeting by the Remuneration Committee members is set out in the table below:

Name of Directors	Number of attendance/ meetings held during the term of office of the Remuneration Committee member
Dr. WU Xiaobin	1/1
Dr. WANG Xiaodong	1/1
Mr. LIAO Xiang	1/1

For the policy of the remuneration of the Directors, please refer to the section headed "Emolument Policy and Directors' Remuneration" under the "Report of the Directors" in this annual report.

CORPORATE GOVERNANCE REPORT

Nomination Committee

We have established the Nomination Committee in compliance with the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession. The Nomination Committee comprises one executive Director, namely Dr. Liang, one non-executive director, namely Dr. Donna Marie AMBROSINO, and three independent non-executive Directors, namely Dr. WU Xiaobin, Mr. LIAO Xiang and Mr. Thomas LEGGETT. Dr. Liang is the chairman of the Nomination Committee.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience, etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence (for appointment of independent non-executive Directors), and Board diversity aspects, where appropriate, before making recommendation to the Board.

The Nomination Committee held one meeting during the Reporting Period. The attendance of the meeting by the Nomination Committee members is set out in the table below:

Name of Directors	Number of attendance/ meetings held during the term of office of the Nomination Committee member
Dr. LIANG Peng	1/1
Dr. Donna Marie AMBROSINO (<i>appointed on July 1, 2025</i>)	0/1
Dr. WU Xiaobin	1/1
Mr. LIAO Xiang (<i>appointed on July 1, 2025</i>)	0/1
Mr. Thomas LEGGETT	1/1

Policy on Director Nomination

Pursuant to Article 16.2 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. Subject to the provisions of the Articles of Association and the Companies Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Pursuant to Article 16.6 of the Articles of Association, the Company may by ordinary resolution at any time remove any Director (including a managing Director or other executive Directors) before the expiration of his term of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.

CORPORATE GOVERNANCE REPORT

Nomination Committee's Role and its Selection Process and Criteria

The Nomination Committee shall review the information and documents provided by the nominated candidate and conduct the following process (in accordance with the following criteria) with a view to assessing and evaluating whether such candidate is suitably qualified to be appointed as a Director before making recommendations to the Board:

1. to assess such candidate's qualifications, skills, knowledge, ability and experience and also potential time commitment and attention to perform director's duties under common law, legislation and applicable rules, regulations and guidance (including without limitation the Listing Rules and the "Guidance for Boards and Directors" published by the Stock Exchange (the "Guidance for Boards")), with reference to the corresponding professional knowledge and industry experience which may be relevant to the Company and also the potential contributions that such candidate could bring to the Board (including potential contributions in terms of qualifications, skills, experience, independence and gender diversity);
2. in addition and without prejudice to Paragraph 1 above, to assess such candidate's personal ethics, integrity and reputation (including without limitation to conduct appropriate background checks and other verification processes against such candidate);
3. with reference to the Company's Board Diversity Policy (as adopted and amended by the Board from time to time), to take into account the then current structure, size and composition (including without limitation the balancing of the age, gender, cultural and educational background, professional and industry experience, skills and knowledge, and diversity of perspectives appropriate to the requirements of the Company's business) of the Board and the Company's strategy, with due regard for the benefits of the appropriate diversity of the Board and also such candidate's potential contributions thereto;
4. to consider board succession planning considerations and the long-term needs of the Company;
5. in case of a candidate for an independent non-executive Director of the Company, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements relating to independent non-executive directors set out in code provision B.3.4 of Part 2 of the Corporate Governance Code and in the Guidance for Boards; and
6. to consider any other factors and matters as the Nomination Committee may consider appropriate.

Board's Decision

The Board shall consider the recommendations from the Nomination Committee and make a decision as to whether the nominated candidate shall be eligible to be appointed as a Director.

CORPORATE GOVERNANCE REPORT

Corporate Governance Function

The Board is responsible for determining the corporate governance policy of the Company performing the functions set out in code provision A.2.1 of Part 2 of the Corporate Governance Code. Such duties have been delegated to the Audit Committee.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the Corporate Governance Code, the Company's code of conduct applicable to its employees and Directors, and disclosure in its Corporate Governance Report during the Reporting Period.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Joint Company Secretaries of the Company may from time to time and as the circumstances required, provide updated training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Board adopted an anti-bribery and anti-corruption policy (the "Anti-bribery and Anti-corruption Policy") in September 2021. To ensure the legal compliance of business activities and daily operations, the Board adopted the Anti-Bribery and Anti-Corruption policy in accordance with related laws, regulations and industry codes. This policy clarifies the Company's compliance requirements and standards in prohibiting bribery and corruption, effectively contributing to the achievement of the goal of building a clean enterprise.

WHISTLEBLOWING POLICY

The Board adopted a whistleblowing policy (the "Whistleblowing Policy") in August 2021. To encourage employees to report violations or potential violations of internal policies (e.g. the Code of Conduct) or laws and regulations, the Board adopted the Reporting Concerns and Responding to Allegations procedure, which provides guidance on how to report concerns and how to respond. In addition, the Company's standard reporting procedure ensures that all reports can be effectively assessed, investigated and addressed in a timely way. The procedure also requires that full records shall be maintained for traceability.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company has never declared or paid regular cash dividends on its ordinary Shares. The Company currently expects to retain all future earnings for use in the operation and expansion of the business and does not anticipate paying cash dividends in the foreseeable future. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Act. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. Our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our Cayman counsel, under the Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. In light of our accumulated losses as disclosed in this annual report, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. We may, however, pay a dividend out of our share premium account unless the payment of such a dividend would result in our Company being unable to pay our debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness at least annually. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board conducts annual review on its risk management and internal control system.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems. The Company has set up an internal audit function to conduct internal control on certain significant areas of the Group. The internal audit function, reporting to the chief executive officer of the Company, Mr. Joshua Liang, provides independent assurance as to the existence and effectiveness of the risk management activities and internal controls in the operations of the Group's business.

The dedicated internal control function assists the Board and Audit Committee on the implementation and monitoring of the internal control policies, procedures and the risk management mechanism.

Risk Management

The Company has adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate, and monitor key risks associated with its strategic objectives on an ongoing basis. The Company's senior management, and ultimately the Directors, supervise the implementation of the risk management policies. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by the Group and reported to the Directors.

CORPORATE GOVERNANCE REPORT

The following key principles outline the Group's approach to risk management the Company plans to implement:

- The senior management oversees and manages the overall risks associated with the Company's business operations, including (i) reviewing and approving the Company's risk management policy to ensure that it is consistent with its corporate objectives; (ii) monitoring the most significant risks associated with the Company's business operations and its management's handling of such risks; and (iii) ensuring the appropriate application of the risk management framework across the Group;
- The chief executive officer of the Company, Mr. Joshua Liang, is responsible for (i) formulating and updating our risk management policy; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on the Company's risk management approach to the relevant departments in the Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) supervising the implementation of the risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across the Company; and (viii) reporting to the Audit Committee on the Company's material risks;
- The relevant departments in the Company, including but not limited to the finance department, the legal department, and the human resources department, are responsible for implementing the risk management policy and carrying out day-to-day risk management practice. In order to formalize risk management across the Group and set a common level of transparency and risk management performance, the relevant departments will (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, measurement, prioritization and categorization of all key risks that could potentially affect their objectives; (iii) define and implement appropriate risk responses where necessary; (iv) prepare a risk management report annually for the Company's chief executive officer's review; (v) continuously monitor the key risks relating to their operation or function; and (vi) develop and maintain an appropriate mechanism to facilitate the application of the risk management framework.

Internal Control

The Board is responsible for establishing the Company's internal control system and reviewing its effectiveness. During the Reporting Period, the Company has regularly reviewed and enhanced its internal control system. Below is a summary of the internal control policies, measures, and procedures the Company has implemented or plan to implement:

- The Company has established Management Authority Limit, which has been integrated into the operational systems and off-line processes, as the basis and guidance for the requesting and approving on all major business operations.
- The Company has adopted various measures and procedures regarding each aspect of its business operation, such as procurement process, related party transaction, risk management, protection of intellectual property, environmental protection and occupational health and safety.
- For any material internal control defects, the management will identify the internal control deficiencies, review the control activities and procedures and amend the necessary internal policy and procedures, if necessary. It will be reported to the Board and the Audit Committee, at least annually.

CORPORATE GOVERNANCE REPORT

- The Company provides various training programs to keep the employees updated on relevant laws, regulations, and policies. The Company's new employees are required to attend compliance training programs soon after on-boarding, and must pass tests which examine their understanding of the compliance issues addressed by the training programs. The Company's employees are also required to regularly attend on-site and online training sessions to keep them informed of recent updates in the relevant laws and regulations.
- The Directors (who are responsible for monitoring the corporate governance of the Group), with help from the Company's legal advisers, periodically review the Company's compliance status with all relevant laws and regulations.
- The Company has established the Audit Committee which (i) makes recommendations to the Directors on the appointment and removal of external auditors; and (ii) reviews the financial statements and renders advice in respect to financial reporting as well as oversees internal control procedures of the Group.
- The Company maintains strict anti-bribery & anti-corruption policies and believes it will therefore be less affected by the increasingly stringent measures taken by the PRC government to correct corruptive practices in the pharmaceutical industry.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is required to disclose inside information as soon as reasonably practicable in accordance with the SFO and the Listing Rules. We would conduct its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission. It is strictly prohibited to use inside or confidential information without proper authorization. The Company ensures, through its own internal reporting processes and the consideration of their outcome by senior management, the appropriate handling and dissemination of inside information.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

The Board, as supported by the Audit Committee as well as the management, reviewed the risk management and internal control systems, including the financial, operational and compliance controls during the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE REPORT

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company appointed Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants and Registered Public Interest Entity Auditor, as the external auditor for the year ended December 31, 2025. A statement by Rongcheng (Hong Kong) CPA Limited about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report of this annual report.

Details of the fees paid/payable in respect of the audit services provided by Rongcheng (Hong Kong) CPA Limited for the year ended December 31, 2025 are set out in the table below:

	<i>RMB' 000</i>
Audit services	1,066
Total	1,066

Rongcheng (Hong Kong) CPA Limited has not provided any non-audit services to the Group for the year ended December 31, 2025.

JOINT COMPANY SECRETARIES

Ms. CHAU Hing Ling of Vistra Corporate Services (HK) Limited, an external service provider, has been engaged by the Company as the Joint Company Secretary. Ms. WANG Xiaoyan, the Joint Company Secretary of the Company as well as the General Counsel, is the primary corporate contact person of the other Joint Company Secretary, Ms. CHAU Hing Ling.

For the year ended December 31, 2025, Ms. WANG Xiaoyan and Ms. CHAU Hing Ling had undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings by Shareholders

Pursuant to the Articles of Association, an extraordinary general meeting (the "EGM") shall be called by notice in writing of not less than 14 days.

Any one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to the Board or the Joint Company Secretaries, to require an EGM to be called by the Board for the transaction of any business specified in such requisition.

CORPORATE GOVERNANCE REPORT

Eligible Shareholder(s) who wish to convene an EGM must deposit a written requisition (the “Requisition”) signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong, at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, for the attention of the Joint Company Secretaries. The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted at the EGM. The Requisition must be signed by the Eligible Shareholder(s) concerned.

The Company will check the Requisition and the identity and the shareholding of the Eligible Shareholder(s) will be verified with the Company’s branch share registrar. If the Requisition is found to be proper and in order, the Joint Company Secretaries will ask the Board to convene an EGM within two (2) months and/or include the proposal or the resolution proposed by the Eligible Shareholder(s) at the EGM after the deposit of the Requisition. If within 21 days of the deposit of the Requisition the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene such EGM, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the Articles of Association, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Putting Forward Proposals at General Meetings

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Act or the Articles of Association. However, Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an EGM following the procedures set out in the paragraph above.

As regards the procedures for Shareholders to propose a person for election as a Director, they are available on the Company’s website at www.cloverbiopharma.com.

Putting Forward Enquiries to the Board and Contact Details

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong by post or email to anita.chau@vistra.com and xiaoyan.wang_sh@cloverbiopharma.com, for the attention of the Joint Company Secretaries.

COMMUNICATION WITH SHAREHOLDERS

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders for enhancing investor relations and investor understanding of the Group’s business performance and strategies. These include (i) the publication of annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or EGM providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group available on the Company’s website and the Stock Exchange’s website; (iv) the Company’s website offering communication channel between the Company and its stakeholders; and (v) the Company’s share registrar in Hong Kong serving the Shareholders in respect of all share registration matters.

CORPORATE GOVERNANCE REPORT

CHANGE IN CONSTITUTIONAL DOCUMENTS

On March 25, 2026, the Board resolved to propose the adoption of the sixth amended and restated memorandum and articles of association of the Company (the “**Amended and Restated M&A**”) to conform to the requirements for hybrid general meetings and electronic voting, in accordance with the amended Listing Rules in relation to the expanded paperless listing regime which took effect on February 10, 2025. The proposed adoption of the Amended and Restated M&A is subject to the approval of the Shareholders by way of a special resolution at the forthcoming annual general meeting. For further details, please refer to the announcement of the Company dated March 26, 2026.

Save as disclosed above, there was no significant change to the constitutional documents of the Company for the year ended December 31, 2025 and up to the Latest Practicable Date.

INVESTOR RELATIONS

The Company keeps on promoting good investor relations and enhancing communication with the Shareholders and potential investors in order for them to better understand the Group’s business performance and strategies. In line with the Shareholders’ communication policy of the Company, the Company maintains an on-going dialogue with Shareholders and the investment community, in particular, through annual general meetings and other general meetings. At the annual general meeting, the Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. The Board has considered the Shareholders’ communication policy of the Company as described above and is satisfied that there are effective channels by which the Shareholders can communicate and raise concern with the Company.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Pursuant to Code Provision D.1.3, the Board draws the attentions of shareholders and other stakeholders of the Company to a situation where the directors are aware of certain material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern which has been disclosed in Note 2.1 to the consolidated financial statements.

In addition to the measures taken by the Group to mitigate the liquidity pressure and to maintain the Group’s cashflow situation as mentioned Note 2.1 to the consolidated financial statements of the Company, the Company wishes to provide shareholders and investors of the Company with the following action plans:

CORPORATE GOVERNANCE REPORT

Accelerating the clinical development of RSV vaccine candidates portfolio remains the Company's primary objective in 2026. Majority of the Group's financial resources will continue to be prioritized on RSV + hMPV ± PIV3 combination vaccines (SCB-1022 and SCB-1033) in 2026. Positive clinical trial results have significantly broaden the Company's access to potential international cooperation opportunities and we remain focused on global cooperation exploration to enhance financial sustainability.

However, the Company believes that global cooperation for innovative biotech companies is fraught with variables, such as unpredictable clinical trial outcomes and regulatory uncertainties, which is inherent to the biotech industry in general. Nevertheless, the Company will remain focused on executing our planned clinical trials, with the anticipation of achieving favourable clinical results.

In 2026, the Company will implement further cost and expense control measures, which include, but are not limited to, conducting a thorough review of the current budget to identify areas of overspending and reallocating resources toward prioritized RSV vaccine candidates portfolio. We will also streamline operations through workflow optimization and redundancy reduction.

Shareholders and stakeholders of the Company are advised to refer to the Independent Auditors' Report for the details of going concerns issues.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1 ABOUT THIS REPORT

1.1 Overview

This Environmental, Social and Governance (「ESG」) Report (the “ESG Report”) aims to provide transparent disclosure of the Group’s efforts and achievements in ESG during the year of 2025.

1.2 Fundamental Principle of Disclosure

The ESG Report has been prepared in accordance with the “mandatory disclosure requirements”, the “comply or explain” and the “climate-related disclosures” provisions under the ESG Reporting Guide (the “ESG Guide”) contained in Appendix C2 of The Rules Governing the Listing of Securities on the Main Board on the Stock Exchange of Hong Kong Limited. The application of the reporting principles in the ESG Guide are presented below (Table 1):

Table 1. The Group’s Response to ESG Reporting Principles

Reporting Principles	Definition in the ESG Guide	Responses of the Group
Materiality	The threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported. For the purposes of Section D of the ESG Guide, the issuer is required to disclose climate-related risks and opportunities that are reasonably expected to affect its short-term, medium-term, or long-term cash flows, access to financing, and cost of capital.	ESG reporting issues identified through materiality assessment and that may have significant impact on the Group’s investors and other stakeholders.
Quantitative	Key performance indicators (「KPIs」) with respect to historical data need to be measurable. The issuer should set targets (which may be numerical figures or directional, forward-looking statements) to reduce a particular ESG impact. In this way, the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative explaining its purpose and impacts, and by comparative information where appropriate.	Whenever feasible, this ESG Report provides quantitative information, such as KPIs and their standard, methods, assumptions, calculation tool, etc. with explanations. Please refer to Appendix 1 for detailed KPIs.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	This is the fifth ESG report of the Group and adopts the same disclosure scope and reporting methods to facilitate comparisons.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1.3 Reporting Scope

As with the other sections of the Annual Report, the reporting scope of the ESG Report covers the Company and its subsidiaries, namely the offices, R&D and production areas of the Group. For environmental KPIs, the reporting scope only covers Clover Zhejiang and Clover Sichuan.

Unless otherwise stated, the ESG Report covers the period from January 1, 2025 to December 31, 2025 (the “Reporting Period”).

1.4 Report Information

Information and data used in the ESG Report were all collected from official documents and reports, internal statistics, and public information of the Group. The Board of Directors at Clover Biopharmaceuticals, Ltd. (the “Board”) is committed to ensuring and is responsible for transparency, accuracy and completeness of the Report with no misstatements, misrepresentations or material omissions.

2 ESG GOVERNANCE

2.1 ESG Philosophy

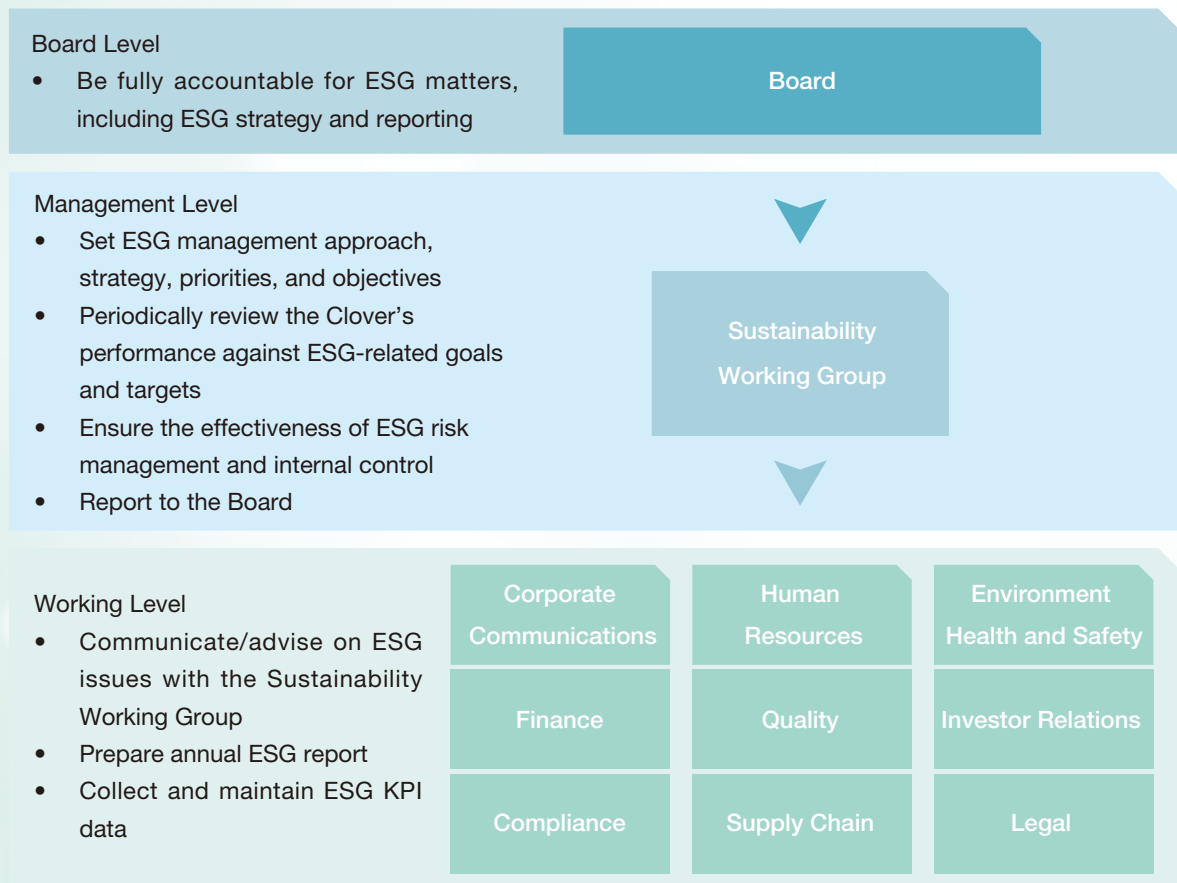
The Group advocates for and pursues sustainable practices and dedicates to unleashing the power of innovative vaccines to save lives and improve health around the world. We take ESG principles and performance targets very seriously and strongly believe that robust ESG governance is important for the long-term sustainability of the Company’s operations and development. As a result, we have integrated ESG factors into daily operations and business objectives. The Group is also committed to actively communicating with stakeholders and continuously improving the sustainability of its performance.

2.2 ESG Governance Structure

To continue improving our decision-making, management and execution of ESG-related issues, the Group relies upon the following ESG governance structure, which includes roles for the Board, Sustainability Working Group and other departments, during the Reporting Period (Figure 1).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Figure 1. The Group's ESG Governance Structure



Positioned at the highest level of the Group's ESG matters, the Board will assume ultimate responsibility for overall ESG management. When reviewing the Group's overall strategy and making significant decisions, it incorporates climate-related risks and opportunities into its considerations. The Board is responsible for assessing and determining ESG-related risks and development opportunities associated with the business and fulfills its ultimate oversight duties. The Board regularly reviews ESG work reports, participates in climate-related professional training, and examines and evaluates the performance of ESG-related target achievements to ensure that the Group's ESG assessment and management procedures are effectively established and continuously operated. The Sustainability Working Group, authorized by the Board, carries out specific tasks, primarily focusing on ESG strategy planning, reviewing ESG policies and management objectives, and comprehensively managing overall ESG and climate-related risks and opportunities. It also facilitates communication with stakeholders and collaboration with external ESG experts. Additionally, it conducts materiality assessments of ESG issues and benchmarks against industry ESG standards. By overseeing and reviewing the implementation of ESG efforts across departments, the Sustainability Working Group ensures the effective implementation of the Group's ESG management system.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have integrated key ESG issues such as climate change strategy, environmental policy, social responsibility initiatives, and corporate governance structure into the Board’s agenda, ensuring continuous attention and discussion on these topics by the Board. During the Reporting Period, the Board has reviewed and approved ESG-related work, assessed the progress of ESG initiatives, and conducted detailed reviews and evaluations of significant ESG matters, effectively promoting the integration of ESG objectives with business strategies. Furthermore, the Board’s attendance rate reached 100%, reflecting the Group’s high level of commitment and active engagement with ESG issues. Additionally, we have incorporated the identification, assessment, and management of ESG-related risks into our comprehensive risk management system, continuously conducting systematic reviews of environmental risks, social impacts, and governance structures, as well as monitoring and formulating strategies to address these risks. Looking ahead, we will continue to focus on ESG risks and opportunities, including climate change, identifying and evaluating the impact of these factors on the Group’s business, and prioritizing them accordingly.

While continuously advancing the optimization of ESG governance processes, we also actively explore ways to leverage ESG to foster the creation of long-term value for the Group, put the ten of the United Nation’s Sustainable Development Goals (SDGs)¹ that are most closely related to its business strategy and ESG philosophy (Figure 2) into the Group’s ESG operation and management, in order to fulfill the Group’s long-term ESG vision.

Figure 2. Ten SDG Priorities



¹ <https://sdgs.un.org/goals>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2.3 Communication with Stakeholders

2.3.1 Stakeholder Identification and Engagement

The Group understands how important the support of all stakeholders is to its sustainable development. The Group values its communication with stakeholders, actively seeks to understand their ESG concerns and expectations, and provides timely feedback to them. The Group gathers opinions from key stakeholders through diversified communication channels and responds to their most important concerns, continuously promoting the enhancement of the Group's sustainable development level. During the Reporting Period, the Group consistently focused on the latest market dynamics in the global RSV vaccine field and the potential differentiated advantages of its self-developed RSV vaccine. Through the proprietary network of the Investor Relations department and in collaboration with domestic and international securities firms, we held meetings with over a hundred domestic and international investors and shareholders, conducting timely and in-depth communication. We also proactively updated key clinical progress on the Group's core RSV vaccine pipeline through official press releases, announcements, and media platforms. This helped the industry and capital market comprehensively and promptly grasp the market development trends and future prospects of RSV vaccines, enabling investors to gain a deeper understanding of the Group's operational status, business focus, core pipeline progress, sustainable development strategy and long-term investment value. This further solidified the capital market's recognition and confidence in the Group's comprehensive R&D capabilities.

Table 2. Stakeholder Identification and Engagement Plan

Key Stakeholders	Communication Channels	Issues of Concern	Responses
Investors & Shareholders	<ul style="list-style-type: none">• Press release and announcement• Annual general meeting• Shareholder meeting• HKEX filings	<ul style="list-style-type: none">• Sustainable investment value• Information disclosure• Corporate transparency	<ul style="list-style-type: none">• Enhance operational efficiency and progress towards commercialization• Disclose important corporate information immediately• Open communication and regular reporting

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Key Stakeholders	Communication Channels	Issues of Concern	Responses
Employees	<ul style="list-style-type: none"> • Face-to-face communication • Training • Whistleblowing channel 	<ul style="list-style-type: none"> • Employee training and development • Occupational health and safety • Employees' rights and interests 	<ul style="list-style-type: none"> • Provide employee training and promotion opportunities • Create a positive, healthy and people-oriented work environment • Safeguard employees' fundamental rights
Customers	<ul style="list-style-type: none"> • Information disclosure • Email • Social media platforms 	<ul style="list-style-type: none"> • Product quality and safety • Customer information and privacy protection 	<ul style="list-style-type: none"> • Ensure product quality and safety through quality assurance departments and standard operating procedures • Safeguard customer information via stringent information technology security procedures
Government & Regulatory Institutions	<ul style="list-style-type: none"> • Conference • Policy consultation • Site visit 	<ul style="list-style-type: none"> • Compliant operations • Industry development 	<ul style="list-style-type: none"> • Implement policies and measures in accordance with laws • Participate in industry forums
Suppliers	<ul style="list-style-type: none"> • Email • Business meeting 	<ul style="list-style-type: none"> • Fair and open tender process • Win-win cooperation 	<ul style="list-style-type: none"> • Apply strict procurement procedures • Establish sustainable and trustworthy relationships with responsible suppliers

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Key Stakeholders	Communication Channels	Issues of Concern	Responses
Business Partners	<ul style="list-style-type: none"> Email Conference Business meeting 	<ul style="list-style-type: none"> Industry development Business integrity 	<ul style="list-style-type: none"> Establish meaningful partnerships for joint development opportunities, maintain relationship with global organizations Establish the code of ethics and adhere to ethical standards
Media	<ul style="list-style-type: none"> News conference Social media Interview 	<ul style="list-style-type: none"> Transparent information disclosure Fulfillment of corporate social responsibility 	<ul style="list-style-type: none"> Disclose information timely and accurately Contribute to environmental, social, and governance aspects
Local Communities	<ul style="list-style-type: none"> Social media 	<ul style="list-style-type: none"> Job creation Health accessibility Environmental sustainability Climate change mitigation Public welfare 	<ul style="list-style-type: none"> Create job opportunities Increase product development efforts to improve global health standards Establish Environmental, Health and Safety (EHS) Committees at applicable subsidiaries Enhance energy efficiency and reduce greenhouse gas emissions Donations

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2.3.2 Materiality Assessment

Based on the business development outlook, the Group has continued to communicate with internal and external stakeholders. The relative materiality of ESG-related issues for FY2025, as assessed by its stakeholders, is summarized below (Figure 3, Table 3).

Figure 3. Materiality Matrix for ESG Issues

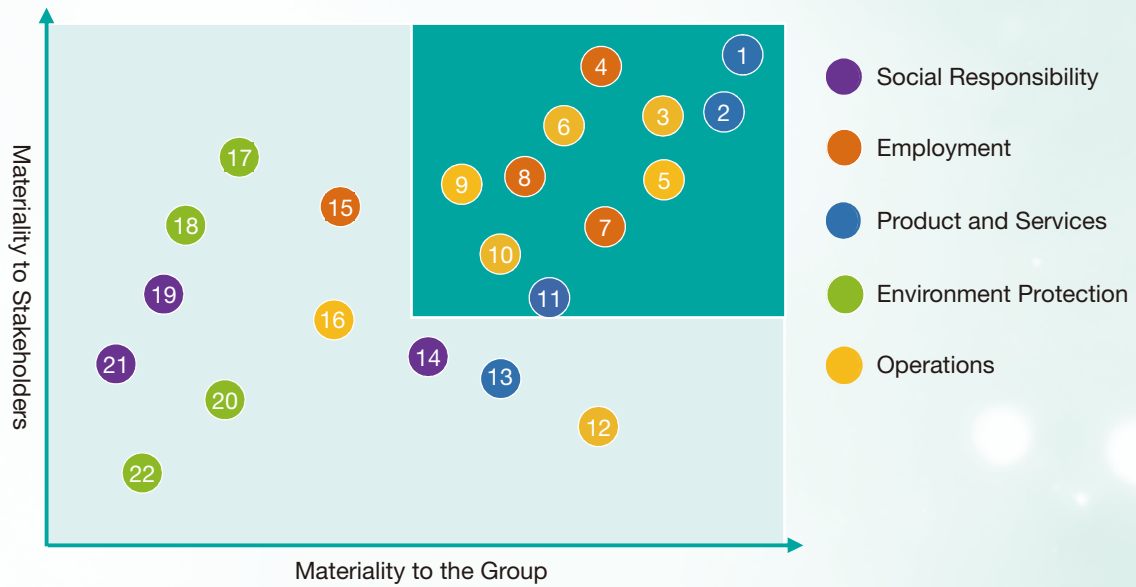


Table 3. Ranking of ESG Material Issues

Extent of Materiality	Ranking	ESG Issues	Extent of Materiality	Ranking	ESG Issues
Very Material	1	Product quality and safety	Material	12	Risk management
	2	Product innovation		13	Responsible marketing
	3	Business ethics and anti-corruption		14	Health accessibility
	4	Occupational health and safety		15	Employment and retention
	5	Employee training and development		16	Supply chain management
	6	Privacy and data protection		17	Climate change response
	7	Employee rights and interest protection		18	Waste management
	8	Employee benefits		19	Promoting industry development
	9	Intellectual property protection		20	Use of resources
	10	Compliant operations		21	Community welfare
	11	Quality services		22	Greenhouse gas emission

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3 PRODUCT LIABILITY

3.1 Comprehensive Quality Management

Focusing on customers' core demands for product safety and efficacy, the Group has deeply integrated legal and regulatory compliance requirements into the entire production and operation process. Through initiatives such as optimizing the quality management structure and strengthening process monitoring, we continuously enhance our quality management level to ensure the reliability and safety of delivered products. During the Reporting Period, the Group did not receive any incidents of non-compliance with relevant laws and regulations relating to the health and safety of products.

3.1.1 *Quality Control and Review*

The Group treats product quality as a top priority. Its system documents such as the Quality Manual, Quality Management Review Procedure, and Quality Risk Management Procedure references a series of laws, regulations and biopharmaceutical industry standards, including but not limited to Good Manufacturing Practice of Medical Products, the Drug Administration Law of the PRC, the Vaccine Administration Law of the PRC, the World Health Organization (WHO) Good Manufacturing Practices, (ICH) Q10 Pharmaceutical Quality System, and EU Guidelines for Good Manufacturing Practice for Medicinal Products. Its Quality Control System (QMS) covers resource management, factories and facilities, manufacturing management, inventory and logistics to achieve quality assessment and risk control throughout the entire product lifecycle. Simultaneously, we clearly specifies each related department's responsibilities and duties for quality control. The Group controls the product quality and makes timely responsive decisions regarding any incidents that occur, ensuring quality control processes are effectively conducted.

To ensure traceability of responsibilities and a basis for execution in the production process, thereby solidifying the foundation of product quality control, we updated the Quality Manual during the Reporting Period. This update clarified the responsibility mechanisms for each production stage, ensuring the effective implementation of production requirements. Furthermore, the Group places great emphasis on the management of production equipment. We deepened and optimized the "Equipment Classification Principles" and "Definition of Critical Production Equipment" sections within the Equipment Lifecycle Management Procedure, further refining the equipment management mechanism, effectively enhancing equipment operational efficiency, and providing a solid guarantee for production quality.

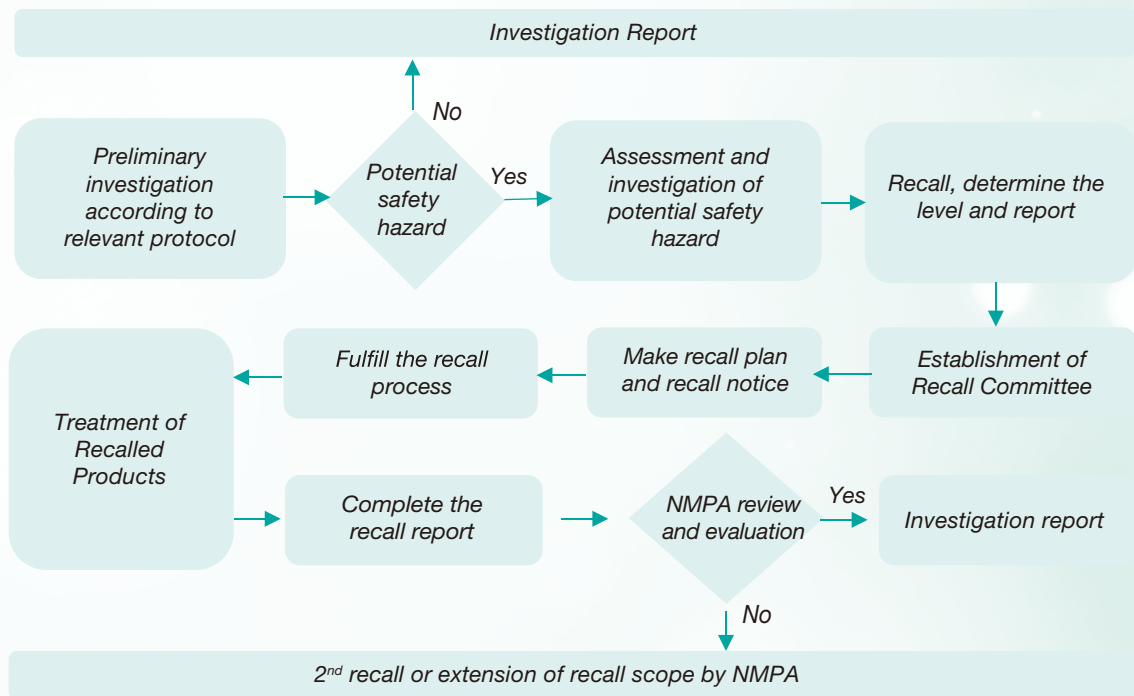
As an enterprise dedicated to the vaccine field, we consider product quality and safety as our first priority. Our in-house commercial production base located in Changxing of Zhejiang Province has obtained China GMP inspection. Meantime, we have undergone a number of inspections including the Center for Drug Inspection of NMPA and the Zhejiang Drug Inspection Center. These inspections covered on-site inspection of drug registration, on-site inspection of drug GMP compliance, vaccine inspection, routine inspection and follow-up inspection, all of which we successfully passed.

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3.1.2 Complaints and Recall

To further standardize our management process for complaint and recall, the Group continues to refine its established procedures such as the Customer Complaint Handling Procedures, the Product Recall Management Procedures, and the Product Quality Complaint Management Procedures. The Group may review and summarize complaint trends every six months to comprehensively understand the needs and expectations of populations which use its vaccines and continuously improve their experiences. The Group's Product Recall Management Procedure Flowchart is illustrated in Figure 4. During the Reporting Period, we did not receive any product and service-related complaints.

Figure 4. Product Recall Management Flowchart



3.1.3 Clinical Trial Activities

The Group's clinical trial activities are conducted in compliance with clinical principles, including but not limited to the Good Clinical Practice (GCP), the Declaration of Helsinki and other applicable regulatory requirements. Its Oversight of Clinical Trial Management procedures controls the quality of clinical trial activities, clearly detailing responsibilities for supervision and related functions and ensuring effective implementation and documentation. The Group's clinical management systems are illustrated in Figure 5. The Group also follows its Investigational Products (IP) Oversight and Management procedures to regulate the use of investigational products in human clinical trials.

To strengthen the quality management of investigational medicinal products, during the Reporting Period, we further clarified the production requirements for clinical trial supplies to ensure that the quality of clinical trial drugs complies with relevant standards.

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Figure 5. Clinical Management Systems



3.2 Research, Development and Innovation

The Group was committed to developing innovative vaccines and using transformative science for continuous innovation, with a view to making more diseases preventable with our vaccines and meaningfully reducing the burden of public health system. We continued to increase our investment in research, development and innovation, and fostered a robust team of research, development and innovation talents, which provides a solid talent support for our sustained innovative research and development and empowers our innovative development across all fronts. During the Reporting Period, our research and development investment was over RMB182 million.

Innovation is the cornerstone of the Group, and we are committed to unleashing the power of innovative vaccines to save lives and improve health around the world. We have independently developed the unique Trimer-Tag platform for protein trimerization-based vaccine research and development, which is also the cornerstone of our source innovation. Currently, Trimer-Tag is the only trimerization technology platform globally for producing recombinant, covalently-trimerized fusion proteins (trimer-tagged proteins) utilizing a human-derived trimerization tag, and has been fully verified by SCB-2019 as a COVID-19 vaccine, and has been used for development of SCB-1019 vaccine, a respiratory syncytial virus (RSV) vaccine candidate, respiratory combination vaccine candidates SCB-1022 (RSV + hMPV) and SCB-1033 (RSV + hMPV + PIV3).

During the Reporting Period, the Group's self-developed bivalent RSV vaccine candidate (SCB-1019) successfully received Investigational New Drug (IND) approval from the U.S. Food and Drug Administration (FDA) and subsequently initiated a clinical study on repeat vaccination in the United States. In June, the Group announced the launch of a Phase I clinical trial for the RSV + hMPV ± PIV3 combination vaccine candidates, aimed at evaluating the differentiated value of RSV re-vaccination and the RSV + hMPV ± PIV3 combination vaccine candidates. Subsequently, in October, the Group announced positive data from the Phase I clinical trials for both the RSV + hMPV ± PIV3 combination vaccine candidates and RSV re-vaccination in older adults. Clinical data indicated that the RSV + hMPV ± PIV3 combination vaccine candidates possess potential differentiated advantages with "best-in-class" and "global first-in-class" potential (SCB-1033 is the world's first triple combination vaccine targeting RSV, hMPV, and PIV3). Furthermore, this product is expected to enable effective re-vaccination for individuals who have already received the initial RSV vaccine, thereby rebuilding protective efficacy and expanding the scope of protection. On 3 December 2025, the Group was honored with the "Most Promising Investment Potential Company" award at the "10th Zhitong Finance Listed Company Selection" co-hosted by Zhitong Finance and New Zhi Fund Network. This selection is a benchmark event of both authority and credibility in the Chinese capital market. This accolade fully reflects the capital market's high recognition of the Group's R&D capabilities, product innovation potential, and long-term investment value.

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Most Promising Investment Potential Company

Looking ahead, the Group will continue to focus on the research and development of innovative vaccines: It continues to deepen the important value of single-component bivalent RSV vaccine candidate SCB-1019 in the field of re-vaccination, and expect to obtain complete data of the re-vaccination clinical trial of this vaccine in 2026; at the same time, it will fully promote the clinical research and development of respiratory combination vaccine candidates SCB-1022 and SCB-1033, carry out more comprehensive clinical evaluation, and further enhance their potential differentiation advantages, so as to respond to many key but unmet clinical needs around the world.

3.3 Legitimate Rights Protection

3.3.1 Intellectual Property Protection

The Group is committed to the protection of its intellectual property and other intangible asset. The Group has always adhered to the management philosophy of “unified leadership, centralized management, graded responsibility and individual responsibility” and established its Intangible Assets Management Policy with reference to applicable laws and regulations and the Corporate Internal Control Standard. The aforementioned policy establishes a clear division of responsibilities for the protection of intangible assets and a whole process management system covering topics such as acquisition and acceptance and daily management and preservation to continuously improve the management of intangible assets including patent, non-patent technologies and trademark.

The Group established a clear Intellectual Property (IP) management system. The Group’s Legal Department is the centralized management department tasked with the protection of the Group’s IP rights and is responsible for establishing procedures and policies, including those for identifying patentable inventions and filing trademarks. The IT department is responsible for the management of IT intangible assets such as software.

To strengthen the management of IP rights protection, we continuously optimize the Group’s IP rights protection mechanism and promote the establishment of detailed lists and files of IP rights, as well as the graded management of IP rights, in order to achieve differentiated management of IP rights. Meanwhile, we will continuously optimize the IP data platform, timely sort out and grasp the IP data information, so as to safeguard the security of our own IP.

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While protecting its own IP rights and intangible assets, the Group also respects the IP rights of others. In the Code of Conduct and Guidelines for the Compliant Use of AI Tools, we explicitly require employees not to use third-party IP rights casually. In particular, the Guidelines for the Compliant Use of AI Tools also emphasize that employees need to use AI-assisted tools with caution when using them externally, and they are not allowed to use the copyrights of third-party fonts, images, videos, etc. at will, so as to avoid infringing on the IP rights of third parties. We actively take measures to identify third-party rights and interests and strengthen the management of IP and other intangible asset ownership to ensure clear ownership, so as to avoid infringing on the IP rights or other intangible assets of others.

3.3.2 *Responsible Marketing*

The Group strictly adheres to applicable laws and regulations including the Advertising Law of the PRC and the Provisions on the Administration of Pharmaceutical Directions and Labels. The Group also established and issued the Packaging Development and Design Testing Procedure.

The Group always regards ethics and compliance culture as an important part of its core values, and resolutely promotes and practices compliance marketing philosophy. In order to ensure the effective implementation of compliance policies, the Group has established internal control and legal compliance functions to guide, supervise and manage relevant work. At the same time, the Group continued to carry out compliance training and continuously strengthened the compliance awareness of all employees through diversified training forms.

To ensure scientific and rigorous external communications, only authorized spokespersons may communicate on behalf of the Group with external organizations, such as the media, members of the investment community or government officials.

In the future, we will continue to focus closely on the development trend of the industry, and continue to strengthen compliance promotion and marketing work, as well as the construction of internal marketing compliance culture.

3.3.3 *Privacy and Data Protection*

The Group attaches great importance to data privacy protection and strengthens information security and data protection work. On the basis of improving the privacy protection mechanism for the whole process of data collection, storage and use and ensuring compliance with relevant laws and regulations, the Group continues to optimize the information security management system, and further builds a dual barrier between data security and information protection. During the reporting period, the Group did not experience any privacy or data breaches.

In terms of privacy protection, the Group strictly conforms to the Personal Information Protection Law of the PRC and the General Data Protection Regulation of the EU, formulates the Personal Information Protection Policy and Personal Information Collection Procedures to protect the information security and privacy of our stakeholders, including customers, employees, patients and business partners, and to ensure that our workflow complies with the requirements of laws and regulations and industry standards.

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In terms of data security protection, the Group instituted the Policy on Information Confidentiality Management to specify the responsibilities and duties for confidentiality management, and continuously strengthen information security management. The Legal Department is the centralized management department for data protection, establishes implementation rules for data protection and supervises data protection on timely manner to ensure the effective confidentiality management and data protection in the Group. The IT Department also has dedicated data security personnel who oversee the safe storage and transfer of information. In order to further consolidate the core competitiveness of the Group and ensure the security of key information such as trade secrets and technical achievements, the Group focused on promoting a series of confidentiality management during the Reporting Period: On the one hand, the scope of signing the Confidentiality Agreement was extended to all employees, which was clarified to be a mandatory requirement for new employees to join, and the contents of the agreement template were dynamically updated to ensure that the current legal requirements and actual business operations are highly consistent; on the other hand, we strictly implement the principle of “Confidentiality Agreement First”, requiring business departments to sign the Confidentiality Agreement before carrying out information exchange and other cooperation with external partners, so as to prevent the risk of improper disclosure or misuse of important information from the source. In 2025, the Group also conducted special training on confidentiality obligations and compliance risks for all employees to promote confidentiality awareness to be deeply rooted in the hearts of the people and deeply integrate it into the employee code of conduct, so as to build a strong internal confidentiality defense line.

4 RESPONSIBLE OPERATIONS

4.1 Business Ethics and Integrity

Ethics and integrity are at the foundation of the Group’s corporate management. The Group strictly adheres to applicable laws and regulations on bribery, extortion, fraud, and money laundering, including but not limited to the Criminal Law of the PRC, the Company Law of the PRC, the Foreign Corrupt Practices Act (FCPA), the Bribery Act 2010, and the Anti-Unfair Competition Law of the PRC. During the Reporting Period, the Group did not receive any reports or allegations against the Group or its employees in any of these areas.

4.1.1 Compliance, Anti-Corruption and Anti-Bribery

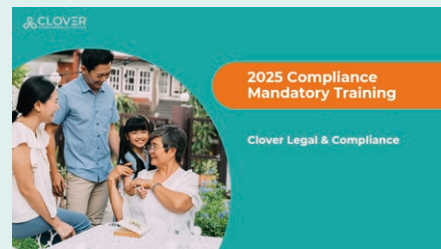
Adhering to a zero-tolerance attitude towards bribery and corruption, the Group has formulated a Code of Ethics and Standards of Conduct (the “Code of Conduct”) and the Anti-Bribery and Anti-Corruption Policy in accordance with relevant laws, regulations and industry norms, setting compliance standards against bribery and corruption for all employees of the Group and third parties working on behalf of the Group, and making every effort to prevent all kinds of corruption and bribery in the business chain. At the same time, in order to continuously strengthen its compliance management capabilities, the Group has also formulated the Policy on the Interaction and Communication with Medical Workers and Professional Medical Institutions, which clarifies more detailed requirements for specific business interaction scenarios and operation procedures, and provides employees and third parties with implementable compliance behavior references to ensure that the anti-bribery and anti-corruption work covers the whole business.

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The Group attaches great importance to compliance cultural construction. In order to systematically enhance compliance awareness of all employees and standardize employee behavior, the Group regularly conducts compliance training for all employees every year to consolidate the knowledge base. At the same time, we also continued to publish monthly compliance magazines to share the latest business-related policies and compliance requirements issued by regulatory authorities in the Group in a timely manner, so as to ensure that our employees keep abreast of compliance trends simultaneously, and consciously restrict their own behaviors with compliance standards, promoting the deep integration of compliance concepts into daily operations.

ANTI-BRIBERY AND ANTI-CORRUPTION TRAINING

In 2025, the Group conducted an annual compliance training to reiterate and review key information on anti-bribery and anti-corruption, including basic principles, risk identification, reporting channels, compliance responsibilities, compliance resources, etc.



INTERNAL COMPLIANCE NEWSLETTER

During the Reporting Period, the Group released internal compliance newsletters on a regular basis. The content of these newsletters covers various aspects such as compliance news sharing, introduction of compliance policies, and interpretation of compliance topics, aiming to continuously share up-to-date compliance knowledge and dynamics with employees and enhance the compliance awareness of all staff within the Group.



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4.1.2 Whistleblowing Reporting Channels

The Group is fully committed to ensuring that its working environment is grounded in the principles of honesty, fairness and integrity. To encourage employees to report acts that violate or may violate laws, regulations, company policies and procedures, we have formulated the Reporting Concerns and Responding to Allegations, which provides effective guidance on how to report concerns and how to respond. The Group also encourages all bona fide reports and never tolerates any retaliation, directly or indirectly, against bona fide reporters and relevant people. In addition, the Group's standard reporting procedure (see Figure 6) ensures that all reports can be effectively assessed, investigated and addressed in a timely way. The procedure also requires that full records shall be maintained for traceability.

Figure 6. Whistleblowing Procedure



The Group has compliance reporting channels and encourages all employees, customers, shareholders, suppliers and other third parties to speak up and raise concerns. Whistleblowers can report any unethical or potentially harmful behavior through reporting channels published by the Group (see the Group official website for details), either under their real names or anonymously.

4.2 Sustainable Supply Chains

The Group strives to work closely with supplier partners to achieve mutually beneficial cooperation and continuously optimizes the procurement process and supplier management system to strictly control procurement quality and improve supplier management efficiency. At the same time, the Group integrates the concept of sustainable development into the whole process management of the supply chain. We prioritize environmentally-conscious suppliers and service providers once the products of suppliers meet the Group's requirements in terms of quality, price and other aspects.

4.2.1 Supplier Management Procedures

The Group has built a sound policy system, such as Supplier Management Procedures, Contract Service Provider Management Procedures, Procurement Standard Operating Procedure (Procure-to-Pay) and the Supplier Approval Standard Operating Procedure, to strictly standardize tendering procedures. The Group sets the corresponding purchase amount according to the differentiated characteristics of suppliers, clarifies the rules for single or multiple suppliers to participate in bidding, and establishes standardized handling methods for bidding exceptions. These measures not only ensure the comprehensiveness of supplier evaluation, but also ensure that the selection process of each product or service supplier complies with the principle of openness and fairness through a clear division of responsibilities and responsibilities. The Group's Supplier Management Procedures is shown in Figure 7.

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Figure 7. Supplier Management Procedure



In order to ensure the fairness and transparency of the procurement process, the Group plans to further deepen the sustainable supply chain management in the future, expand the breadth and depth of management, and ultimately build an industry-leading supply chain system with environmental friendliness, complete social responsibility and high transparency in governance. At the institutional level, we will conduct comprehensive review and continuous follow-up on the supply chain-related management systems, continuously optimize the content of the systems and strengthen the implementation effect of the systems, so as to provide a strong institutional basis for supply chain management. At the practical level, in view of the environmental impact of transportation, we will adhere to the principle of environmental protection and conservation, focus on improving energy use efficiency, and continue to promote the green and low-carbon transformation of transportation on the basis of achieving cost reduction and efficiency increase, so as to help build a unified green transportation system for the whole industry.

4.2.2 Risk Management of Supply Chains

The Group continued to deepen the management and control of supply chain risks, established a normalized risk sorting mechanism, and timely identified potential risks in the supply chain. We regularly sort out potential risks in the supply chain, divide risk levels and categories according to the actual situation of suppliers, and carry out comprehensive risk assessment from the aspects of compliance, finance, quality, environmental safety, supply chain management and social responsibility through dedicated due diligence assessment questionnaires, and implement rectification requirements for identified risk points. At the same time, we focus on high-risk suppliers and carry out special audits on objects that have negative environmental impacts or may affect the quality and safety of the Group's products, effectively reducing the impact of supply chain risks and ensuring that the quality and safety of products meet the standards. During the Reporting Period, the Group audited 13 suppliers, and the audit results showed they were all compliant with Good Manufacturing Practices ("GMP") standards.

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In order to resist the potential impact of extreme weather on the supply chain, the Group has taken various measures to strengthen risk management to ensure business continuity and the ability of the supply chain to resist risks. The Group has issued regulations such as the Emergency Operation Procedures for Vaccine Transportation of Clover Biopharmaceuticals, Ltd. and the SAP Business Continuity Plan – Guidance, which standardize the emergency response process for supply chain transportation emergencies to reduce losses caused by disasters. We have also established a close collaboration mechanism with logistics service providers to jointly formulate transportation emergency plans and emergency drill plans for refrigerated trucks, and clarify the division of responsibilities and response measures of both parties under extreme weather, covering goods transfer, dynamic deployment of personnel, etc. At the same time, in the selection of suppliers, we focus on the integrity of infrastructure and disaster resilience, further weaken the interference of climate risks to the supply chain through source control, and ensure the stable operation of the supply chain throughout the process.

4.2.3 *Supplier Quality Management*

The Group attaches importance to quality control in procurement and consistently maintains high standards for the products and services provided by suppliers, especially those meeting the relevant requirements of Good Practices (“GxP”)². The Group’s Procedure for the Administration of Quality Agreement specifies its quality standards to ensure mutual agreement on the activities, responsibilities and obligations of both parties. At the same time, the Group tailors Quality Agreements for different types of suppliers and these agreements define the responsibilities and requirements for each party on personnel, premises, equipment, documentation, storage and transportation, product certification, complaints, returns and suspected falsified products, as well as market returns, product recalls and disposal. Where applicable, the Quality Agreements may also include the procedures for product testing, quality assurance and quality control.

In addition, the Group has formulated the Supplier Complaint Handling Procedures to regulate the management of supplier complaints and the collection of relevant data. Meantime, we collect quality-related data from our suppliers of raw materials, auxiliary materials and packaging materials, and conduct data analysis and prepare an annual supplier review report, so as to implement targeted optimization measures and enhance the supplier quality management.

4.2.4 *Efforts in Clean Cooperation*

The Group attaches great importance to the construction of a clean supply chain for the long-term development of the enterprise, always upholds the principles of integrity management and compliance cooperation, and strives to build a clean supply system that meets the development trend of the industry and the requirements of corporate management. Based on this, we require all cooperative suppliers to comply with the Group’s Anti-Bribery and Anti-Corruption Policy and Code of Conduct, and if suppliers have anti-corruption policies themselves, they are required to ensure that they are consistent with the Group’s policies and standards, so as to achieve cleanliness and compliance in all aspects of the supply chain. Based on this, the Group will continue to deepen positive interactions with suppliers, and jointly contribute to improving the overall cleanliness of the supply chain and promoting the healthy development of the industry.

² The term GxP is an umbrella term for “good practice” guidelines and regulations. “x” indicates a specific field: clinical (GCP), manufacturing (GMP), distribution (GDP), laboratory (GLP), agriculture (GAP), etc. Although the requirements are similar across countries, there is no single regulatory entity or governing body, and each country has its own guidelines and regulators. GxP regulations include those listed in US FDA CFR Title 21 Part 11 and EU EudraLex Volume 4 – GMP Guidelines Annex 11.

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5 TALENT MANAGEMENT

The Group has always believed that talent is the source and driving force of enterprise development. The Group is committed to building a compliant, safe, equal, diverse and inclusive workplace. Through a sound talent management system, the Group assists employees in their growth in such a workplace environment and at the same time promotes the continuous development of the Group.

5.1 Employment and Labor Standards

The Group strictly abides by national and regional employment laws and regulations that are applicable at each of its operating locations. They include but are not limited to the Labor Law of the PRC, the Labor Contract Law of the PRC, the Implementation Rules of the Labor Contract Law of the PRC, and the Social Insurance Law of the PRC. During the Reporting Period, there was no reported violation of labor laws and regulations.

Simultaneously, to promote a safe, open and trustworthy corporate culture, the Group publishes an Employee Handbook, which specifies the Group's management requirements for recruitment and onboarding, comprehensive compensation, performance management, learning and development, employee code of conduct, etc. To ensure the Employee Handbook considers employees' rights and interests, the Group has set up an Employee Handbook Co-Creation Committee, with employee representatives participating in the revision of specific terms and conditions. The committee continuously reviews the content and explores ways to enhance its relevance to the Group's evolving needs.

5.1.1 Talent Recruitment

The Group formulated and implemented the Recruitment SOP to standardize the talent recruitment process and ensure that all candidates can be evaluated and assessed fairly and equitably. To ensure the smooth progress of recruitment work, the Human Resources Department is responsible for formulating, implementing and updating recruitment-related policies and procedures, and cooperating with various business departments to carry out recruitment in accordance with the requirements of job responsibility, personal qualities, skills, education background, and experience.

The Group is committed to creating a quality workplace culture of equality, diversity and anti-discrimination, continuously promoting a diversified talent recruitment strategy, opening the door to opportunities for talents of different races, ages, skin colors, genders and nationalities, and attracting all kinds of outstanding talents with an open and inclusive attitude. At the same time, we also actively pay attention to the employment needs of people with disabilities, and every year, according to the actual situation of business development, we set up employment positions that meet the abilities and characteristics of people with disabilities, build a platform for them to play their talents, help people with disabilities realize their career value and promote the common development of all employees. As at the end of the Reporting Period, we had a total of 257 employees, of which the proportion of female employees and the proportion of newly joined female employees both accounted for more than 50%, and 3 persons with disabilities were employed.

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5.1.2 *Employee Rights and Interests Protection*

The Group fully protects the rights and interests of its employees, always insists on providing a fair development environment for every employee in terms of core rights and interests such as salary distribution, job promotion and training opportunities, eliminates any form of discrimination, and ensures that all employees can obtain equal development space based on their own capabilities. Additionally, we have established corresponding reporting channels through which employees can raise concerns or report behaviors that undermine their interests via direct communication, email, website and hotline.

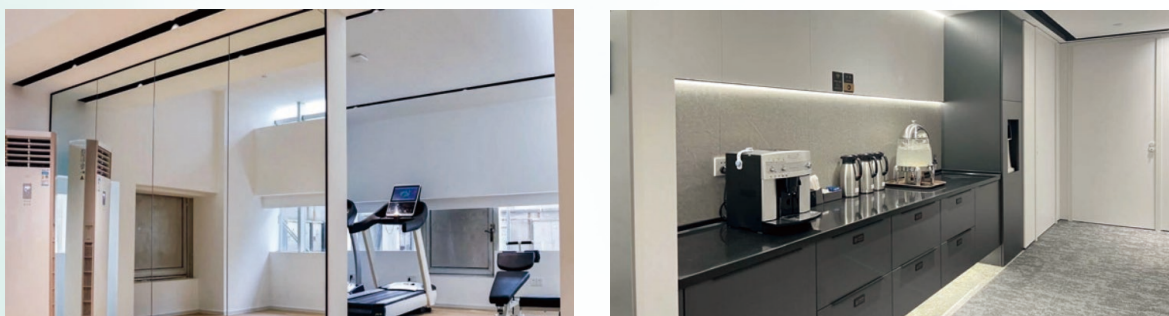
The Group strictly prohibits child labor. The Group conducts comprehensive background checks of every job applicant and verifies their identification cards, graduation certificates and other relevant identification documents to ensure that they meet the employment requirements, thus preventing any improper employment situations. In addition, we also prohibit any improper employment behaviors. In strict accordance with legal requirements, we stipulate the working hours of employees. Overtime is not encouraged and shall be approved by line managers. For overtime work with approval, the Group shall pay overtime wages or arrange for rest in accordance with relevant laws. During the Reporting Period, the Group did not have any cases of child labor or forced labor.

5.1.3 *Communication and Welfare*

The Group has always regarded listening to the voices of employees and respecting their opinions as an important starting point to improve the level of corporate management, and has built a multi-level and comprehensive employee communication and feedback system. We have set up a convenient platform for employees to express their opinions through diversified communication channels such as “General Manager’s Mailbox” and “360° Manager Survey”, so as to keep abreast of their reasonable expectations and true demands. At the same time, we conduct regular employee pulse questionnaire surveys to comprehensively collect employees’ opinions around six core dimensions: “Suggestions to managers”, “Suggestions to the Company”, “Employee satisfaction”, “Personal growth experience”, “Employee engagement” and “Feedback on the Company’s initiatives”. We also carefully listen to employees’ views and needs on catering services through employee canteen satisfaction surveys, take care of the reasonable needs of each employee to the maximum extent, and create a corporate environment in which employees recognize and have a strong sense of belonging. During the Reporting Period, we launched the 2025 Global Employee Pulse Questionnaire and the Canteen Satisfaction Survey, in which we received feedback on the canteen from over 66% of the employees who participated in the survey. Based on these results, we will actively promote relevant improvement measures to enhance employees’ work experience.

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In order to provide practical protection and humanistic care for employees, the Group has built a comprehensive employee welfare matrix. In terms of statutory benefits, the Group strictly implements national holiday benefits such as marriage leave, maternity leave, paternity leave and parental leave to ensure that employees enjoy various basic rights and interests in accordance with the law. On this basis, special welfare holidays such as service anniversary leave were further introduced to reward employees for their long-term dedication and companionship. At the same time, the Group purchases commercial insurance for employees every year, covering multiple dimensions such as accident protection and female maternity protection, and provides other supplementary benefits, covering all aspects from basic protection to personalized needs, to care for the physical and mental health of employees, helping employees work with peace of mind and live a happy life. Simultaneously, the Group also provides its employees with welfare leave (including marriage leave, maternity leave, paternity leave, parental leave, anniversary service leave, etc.) and other caring benefits. Moreover, we have established facilities such as gym, water bar, and library to enhance employees' sense of belonging.



Gym and Water Bar

The Group consistently prioritizes fostering emotional connections among employees and strengthening team cohesion. Each year, we meticulously plan a series of celebratory activities aligned with traditional festivals such as the Lunar New Year, the Dragon Boat Festival, and the Mid-Autumn Festival. We also actively organize International Women's Day, World Book Day, and employee birthday parties, sharing warm and memorable moments with our employees. During these activities, the Group provides corresponding festive benefits to employees, not only to carry forward our cultural traditions but also to enable employees to deeply feel the corporate care. This further cultivates a harmonious and amicable workplace atmosphere and helps enhance team cohesion.

At the same time, the Group establishes employee welfare committees in multiple business operation sites, regularly organizes sports activities such as basketball matches and encourages employees to actively engage in physical exercise and enhance fitness beyond work hours. Through diverse recreational and sports activities, we aim to elevate overall employee happiness and promote the mutual growth of our employees with the Company. Additionally, the Group periodically publishes the "Healthy Boost" newsletter, offering employees insights on topics such as "quality sleep", "micro-habits", and "beating the heat safely", thereby enhancing their health awareness.

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TRADITIONAL FESTIVAL AND HOLIDAY ACTIVITIES

During the Reporting Period, we organized themed activities for traditional festivals, including the Chinese New Year annual party, the Dragon Boat Festival, and the Mid-Autumn Festival, providing employees with festive gifts and engaging interactive sessions.



New Year Annual Party



Dragon Boat Festival Gifts



Mid-Autumn Festival Gifts-giving

DIVERSIFIED EMPLOYEE ACTIVITIES

During the Reporting Period, we organized employee activities such as interest activities and sports competitions to enrich their daily lives.



Employee Birthday Party



Employee Basketball Game



Spring Outing Flower Viewing Activities



World Book Day

CLOVER DAY

The Group has designated November 5 of each year as “Clover Day”. “Clover Day” is a reminder of past achievements and a call to continue efforts to improve global health and well-being. All Clover employees receive extra leave and can apply to use the leave during the year according to their needs.

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In the future, we will build upon our efforts in previous years to further strengthen employee communication and care, and expand relevant initiatives to enhance employee engagement, well-being, and collaboration within the Group. One of our core priorities is to optimize the 360° leadership review and employee pulse surveys, using these feedback channels to gather valuable insights and thereby drive improvements in management effectiveness, workplace culture, and the employee experience. Meanwhile, we will place greater emphasis on employee health and interaction. Through continuously organizing health promotion activities, holding monthly group social activities and festival celebrations, as well as continuing to roll out our employee care commitments, we will provide support for the physical and mental health of our employees and strengthen emotional bonds among employees, foster a positive, caring and collaborative working environment, enable employees to feel their own value and support of the organization, and thereby further motivate them to contribute to the achievement of common goals.

5.2 Employee Development and Training

As a people-oriented company, the Group attaches importance to the growth and development of its employees and is committed to providing ample opportunities for advancement and platforms for them to showcase their value. The Group has established a sound performance management system to evaluate employee performance and recognize individual contributions. Furthermore, the Group created a standardized training management system and developed diversified training programs to help employees achieve the improvement of their self-worth and the realization of their career development goals.

5.2.1 Talent Performance and Remuneration Management

The Group establishes a performance management and evaluation system to recognize employee work achievements. The Group's performance management consists of three parts: goal setting, ongoing feedback and review, and performance review and evaluation. The Group also provides performance improvement plans for employees who are not competent at their work to enhance and improve their performance, and to promote positive dialogues between team managers and employees, so as to jointly create value. In order to ensure that employees can efficiently achieve their annual performance goals, we provide annual goal-setting training for employees every year. The aim is to help employees clarify the content of their goals and master the key points of their annual work, thus facilitating their better growth.

- **Goal setting:** Employees and line managers jointly formulate goals and related action plans, empowering employees to set goals with the Objectives and Key Results (OKR) goal management tools, which helps them articulate the key paths of achieving their goals and reaching consensus with superiors and teams through OKR communication;
- **Ongoing feedback and review:** Employees and line managers regularly review progress towards goals and the direct manager gives timely feedback based on ongoing work. In addition, the Group organizes 360° feedback in the middle of the year, which promotes the self-understanding and growth of employees through employee nomination, experience approval, and anonymous feedback;
- **Performance review and evaluation:** Review and evaluation of employee performance and contributions is conducted annually and forms the basis for creating incentives and promotion.

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The Group provides employees with comprehensive and competitive remuneration packages based on market competitiveness and impartiality. In addition to the base salary, we formulate an annual bonus plan based on factors such as business performance and individual performance to encourage employees to continuously progress. At the same time, the Group also offers long-term incentive programs to share the Group's performance growth with employees through an equity incentive mechanism, which ensures that the interests of individual employees are aligned with the long-term interests of the Group. Furthermore, we will launch a retention (employee retention) plan, with the optimization of the compensation system as a core component. Our goal is to enhance the attractiveness and competitiveness of the compensation system through its improvement, thereby achieving more effective motivation for employees.

5.2.2 *Employee Training*

Adhering to the management principle of “institutionalization, standardization and systematization”, the Group updated the Training Management Policy during the Reporting Period to further standardize the organizational methods and content of training and clarify training responsibilities, thereby comprehensively promoting training management.

Our training system is underpinned by the Mentorship Program and personal development plan. We have established a clearly structured and well-coordinated training framework with diversified implementation approaches covering the entire career cycle of employees. As the core of the system, the Mentorship Program and personal development plan empower each other. They not only help employees address skill gaps through targeted guidance from senior mentors but also support employees to independently plan their career paths and define their growth directions, forming a personalized development closed loop.

In terms of training content, our skills training covers standardized orientation and training programs designed to facilitate job adaptation for new employees, as well as professional skills development tailored to the requirements of various positions, thereby laying a solid foundation for employees to perform their duties. Our leadership development training is primarily delivered through the “Human Resource Manager Workshop”, which is specifically designed for current and potential leaders to equip them for greater responsibilities in the future. During the Reporting Period, we expanded the scope of the “Human Resource Manager Workshop” by launching a comprehensive leadership program covering growth seminars, performance appraisals, and effective feedback techniques, with a focus on enhancing practical management skills, communication abilities, and strategic execution capabilities among target talents, thereby systematically cultivating senior leadership talent. At the same time, we have organically integrated training related to goal management and career development. Through specialized training on OKRs and KPIs, we align employees' individual goals with the Company's strategy, implementing career planning by relying on personal development plans. In addition, we facilitate cross-departmental communication and collaboration through job rotations, enabling employees to develop versatile skills and strengthening team cohesion.

In terms of training methods, we take our online learning platform as the core carrier and integrate CloverTalks, MasterClass and teaching modules related to infectious diseases. We built standardized content such as the learning resource library and operational video knowledge base to provide efficient and accessible support for various types of training. Meanwhile, we adopt offline workshops, peer learning forums and other forms to establish a hybrid training model with online learning as the primary approach and offline activities as supplementary support. This model fully addresses the learning and development needs of employees at different stages and helps the Company build a highly capable and resilient talent team.

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SPECIALIZED TRAINING SEMINAR FOR MANAGEMENT PERSONNEL:



In 2025, we conducted specialized training for management personnel, with course content designed based on needs to ensure practicality and enhance participants' management capabilities while unifying the organization's leadership standards. The training curriculum covered six core modules: Leadership Fundamentals, Employee Development and Motivation for Retention, Empowering through Coaching Mindset, External Communication Guidelines, and Compliance Training. In response to frontline collaboration needs, we also provided training content focusing on Leadership Fundamentals, Building Trust and Collaboration within Teams, Diverse Motivation Approaches, External Communication Guidelines, and Compliance. All training sessions received positive feedback, with participants acknowledging the practicality of the content and its relevance to their daily management responsibilities.

NEW EMPLOYEE ORIENTATION:

In 2025, we launched an online onboarding training program for new employees, aimed at optimizing the induction process and providing comprehensive support for new hires. This digital platform integrates core training modules including legal compliance, corporate compliance, finance, procurement, human resources, and information technology, presented in an interactive, role-based personalized course format, effectively ensuring consistency in onboarding standards across different regions. New employees can independently log in to the platform before or after joining the Company and systematically familiarize themselves with corporate policies and resources at their own pace, thereby strengthening their foundational capabilities and achieving a smooth transition into the organization.

新员工入职线上学习课程



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In 2026, the Group will further strengthen its employee development and training efforts, empowering employees to take ownership of their career growth and enhancing cross-departmental collaboration to ensure the corporation remains flexible and market competitiveness. We will continue to enrich the content system of our online learning platform while simultaneously improving the personalized experience, providing stronger support for both structured development programs and flexible, self-directed learning needs. At the same time, we will continuously optimize our new employee training to ensure an efficient and smooth onboarding process, helping new employees quickly integrate into their teams. We will also further expand the scope of both professional and general skills training to precisely align with evolving business needs. In the area of leadership development, we will systematically enhance the comprehensive capabilities of our management personnel through tailored training programs and the “Human Resource Manager Workshop”, thereby building a robust pipeline of future leaders for the organization.

5.3 Employee Health and Safety

The Group strictly abides by the Law of the People’s Republic of China on Work Safety, the Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases, the Regulation on Work-Related Injury Insurance and other relevant laws and regulations. The Group continuously improves the safety and occupational health management system, implements health and safety risk management, and ensures the occupational health and safety of employees.

5.3.1 Safe Production

The Group establishes a comprehensive three-tier safety production management system and has set up an EHS committee and an EHS executive committee. The Group formulated relevant policies such as the Occupational Health and Safety Control Procedures, the Corporation Entity Responsibility System on Safety Production, and the Post Responsibility on Safety Production, clarifying the safety management processes and responsibilities, establishing a sound work safety management system. At the same time, the Group also defines the safe production responsibilities of employees in the Employee Handbook to continuously enhance employees’ awareness of work safety. In 2025, we obtained the Level III Certification for Safety Production Standardization.

The Group established a dual governance system for grading risk controls and hidden dangers inspections, formulated a series of SOPs and detailed safety guidelines, including but not limited to the Carbon Dioxide System Maintenance SOP, the Nitrogen System SOP, the Carbon Dioxide System SOP, to promote the standardization and normalization of production operations and reduce accidents caused by improper operations during the production process.

To further enhance safety prevention capabilities, we actively carry out hidden dangers inspection efforts, formulate an annual hidden dangers inspections plan and break down specific tasks into monthly work assignments to continuously and proactively identify sources of danger, regularly inspect high-risk areas within the plant, strengthen safety risk control, and ensure the effective implementation of workplace safety practices. We have also formulated the Comprehensive Emergency Response Plan for Emergencies, which clearly defines the responsibilities of emergency response teams at all levels, establishes detailed emergency response procedures, and specifies protocols for handling various types of emergencies, ensuring that we are well-prepared to respond to incidents and maintain safe production.

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Meanwhile, the Group strictly implements the three-level safety education system and resolutely prohibits employees from taking up their posts without completing three-level safety education. It also specifies that new employees in key positions may only take up their posts upon passing special assessments, ensuring that each employee possesses the requisite capabilities for safe production. The Group formulates an annual work safety training plan every year and provides various work safety training activities for employees by integrating diverse online and offline learning forms such as safety knowledge lectures, symposiums, seminars, posting of promotional slogans and safety education videos. It also pastes post operation safety instructions on equipment and continuously improves the management of safety signs, so as to comprehensively consolidate the foundation for safe production.

In 2026, we will continue to improve our work safety system by consistently developing and implementing management responsibility objectives and inspection plans for work safety. We will rigorously promote safety inspections and carry out relevant risk identification and control measures to provide employees with a safe working environment.

5.3.2 Occupational Health and Safety

To protect the occupational health and safety of employees, our Group has developed and implemented the Regulations on Occupational Health Management (hereinafter referred to as the “Regulations”) and other management procedures with reference to relevant laws and regulations such as the Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases, the Law of the People’s Republic of China on the Administration of Pharmaceuticals and the Technical Specifications for Occupational Health Surveillance (GBZ188-2014), which clarifies health and safety risk factors and the responsibilities of health and safety management and stipulates the occupational safety management process.

During the Reporting Period, the outcomes of occupational safety and health management

- ✓ 100% compliant storage and disposal of hazardous solid waste
- ✓ 0 environmental pollution incidents and government administrative penalties
- ✓ stably controlled pests in the factory premises, with the number of pest-related deviations in the factory premises ≤ 2 times
- ✓ 100% training rate of three-level safety education training by new employees
- ✓ 100% completion rate of the annual safety training plan
- ✓ 100% coverage rate of occupational disease health checkups

In order to further protect the health and safety of employees, in 2025, the Group invited third-party organizations to carry out occupational disease hazard assessment, covering production areas, dangerous goods warehouses and other relevant key areas of the Group, comprehensively evaluating occupational hazard factors, configuration and operation status of protective facilities during operation, and forming a special rating report. In response to the occupational disease hazard risks identified by the assessment, the Group will formulate and implement corresponding rectification measures, carry out continuous supervision and dynamic improvement of various risk mitigation plans, and continuously improve its occupational disease risk prevention and systematic management capabilities.

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Meanwhile, we implemented the following management measures and provided employee health benefits to strengthen occupational health and safety management:

- To equip on-the-job employees with a complete set of personal protective equipment such as overalls, insulating shoes, protective glasses, earplugs, dust masks and anti-virus protective gear to fully ensure operational safety.
- In terms of warm-hearted care in summer, heatstroke prevention drugs such as Huoxiang Zhengqi Liquid (藿香正氣水), Rendan (仁丹) and essential balm are regularly distributed; when the temperature exceeds 33℃, summer drinks are served in the staff restaurant at noon, and health tea, hot water, coffee, iced fruit tea, etc. are always available in the office pantry to fully meet the needs of employees for heatstroke prevention and thirst quenching.
- Zhejiang Clover strictly complies with the requirements of relevant government high temperature policy documents, and pays high temperature subsidies to indoor and outdoor employees according to standards from June to September every year.
- In accordance with the established Regulations and the Employee Handbook, the Group fully provides coverage for employees to receive an annual health assessment. For employees in the positions with potential occupational hazards, special physical examinations are additionally arranged before, during and after work, and the health status of employees is tracked throughout the process.
- To launch the vaccination employee benefit program, encourage employees and their family members to receive the vaccines for influenza, with all related expenses reimbursed by the Company.
- To attach great importance to the health and safety of the office environment, choose office decoration materials that are not harmful to human health, and equip ergonomic office desks and chairs; the office area is equipped with fresh air systems to monitor air quality in real time, and comprehensive cleaning work is carried out regularly to create a healthy and safe office environment for employees.



Employee Checkup and Vaccination Campaigns

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The Group provides employees with a variety of safety training activities, including safety training for resuming work and production, Traffic Safety Month, Safety Production Month, Red Cross first aid training, and emergency drills, comprehensively strengthening employees' foundational safety operation skills and emergency response capabilities. At the same time, the Group signs the Fire Safety & Production Safety Responsibility Letter with all employees, decomposing and assigning safety production responsibilities level by level down to each individual, thereby effectively reinforcing every employee's sense of safety accountability. We also conduct regular fire emergency drills to prevent and mitigate fire safety risks in a comprehensive manner, solidly fortifying the defense line for safe production of the corporation.



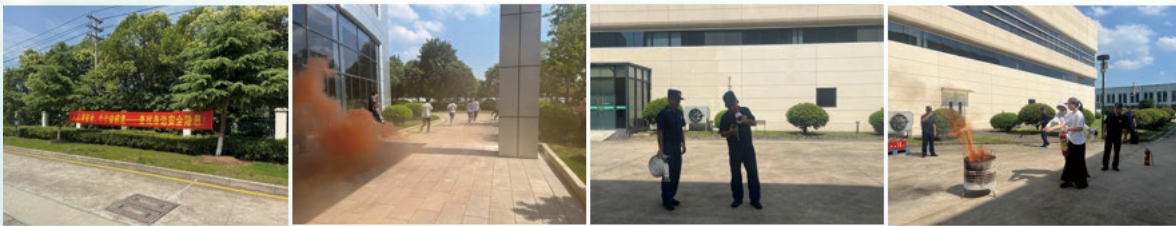
Safety training for corporate work resumption + Online training for millions of employees



New employee orientation



Safety Production Month promotional video



Safety Production Month activities: Promotions + Evacuation drills + Training + Hands-on practice

A series of safety production activities in 2025

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6 ENVIRONMENTAL PROTECTIONS

6.1 Environmental Management

6.1.1 Management System

The Group is committed to green development. It strictly complies with all applicable environmental laws and regulations in the countries where it operates, including the Environmental Protection Law of the PRC, the Regulations on the Administration of Construction Projects Environmental Protection, and the Law of the People's Republic of China on Environmental Impact Assessment. We have formulated regulatory documents such as the EHS Organizational Structure & EHS Committee System and Management System of "Three Violation Behaviors", defined the environmental protection management organizational structure and specified the environmental objectives and corresponding responsibilities of each department and employee, resolutely prohibiting all types of environmental violations. Concurrently, the Employee Handbook standardizes the disposal procedures for hazardous waste, including experimental waste liquids and chemical reagents, while actively guiding employees to utilize energy and resources rationally and proactively implement energy-saving and emission-reduction measures, fully supporting the Group to achieve green and sustainable development. During the Reporting Period, the Group recorded no environmental violations, demonstrating the continued effectiveness of our environmental management efforts.

The Group established a comprehensive environmental management system and continuously consolidated and enhanced its environmental management capabilities. In accordance with the requirements of the ISO 14001 environmental management system standards, we actively carried out environmental risk assessments to systematically identify potential environmental risks throughout the entire manufacturing, R&D and laboratory processes. Through targeted prevention and control measures such as increasing the frequency of regular checks, and organizing special training and drills, the Group effectively enhanced its risk prevention and control capabilities. Meanwhile, the Group formulated supporting systems including the Action Plan for Environmental Emergencies, organized regular environmental emergency drills, and signed mutual assistance agreements for emergencies with business partners. It comprehensively improved the Group's rapid response and handling capabilities in respect of environmental emergencies, further enhanced the level of environmental risk management, and ensured the effective operation of the environmental management system.

The Group has proactively conducted comprehensive environmental monitoring. In strict compliance with the self-monitoring frequency and standard requirements stipulated in the pollutant discharge permits, the Group has fully implemented regular monitoring of various indicators including wastewater, waste gas, noise and rainwater. Meanwhile, the Group has engaged qualified third-party institutions to conduct regular data monitoring. Through the dual monitoring mechanism, the Group objectively evaluates the effectiveness of environmental management and ensures the stable and compliant discharge of various pollutants. During the Reporting Period, verified by qualified third-party professional institutions, the Group's discharge indicators of wastewater, waste gas and noise all complied with the relevant national and local standards.

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In addition, the Group has signed EHS commitment letters with relevant responsible parties to promote the tiered communication and implementation of environmental management requirements, continuously reduce the potential impact of operational activities on the environment and adhere to the bottom line of environmental compliance.

In response to the PRC’s “carbon peak and neutrality” target, the Group established voluntary, quantitative “sustainable development objectives” in 2022 and clarified its development and action plan for energy saving, emission reduction, and resource use. During the Reporting Period, the Group has continued to enhance its environmental management initiatives, driving forward its green and sustainable development.

Figure 8. Sustainable Development Objectives and Action Plans for Voluntary Reduction of Environmental Impacts at Clover Zhejiang

Objective	Action Plans
Reduce air and carbon emissions	<ul style="list-style-type: none"> • Improve management of greenhouse gas (“GHG”) emission • Promote the use of carbon-friendly materials • Conduct environmental protection training to strengthen the development of a green and low-carbon corporate culture, and raise EHS awareness among employees
Reduce waste	<ul style="list-style-type: none"> • Advocate for the use of online office systems, such as the Document Management System (“DMS”), to save paper • Reduce the production of hazardous waste and entrusted qualified third party waste management entities to properly handle waste
Reduce electricity consumption	<ul style="list-style-type: none"> • Formulate and implement an Emergency Energy Conservation Plan and track progress • Install additional watt-hour meters to acquire more accurate data for setting future numerical targets
Reduce water consumption	<ul style="list-style-type: none"> • Develop and implement an Emergency Water Conservation Plan and track progress • Conduct quarterly thematic activities to strengthen employees’ awareness of water-saving approaches • Install more water meters to acquire more accurate data for setting future quantitative targets

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6.1.2 Air Management

To reinforce the management of air emissions, the Group identified all exhaust emission points and formulated strict requirements for exhaust gas emission supervision and evaluation in accordance with the requirements of the specifications for self-monitoring under National Pollutant Discharge Permit.

To reduce the adverse impact to the environment, the Group installed an exhaust filter to treat the exhaust gas from the biological safety cabinet in the microbiology laboratory before discharging. In addition, organic exhaust gas emission sources are sealed and packaged to reduce volatilization during usage.

In addition, the Group installed activated carbon adsorption purification equipment that adsorbs and purifies the exhaust gas from our animal laboratory to reduce the impact to the environment. Photo-oxygen catalytic equipment is also used to decompose and oxidize industrial exhaust gas, with exhaust gas degraded into low molecular compounds, such as water and carbon dioxide. The treated gas is then discharged through the exhaust pipe. To further strengthen the management of air emissions, the Group also engaged a qualified third party to regularly inspect air pollutants to ensure compliance in air emissions.

6.1.3 Waste Management

The Group's Waste Management and the Operating Procedures for Comprehensive Treatment of Solid, Liquid and Gaseous Wastes policies help ensure that hazardous waste is stored properly by strictly regulating the processes of waste identification, collection, storage, transportation, etc.

The Group strictly adheres to the relevant provisions of the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes, implementing standardized management throughout the entire process of the collection, storage and disposal of hazardous solid waste and medical waste.

- **Hazardous solid waste:** In accordance with relevant national standards and regulations, we classify, collect, store, and package hazardous solid waste based on its characteristics and engage qualified third-party disposal units to timely transfer and dispose hazardous solid waste, while we accurately report disposal consignment manifests and write-off information on the National Hazardous Waste Information Management Platform to ensure full compliance throughout the entire process. Meanwhile, the Group conducts real-time monitoring of the inventory movements of hazardous solid waste and maintain records and timely archival documentation of relevant information to ensure that the management process is traceable and verifiable. During the Reporting Period, the Group achieved 100% compliance in the storage and disposal of hazardous solid waste.
- **Medical Waste:** In accordance with the Regulations on Medical Waste Management and other relevant laws and regulations, the Group strictly regulates the collection, sorting, storage, and end-to-end management of medical waste. We post standardized signage in medical waste holding areas and conduct preliminary disinfection and other pre-treatment operations on relevant solid medical waste; we engage qualified third-party units to handle the transfer and transportation of medical waste in strict compliance with the Administrative Measures for Hazardous Waste Transfer Manifests, ensuring the safe and proper disposal of medical waste, thereby effectively prevents negative impacts on the ecological environment and ensures full compliance throughout the entire process.

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The Group adopted measures to recycle or reuse recyclable waste. The Group hands over non-hazardous waste to the municipal sanitation department for unified removal and has engaged a qualified third-party treatment company to dispose of hazardous waste. The Group also carried out closed-loop control during processes for temporary storage, transshipment and disposal, and endeavored to mitigate risks of hazardous waste leakage. At the same time, we have set up a backup waste disposal program to ensure timely and effective treatment of waste and reduce environmental risks by establishing a backup waste disposal contractor.

6.1.4 Management of Wastewater

To ensure compliance, the Group continuously enhanced its management of wastewater discharge and performs regular inspections. The Group also actively explored water saving opportunities, analyzed water usage, and improved water use efficiency. During the Reporting Period, the Group did not experience any issue with sourcing water.

The wastewater generated from daily operations is mainly industrial wastewater, domestic wastewater and rain. We discharge industrial wastewater, domestic wastewater, and rain in accordance with national discharge permit requirements, and clearly state rules for wastewater discharge to make sure practices are in full compliance with such national laws, regulations and standards. We installed online wastewater testing equipment and engaged a qualified third party to conduct real-time wastewater data monitoring such as Chemical Oxygen Demand (COD), ammonia nitrogen, and pH. After undergoing pretreatment, our wastewater met the discharge standards and was subsequently discharged into the municipal sewage treatment plant for further processing. Meanwhile, to further enhance the management of wastewater discharge, the Group arranged regular water sampling from the catch basin to identify wastewater leakage and address flow issues on a timely basis.

Water conservation remains one of the Group's priorities in environmental protection. To make full use of water resource, the Group posted water-saving notices at water sources and built a cooling pool and a collection tank for storage of recycled water for road cleaning.

In the future, we will continue to strengthen the control of wastewater discharge and ensure the monitoring of wastewater emissions in accordance with the discharge permits and relevant regulatory requirements.

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6.2 Responding to Climate Change

6.2.1 Governance

Our Group continued to enhance its climate change governance system, establishing a climate change governance structure with clear responsibilities. The Board is primarily responsible for formulating and approving strategies and policies related to climate change, ensuring that our performance on climate-related issues meets regulatory requirements and aligns with best practices in the field. The Sustainability Working Group is mainly responsible for implementing the climate-related strategies and policies approved by the Board, and continuously monitoring climate risks and opportunities through internal control system, providing timely updates to the Board on the latest developments.

To effectively guide the Group's climate change initiatives and actions, sustainability-related issues have been formally included into the Board's agenda, ensuring ongoing attention and discussion on climate change issues. Meanwhile, we have conducted internal training sessions and sharing meetings on climate change response for our Board members and senior executives, to ensure that both the Board and management are thoroughly informed about the trends of climate change.

6.2.2 Strategy

Responding to climate change is a core component of the Group's sustainable development strategy. We consistently focused on the impact of climate change on our Group's operations and paid close attention to the associated risks and opportunities. We actively formulated corresponding response strategies and continued to enhance our capabilities to address climate change.

Based on the climate and transition pathway projections published by professional organizations such as the United Nations Intergovernmental Panel on Climate Change (IPCC), the Group shows the following climate scenarios, which serve as a basis for managing climate-related risks and opportunities.

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Scenario Type	Reference Model	Scenario Description
Low-emission scenario (1.5–3°C)	SSP1-2.6	<ul style="list-style-type: none">• Countries have widely recognized the severity of climate change and are gradually stepping up their climate action, introducing stricter climate policies to control and reduce carbon emissions, with the aim of limiting the rise in global average temperatures to well below 2°C.• With continuous technological advancements and growing public awareness of climate issues, global economic and social systems are gradually transitioning toward low-carbon, low-energy consumption models, and production and consumption patterns are becoming increasingly climate-friendly, thereby driving a gradual decline in global carbon dioxide emissions.
High-emission scenario (>3°C)	SSP5-8.5	<ul style="list-style-type: none">• With countries failing to implement strict climate policies, global carbon emissions continue to follow their current trajectory.• By 2055, the global average temperature is projected to rise by more than 2.5°C, which could trigger a range of climate risks, including sea-level rise, abnormal regional weather patterns, and a significant increase in the intensity and frequency of extreme weather events.

Our Group formulates targeted responding strategies and regularly reviews and evaluate the progress and areas for improvement in our climate change initiatives. The climate-related risks identified by our Group primarily include physical risk and transition risk.

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Risk Type	Business Impact	Timeframe	Value Chain Reflection		
			Upstream	In-house Operations	Downstream
Physical risk	<p>Acute physical risk Impact on Normal Operations: Extreme weather events, such as heavy rainfall and flooding, resulting from climate change, may affect the Group's facilities and machinery, impact the Group's normal operations or even lead to production interruptions resulting in reduced output.</p> <p>Extreme weather can affect employee health and safety, increase absenteeism, and, in severe cases, endanger employees' lives, thereby putting pressure on the labor supply.</p> <p>Sudden spikes in energy costs: Key production processes are highly energy-dependent. Energy supply shortages caused by extreme weather, or price volatility in traditional energy price resulting from the low-carbon transition, can directly increase energy consumption costs; switching to renewable energy would also create additional capital investment pressures due to initial equipment upgrades and technology adoption.</p>	Short to medium term		√	

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Risk Type	Business Impact	Timeframe	Value Chain Reflection		
			Upstream	In-house Operations	Downstream
Transition risk	<p>Policy and legal risk</p> <p>Increased costs due to policy changes: As global attention on climate change intensifies, governments around the world may implement stricter environmental regulations and carbon emission standards. The Group may need to invest additional resources in energy saving and emission reduction, carbon footprint accounting, and environmental information disclosure, thereby increasing operational costs.</p> <p>Uncertainty in regulatory requirements: The rapid evolution of policies may pose challenges for the Group in adapting promptly, for example, potentially leading to heightened compliance demands in areas such as carbon emission trading and energy efficiency improvements.</p> <p>Tightening policies may increase compliance risks: Companies will need to adjust the existing operations and processes to adapt to new regulations, such as adopting new low-carbon production methods and processes to ensure compliance, which could lead to the early retirement of existing assets, thereby increasing compliance-related costs and uncertainties.</p>	Long term	√	√	
Technological transition risk	<p>Cost of implementing low-carbon technologies: Vaccine production involves intricate processes and equipment. As the Group transitions to low-carbon technologies and operations, significant financial investment may be required for the research and development of new technologies, the upgrading of energy-efficient equipment, and the modification of processes.</p> <p>Technological compatibility issues: Existing production facilities and processes may not be fully compatible with emerging low-carbon technologies. This could pose challenges for the Group in terms of integrating technologies during the transition phase.</p>	Long term		√	

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Risk Type	Business Impact	Timeframe	Value Chain Reflection		
			Upstream	In-house Operations	Downstream
Market and customer demand shift risk	<p>Growing customer demand for low-carbon products: As environmental awareness among consumers rises, customers may be more inclined to choose low-carbon, green vaccine products and environmentally friendly services. To strengthen its competitive advantages, the Group should proactively adopt strategies that enhance the environmental performance of its products and services. Conversely, failure to do so could result in a reduction in market share and a decline in market demand for our services.</p> <p>Supply chain carbon footprint management: An increasing number of customers are demanding that companies reduce carbon emissions across the entire value chain. The Group may need to collaborate with suppliers to optimize supply chain management in order to meet customers' low-carbon requirements.</p> <p>Market Competition Risk: In the global market, if competitors were to complete the low-carbon transition and costs control first, the Group may face a loss of market share.</p>	Long term	√	√	√
Reputational risk	<p>Public concern over climate responsibility: If the Group is slow to act or performs poorly in responding to climate change, it may face criticism from the public and media, affecting the corporate brand image and reputation.</p> <p>Meanwhile, this situation may also affect the recognition of the Group among some job applicants and current employees, thereby increasing the Group's challenges in talent recruitment and employee retention, and having an adverse impact on the Group's workforce management and planning efforts.</p>	Long term		√	

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Climate change presents both risks and opportunities. Proactively implementing measures to mitigate or adapt to climate change can create additional value for corporate development within the context of low-carbon growth. The Group will continue to focus on opportunities related to climate change and actively explore and promote green transformation.

Opportunity Type	Opportunity Description	Timeframe
<p>Policy and market demand opportunity</p>	<p>Policy support and incentives</p> <p>To respond to climate change and public health challenges, governments offer a range of support measures such as R&D subsidies, tax incentives, and low-interest loans to reduce the costs associated with corporate transformation.</p> <p>Governments around the world promote the green transition of the vaccine industry, encouraging companies to adopt low-carbon and environmentally friendly production processes.</p> <p>Policies promote international collaboration in the vaccine industry, facilitating technological exchange and market expansion.</p> <p>Market expansion and demand growth</p> <p>The vaccine market size continues to expand due to the increasing global aging population and the rising demand for chronic disease prevention and control.</p> <p>Emerging markets and developing countries witness a surge in vaccine demand, with vaccination coverage rates steadily improving.</p> <p>Enhanced public health awareness has led to rapid growth in the adult vaccine market, including vaccines for influenza and HPV.</p> <p>International collaboration and market development</p> <p>The vaccine industry experiences strengthened international cooperation, enabling our Group to share resources and reduce costs through partnerships.</p>	<p>Long term</p>

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Opportunity Type	Opportunity Description	Timeframe
Technological innovation and product upgrade opportunity	<p>Application of new technologies</p> <p>The rapid advancement of biotechnology, genetic engineering and mRNA technology has provided innovative approaches to vaccine R&D and production.</p>	Long term
	<p>Personalized vaccine development</p> <p>Leveraging genetic sequencing and big data analytics, personalized vaccines have emerged as a significant future development direction.</p> <p>Personalized vaccines can be tailored to individual genetic profiles, enhancing both safety and efficacy of vaccines.</p>	
	<p>Green production and sustainable development</p> <p>The Group can adopt environmental production processes and optimize energy utilization, not only reducing carbon emissions but also enhancing brand reputation.</p> <p>Vaccine manufacturers committed to green production are more likely to gain market recognition, aligning with global sustainable development trends.</p>	
Emerging sectors and product segments market opportunity	<p>Emerging vaccine market potential</p> <p>The innovative vaccine market areas such as chronic diseases and oncology, holds immense potential, including therapeutic vaccines and combination vaccines.</p> <p>The R&D and application of novel vaccines will create new growth opportunities for enterprises.</p>	Long term
	<p>Segments market growth</p> <p>The adult vaccine market experiences rapid growth, especially in preventive vaccines and therapeutic vaccines.</p> <p>There is an increasing demand for vaccines targeting specific group, such as the elderly and children, indicating a significant potential in segments market.</p>	

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Opportunity Type	Opportunity Description	Timeframe
Brand and social value opportunity	<p data-bbox="568 394 900 422">Enhancement of brand image</p> <p data-bbox="568 472 1150 610">Actively engaging in global public health initiatives, promoting the widespread and equitable distribution of vaccines, and elevating the company’s social reputation.</p> <p data-bbox="568 659 1150 761">The practices of green production and sustainable development contribute to enhancing the Group’s image among the public and investors.</p> <p data-bbox="568 810 1150 838">Driving sustainable development in the supply chain</p> <p data-bbox="568 888 1150 1058">By continuously strengthening its capacity to address climate change risks, the Group improves supply chain reliability, making both the Group and its suppliers and customers more resilient to climate change challenges.</p> <p data-bbox="568 1108 1150 1246">The Group proactively seeks low-carbon solutions in existing and new markets, collaborating with value chain participants to promote socially sustainable economic development.</p> <p data-bbox="568 1295 900 1323">Contributions to public health</p> <p data-bbox="568 1373 1150 1511">The Group plays a significant role in addressing global public health challenges, meeting worldwide vaccine demand through technological innovation and increased production capacity.</p> <p data-bbox="568 1560 1150 1653">By participating in international vaccine programs, the Group enhances its influence in the global public health field.</p>	Long term

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Based on the assessment of climate-related risks and opportunities, we have formulated an energy saving and emission reduction plan, actively promoting its implementation. We conduct various energy-saving activities, actively advocate the concept of energy saving and carbon reduction to our employees, provide energy-saving recommendations, and encourage employees to practice these measures.

We continuously enhance our energy management to improve energy efficiency and optimize the use of resources such as water, electricity, and steam, thereby reducing unnecessary consumption. Meanwhile, we continue to advance the green and low-carbon transformation of our transportation processes. This includes replacing full truckload shipments with verified cold chain packaging, recycling cold chain packaging materials, reducing the use of dry ice, and intelligently planning transportation routes based on factors such as customer delivery time requirement and transport route, which contribute to the development of a green transportation system and mitigate climate-related impacts.

In addition, the Group actively improved its equipment management and set up a back-up system to minimize the impact of climate change on equipment operations. The Group is always aware of the risks associated with climate change and have established the Comprehensive Emergency Response Plans and Measures during the Reporting Period, which specifies the emergency response mechanism in case of extreme weather conditions such as typhoons and floods, so as to strengthen the Group's risk response level in an all-round manner. We purchase property insurance for the Group's assets to cover potential property losses resulting from physical risks, such as extreme weather. During the Reporting Period, the Group's property insurance expenses amounted to RMB165,000.

6.2.3 Risk Management

The Group has established a set of scientific climate change risk management processes, covering the identification, assessment, prioritization, and management of such risks. We have integrated climate risks into the Group's overall risk management framework, ensuring that climate risks are managed and controlled in conjunction with other risks to enhance the overall effectiveness of our risk management. By analyzing the probability of occurrence and potential impact of climate risks, we develop and prioritize corresponding risk response strategies, and establish a continuous monitoring mechanism to track changes in risks on a regular basis, ensuring the effectiveness of management measures. In addition, through regular reviews and appropriate disclosures, we enhance the transparency and traceability of our climate risk management and ensure it aligns with the Group's strategic direction. Through regular reviews and disclosures, we ensure that our climate risk management is transparent, traceable, and aligned with the Group's overall strategy.

In the future, we will continue to dynamically assess and report on potential climate change-related risks and opportunities. We will promptly develop targeted response measures to continuously enhance our capability to address climate change challenges.

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6.2.4 Metrics and Targets

We continue to advance the management of climate change-related matters. By leveraging our operational characteristics and resource capabilities, we have established a scientific and reasonable ESG metrics system, which provides reliable data support to achieve our greenhouse gas emission reduction targets and other objectives. In 2025, building on the measurement of Scope 1 and Scope 2 greenhouse gas emissions in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), we have added the accounting of Scope 3 Category 6 greenhouse gas emissions from business travel. For relevant metrics, please refer to Appendix 1 ESG Quantitative Performance.

In response to the national dual carbon policy of “reaching peak carbon emissions by 2030 and carbon neutrality by 2060”, the Group has established phased green development goals: in the short term, focusing on establishing a comprehensive greenhouse gas accounting mechanism; in the medium to long term, continuing to increase the proportion of clean energy used and continuously optimizing energy structure. For our sustainability-related goals, please refer to “6.1 Environmental Management”.

7 SOCIAL RESPONSIBILITY

Since its establishment, the Group has remained steadfast in its dedication to both scientific innovation and equitable access, with the goal of delivering safe, high-quality and effective vaccines for China and the world.

Clover insists on source innovation and focuses on the field of respiratory vaccines, hoping to prevent more respiratory infectious diseases with high-quality vaccines, helps reduce the burden of public health!

Joshua Liang, Chief Executive Officer and Executive Director of the Company

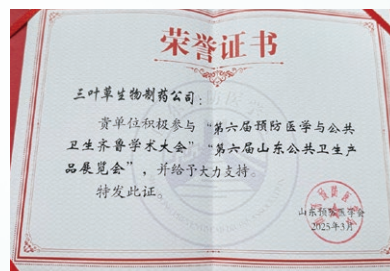
7.1 Helping Improve Health Around the World

The Group has always adhered to the vision of “unleashing the power of innovative vaccines to save lives and improve health around the world”, and practiced the corporate mission of “harnessing transformative science and global partnerships to bring innovative vaccines to populations worldwide”. Through concrete actions, we are deeply committed to community investment, comprehensively contributing to the enhancement of global health.

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Relying on our self-developed and comprehensively validated Trimer-Tag protein trimerization-based vaccine research and development platform, the Group deeply cultivates the respiratory vaccine field and has built a highly differentiated innovative product pipeline. By steadily advancing the clinical development of the RSV (Respiratory Syncytial Virus) vaccine candidate SCB-1019 and RSV respiratory combination vaccine candidates (SCB-1022, SCB-1033, etc.), we focus on the health protection needs of vulnerable and susceptible populations such as the elderly, striving to build a robust health protection barrier for the global public during the season of high incidence of respiratory infections.

In terms of exchange and practice in the public health field, the Group actively participates in industry summits such as the “6th Qilu Academic Conference on Preventive Medicine and Public Health” and the “6th Shandong Public Health Products Exhibition”, proactively integrating into the industry exchange ecosystem and contributing to the healthy development of the industry.



Certificated by Shandong Preventive Medicine Association

Meanwhile, the Company has invested substantial financial, human, and technical resources to provide dedicated support for the surveillance of acute respiratory infections during the respiratory disease season from 2024 to 2025 (October 2024 to May 2025). The initiative aims to obtain epidemiological data on the prevalence characteristics of six common respiratory viruses (including RSV, hMPV, hPIV1, hPIV2, hPIV3, and RAdV) among children aged 2 to 5 years in target regions. Such data not only provides robust epidemiological data to support vaccine research and development but also assists governments and healthcare institutions in promptly identifying trends in the spread of respiratory infectious diseases, optimizing public health decision-making, and effectively reducing the disease burden. In FY2026, the Group plans to further deepen global partnerships, continuously advance community investment and public health protection efforts, while strengthening public awareness of respiratory infectious disease prevention and the critical role of vaccines. We aim to promote the benefits of innovative vaccines to benefit more populations worldwide, contributing scientific strength to building a healthy and harmonious global society.

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7.2 Addressing Unmet Medical Needs

Confronted with clinical demand gaps in the global public health field, the Group takes source innovation at its core, focusing on critical but unmet medical needs in respiratory disease prevention and treatment. Through differentiated vaccine development and clinical advancement, it provides more comprehensive solutions for global public health.

Although the two recombinant protein RSV vaccines currently approved globally demonstrate safety and efficacy, two key unmet clinical needs remain: first, when protective efficacy against RSV infection wanes, the immune boosting effect upon revaccination is suboptimal; second, they cannot effectively prevent respiratory diseases caused by viruses with structures similar to RSV, such as hMPV (human metapneumovirus) and PIV3 (parainfluenza virus type 3). Addressing these pain points, the Group is fully committed to advancing the research and development of its innovative vaccine pipeline. We will continue to explore the significant value of the monovalent RSV vaccine candidate SCB-1019 (an unadjuvanted bivalent RSV PreF-trimer subunit vaccine candidate) in the field of revaccination and anticipates obtaining complete revaccination clinical trial data for this vaccine in 2026. At the same time, we will fully promote the clinical development of respiratory combination vaccine candidates SCB-1022 and SCB-1033, further enhancing their potential differentiated advantages as “first-in-global” and “best-in-class” candidates, aiming to restore protective efficacy for vulnerable and susceptible populations and expand the scope of protection.

In FY2026, the Group plans to invest additional financial, talent, and technical resources to continuously advance the research and development, and clinical trials of respiratory combination vaccines and other innovative vaccines. Adopting a scientific approach centered on “source innovation” and “perseverance”, the Group will tackle the challenges posed by respiratory viral infections. Through the efficient translation of innovative achievements, the Group is committed to effectively addressing unmet medical needs and fulfilling the social responsibility and commitment of an innovative pharmaceutical company in the global public health field.

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APPENDIX 1: ESG QUANTITATIVE PERFORMANCE³

Environmental

Aspects

KPIs ⁴		Unit	2025
Emissions			
A1.1	Nitrogen oxides emissions	KG	0
	Sulfur oxide emissions	KG	0
	Particulate matter emissions	KG	0
A1.3 ⁵	Total hazardous wastes produced	Tonne	51.55
	Total hazardous wastes intensity	Tonne/Person	0.20
A1.4	Total non-hazardous wastes produced	Tonne	0
	Total Non-hazardous wastes intensity	Tonne/Person	0

³ Unless otherwise specified, our Group's environmental KPIs covers the research, production and office areas of the Zhejiang Clover and Sichuan Clover.

⁴ Unless otherwise specified, intensity values of environmental KPIs are calculated based on the total number of employees at Sichuan Clover and Zhejiang Clover in 2025.

⁵ The scope of disclosure of hazardous waste is defined according to the "Directory of National Hazardous Waste (2021 edition) 《國家危險廢物名錄》(2021版)" published by the Ministry of Environmental Protection of the PRC.

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Use of Resources ⁶		Unit	2025
A2.1	Total energy consumption ⁷	'000 kWh	23,150.40
	Total energy intensity	'000 kWh/person	90.08
	Non-renewable fuel (direct) consumption	'000 kWh	2.59
	Petrol consumption	'000 kWh	0
	Diesel consumption	'000 kWh	2.59
	Purchase of energy (indirect) consumption	'000 kWh	23,147.81
	Electricity consumption	'000 kWh	14,034.72
	Steam consumption	'000 kWh	9,113.10
A2.2	Total water consumption	m ³	89,394.00
	Total water consumption intensity	m ³ /Person	347.84
Climate-related Disclosures			
D28	Total GHG emissions (Scope 1+ Scope 2)	Tonne CO ₂ e	11,294.00
	Total GHG emissions intensity (Scope 1+ Scope 2)	Tonne CO ₂ e/Person	43.93
	GHG emissions ⁸ (Scope 1)	Tonne CO ₂ e	5.85
	GHG emissions ⁹ (Scope 2)	Tonne CO ₂ e	11,288.15
	GHG emissions ¹⁰ (Scope 3)	Tonne CO ₂ e	169.08

⁶ The Group did not produce any products during the Reporting Period, therefore, KPI A2.5 of the ESG Guide does not apply to the Group.

⁷ Energy heating value coefficient and calculation methodologies are determined under the “Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions in Enterprises in Other Industries (Trial)” published by the National Development and Reform Commission of the PRC on 6 July 2015.

⁸ GHG emissions (Scope 1) come from the combustion of fuel in stationary sources (diesel and petrol).

⁹ GHG emissions (Scope 2) are measured on a regional basis and come from the consumption of purchased electricity and steam at Sichuan Clover and Zhejiang Clover. According to “Appendix 2: Reporting Guidance on Environmental KPIs” (“Appendix 2”) of “How to prepare an ESG Report?” issued by The Stock Exchange of Hong Kong Limited, the greenhouse gas emission factors of electricity used at Sichuan Clover and Zhejiang Clover refer to the “Baseline Emission Factors of China’s Regional Power Grids for Emission Reduction Projects in 2023 (2023)” published by the Ministry of Ecology and Environment of the PRC on 31 December 2025, while the greenhouse gas emission factors of steam used at Zhejiang Clover refer to the “Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions in Enterprises in Other Industries (Trial)” published by the National Development and Reform Commission of the PRC on 6 July 2015.

¹⁰ In 2025, the Group conducted accounting for greenhouse gas emissions (Scope 3), Category 6 – Business Travel, in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Emission factors were referenced from the U.S. Environmentally Extended Input-Output Model (USEEIO) public database. In the future, we will gradually expand the categories for Scope 3 accounting.

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Social Aspects

KPIs		Unit	2025
Employment			
B1.1	Total number of employees	Person	257
	Number of employees by gender		
	Male	Person	114
	Female	Person	143
	Number of employees by age		
	Under 30	Person	68
	30-50	Person	168
	Above 50	Person	21
	Number of employees by employment type		
	Legal employees	Person	243
	Labor dispatch	Person	14
	Number of employees by geographical region		
	Mainland China	Person	245
	HK, Macau & Taiwan	Person	3
	Other overseas area	Person	9
	Number of employees by employee category¹¹		
	Senior management	Person	3
	Other management	Person	5
	General employee	Person	249

¹¹ During the Reporting Period, the Group defines employee category as the following: Senior management refers to Chief Executive Officer, Chief Science Officer, Global R&D Head. Other management refers to management member of Vice President level and above.

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		Unit	2025
B1.2 ¹²	Turnover rate	%	7.22
	Turnover rate by gender		
	Male	%	5.79
	Female	%	8.33
	Turnover rate by age		
	Under 30	%	4.23
	30-50	%	9.19
	Above 50	%	0
	Turnover rate by geographical region		
	Mainland China	%	7.22
	HK, Macau & Taiwan	%	0
	Other overseas area	%	0
Health and Safety¹³			
B2.1	Number of work-related fatalities	Person	0
	Ratio of work-related fatalities	%	0
B2.2	Day lost due to work-related injury	Day	103
	Hours of health and safety training	Hour	127
	Number of fire drills	Number	1
Development and Training¹⁴			
B3.1	Ratio of employees trained	%	100
	Ratio of employees trained by gender		
	Male	%	44
	Female	%	56
	Ratio of employees trained by employee category		
	Senior Management	%	1
	Other Management	%	2
	General Employees	%	97

¹² Turnover rates are calculated as the number of employees who left employment voluntarily in 2025 divided by the sum of the number of employees who left employment voluntarily and number of employees at the end of the Reporting Period.

¹³ Health and safety related data only covers Zhejiang Clover and Sichuan Clover. There were no work-related fatalities in 2023, 2024 and 2025.

¹⁴ The statistics on the training encompass all employees of the Group, namely the Company and its operating entities disclosed in the Annual Report.

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		Unit	2025
B3.2	Average training hours per employee	Hour	5.84
	Average training hours per employee by gender		
	Male	Hour	5.80
	Female	Hour	5.90
	Average training hours per employee by employee category		
	Senior Management	Hour	5.00
	Other Management	Hour	6.00
	General Employees	Hour	5.80
Labour Standards			
B4.1	Incident of child or forced labour	Person	0
Supply Chain Management¹⁵			
B5.1	Total number of suppliers	Number	848
	Number of suppliers by geographical region		
	Mainland China	Number	718
	Outside Mainland China	Number	130
Anti-corruption			
B7.1	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees	Number	0
B7.3	Hours of anti-corruption Training for Board members	Hour	1
	Hours of anti-corruption Training for employees	Hour	14

¹⁵ KPI B5.2 of the ESG Guide are disclosed in the Sustainable Supply Chain section of the ESG Report.

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APPENDIX 2: CONTENT INDEX OF THE ESG REPORTING GUIDE

ESG Indicator		Section
Mandatory Disclosure Requirements		
Governance Structure		
(i)	a disclosure of the board's oversight of ESG issues;	2.2
(ii)	the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	2.2
(iii)	how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	2.2
Reporting Principles		
Materiality	The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement misconducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	1.2
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	1.2
Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used (if any), or any other relevant factors affecting a meaningful comparison.	1.2
Reporting Boundary		
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	1.3

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ESG Indicator		Section
Part C: "Comply or explain" Provisions		
Aspect A1: Emissions		
General Disclosure	Information on:	6.1
	(a) the policies; and	6.3
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
	Note: Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	
KPI A1.1	The types of emissions and respective emissions data.	Appendix 1
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 1
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix 1
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.1 6.2
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.1 6.3
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.1 6.2
	Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Appendix 1
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix 1
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.1 6.2
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	6.1 6.3
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix 1

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ESG Indicator		Section
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	6.1 6.3
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.1 6.3
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Appendix 1
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix 1
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.3
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 1
KPI B2.2	Lost days due to work injury.	Appendix 1
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.3

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ESG Indicator		Section
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	5.2
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 1
KPI B3.2	The average training hours completed per employee by gender and employee category.	Appendix 1
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.2
KPI B5.1	Number of suppliers by geographical region.	Appendix 1
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	4.2
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.2
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.2

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ESG Indicator		Section
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.1
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix 2 ¹⁶
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	3.1
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.3
KPI B6.4	Description of quality assurance process and recall procedures.	3.1
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.3
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.1
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4.1
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.1
KPI B7.3	Description of anti-corruption training provided to directors and staff.	4.1 Appendix 1

¹⁶ During the Reporting Period, we have no recall cases of products sold or shipped or for safety or health reasons.

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ESG Indicator		Section
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7.1
		7.2
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7.1
		7.2
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	7.1
		7.2
Part D: Climate-related Disclosures		
(I) Governance		
	Paragraph 19	6.2
(II) Strategy		
Climate-related Risks and Opportunities	Paragraph 20	6.2
Business Model and Value Chain	Paragraph 21	6.2
Strategy and Decision-Making	Paragraph 22	6.2
	Paragraph 23	3.2
		7.1
		7.2
Financial Position, Financial Performance and Cash Flows	Paragraph 24	6.2
	Paragraph 25	After assessment, the Group believes that the measurement methods used to evaluate the expected financial impacts involve excessively high uncertainty, and the quantified information from such estimates is not considered meaningful. Therefore, this report does not disclose relevant content at this stage.
Climate Resilience	Paragraph 26	6.2

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Indicator		Section
(III) Risk Management		
	Paragraph 27	6.2
(IV) Metrics and Targets		
Greenhouse Gas Emissions	Paragraph 28	Appendix 1
	Paragraph 29	Appendix 1
Climate-related Transition Risks	Paragraph 30	After assessment, the Group currently has no assets materially affected by climate-related transition risks and physical risks, and currently has no assets involving climate-related opportunities.
Climate-related Physical Risks	Paragraph 31	
Climate-related Opportunities	Paragraph 32	
Capital Allocation	Paragraph 33	After assessment, the Group's expenditures related to climate-related risks and opportunities involve only operating expenses and currently do not involve capital expenditure, financing, or investment.
Internal Carbon Pricing	Paragraph 34	As of the end of this reporting period, the Group has not applied carbon pricing in its decision-making (including but not limited to investment decisions and scenario analysis), nor has it set a price per tonne of greenhouse gas emissions for assessing the cost of such emissions.
Remuneration	Paragraph 35	As of the end of this reporting period, the Group has not incorporated climate-related considerations into its remuneration policies.
Industry-based Metrics	Paragraph 36	Paragraph 36 encourages disclosure; this report does not currently disclose related content at this stage.
Climate-Related Targets	Paragraph 37 Paragraph 38 Paragraph 39 Paragraph 40	The Group is currently preparing the setting of quantitative climate-related targets and will consider disclosing relevant information in future annual ESG reports.
Applicability of Cross-Industry and Industry-Based Metrics	Paragraph 41	In preparing disclosures to comply with the requirements of paragraphs 21 to 26 and 37 to 38, the Group has referred to cross-industry and industry-based metrics and considered their applicability.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Clover Biopharmaceuticals, Ltd.
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Clover Biopharmaceuticals, Ltd. (the “Company”) and its subsidiaries (the “Group”) set out on pages 136 to 218, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities, we have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER – MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB205,092,000 during the year ended 31 December 2025 and the Group had net liabilities of RMB1,797,319,000 as of 31 December 2025. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate the existence of material uncertainty which 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.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment of long-lived assets	
<p>As at 31 December 2025, the carrying amount and impairment of the Group's long-lived assets was RMB122,087,000 and RMB14,007,000, respectively.</p> <p>Management assessed that there were indicators of impairment for the long-lived assets allocated to the cash-generating unit ("CGU") of research and development ("R&D") and manufacturing of vaccine products ("vaccine CGU") with carrying amount of RMB96,800,000, because the vaccine pipelines of the Group are still under development. Therefore, management conducted impairment testing on the vaccine CGU by comparing the carrying amount with the recoverable amount of the vaccine CGU, which is the higher of value in use and fair value less costs of disposal.</p> <p>The testing process is relatively complicated and involves significant estimates and judgements, subjective assumptions and estimation uncertainties of the management. The impairment testing is significant to our audit.</p> <p>The Group's disclosures about the impairment of long-lived assets are set out in note 2.4, note 3, note 7 and note 15.</p>	<ul style="list-style-type: none"> • We obtained an understanding of the management's internal control and assessment process of estimation of recoverable amounts of the long-lived assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity and susceptibility to management bias; • We reviewed management's assessment of impairment indicators and management's identification of CGUs and allocation of assets to each CGU; • We reviewed the future cash flow forecast and key assumptions adopted by the management; • We involved our valuation specialist to assist us in reviewing the key valuation parameters such as the discount rates and the valuation model used in the forecasted cash flows; • We performed sensitivity analysis on the discounted cash flow forecast; and • We reviewed the appropriateness and completeness of the disclosures in the consolidated financial statements. <p>Based on the procedures performed, we considered that management's judgements and estimation in the impairment assessment of long-lived assets were supported by the evidence we gathered.</p>

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Wang Jun Ying

Practising Certificate Number: P07970

Hong Kong

25 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	3,505	38,419
Cost of sales	8	(765)	(16,841)
Gross profit		2,740	21,578
Other income and gains	6	54,098	97,215
Selling and distribution expenses		(5,070)	(19,705)
Administrative expenses		(66,332)	(75,172)
Research and development expenses		(182,338)	(183,387)
Other expenses	7	(7,813)	(738,201)
Finance costs	9	(377)	(5,756)
LOSS BEFORE TAX	8	(205,092)	(903,428)
Income tax expense	12	–	–
LOSS FOR THE YEAR		(205,092)	(903,428)
Attributable to:			
Owners of the parent		(205,092)	(903,428)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (EXPRESSED IN RMB PER SHARE)	14		
Basic and diluted		(0.16)	(0.72)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2025

	2025 RMB'000	2024 RMB'000
LOSS FOR THE YEAR	(205,092)	(903,428)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	(119,682)	79,277
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(119,682)	79,277
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	156,582	(95,577)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	156,582	(95,577)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	36,900	(16,300)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(168,192)	(919,728)
Attributable to:		
Owners of the parent	(168,192)	(919,728)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	90,390	107,439
Right-of-use assets	16	4,084	8,742
Intangible assets	17	27,613	33,354
Total non-current assets		122,087	149,535
CURRENT ASSETS			
Inventories	18	9,860	11,031
Trade receivables	19	3	40,993
Prepayments, other receivables and other assets	20	39,947	39,890
Financial assets at fair value through profit or loss	21	14,621	14,780
Time deposits and restricted cash	22	3,774	11,504
Pledged deposits	22	–	143,768
Cash and cash equivalents	22	267,629	401,243
Total current assets		335,834	663,209
CURRENT LIABILITIES			
Trade payables	23	107,988	120,453
Other payables and accruals	24	59,415	88,411
Derivative financial instruments	25	–	200
Interest-bearing bank borrowings	26	–	73,966
Contract liabilities	27	1,572,621	1,612,450
Lease liabilities	16	10,613	12,183
Total current liabilities		1,750,637	1,907,663
NET CURRENT LIABILITIES		(1,414,803)	(1,244,454)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,292,716)	(1,094,919)
NON-CURRENT LIABILITIES			
Lease liabilities	16	–	3,495
Deferred income	28	3,400	25,300
Non-current portion of trade payables	23	501,203	512,584
Total non-current liabilities		504,603	541,379
NET LIABILITIES		(1,797,319)	(1,636,298)
EQUITY			
Equity attributable to owners of the parent			
Share capital	30	839	838
Treasury shares	30	(23)	(26)
Reserves	32	(1,798,135)	(1,637,110)
TOTAL DEFICIT		(1,797,319)	(1,636,298)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2025

Year ended 31 December 2025	Attributable to owners of the parent							
	Share capital RMB'000 (note 30)	Treasury shares RMB'000 (note 30)	Merger reserve RMB'000 (note 32(a))	Share premium RMB'000 (note 32(b))	Share-based compensation reserve RMB'000 (note 32(c))	Exchange fluctuation reserve RMB'000 (note 32(d))	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2025	838	(26)	51,703	8,653,746	70,681	130,456	(10,543,696)	(1,636,298)
Loss for the year	-	-	-	-	-	-	(205,092)	(205,092)
Other comprehensive (loss)/income for the year:								
Exchange differences on translation of the Company	-	-	-	-	-	(119,682)	-	(119,682)
Exchange differences on translation of foreign operations	-	-	-	-	-	156,582	-	156,582
Total comprehensive (loss)/income for the year	-	-	-	-	-	36,900	(205,092)	(168,192)
Share-based compensation	-	-	-	-	6,687	-	-	6,687
Vesting of restricted share units	-	3	-	14,573	(14,576)	-	-	-
Exercise of share options	1	-	-	1,337	(854)	-	-	484
At 31 December 2025	839	(23)	51,703*	8,669,656*	61,938*	167,356*	(10,748,788)*	(1,797,319)
Year ended 31 December 2024	Attributable to owners of the parent							
	Share capital RMB'000 (note 30)	Treasury shares RMB'000 (note 30)	Merger reserve RMB'000 (note 32(a))	Share premium RMB'000 (note 32(b))	Share-based compensation reserve RMB'000 (note 32(c))	Exchange fluctuation reserve RMB'000 (note 32(d))	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2024	838	(30)	51,703	8,620,777	87,391	146,756	(9,640,268)	(732,833)
Loss for the year	-	-	-	-	-	-	(903,428)	(903,428)
Other comprehensive (loss)/income for the year:								
Exchange differences on translation of the Company	-	-	-	-	-	79,277	-	79,277
Exchange differences on translation of foreign operations	-	-	-	-	-	(95,577)	-	(95,577)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(16,300)	(903,428)	(919,728)
Share issue expenses	-	-	-	(20)	-	-	-	(20)
Share-based compensation	-	-	-	-	16,278	-	-	16,278
Vesting of restricted share units	-	4	-	30,227	(30,231)	-	-	-
Exercise of share options	**	-	-	2,762	(2,757)	-	-	5
At 31 December 2024	838	(26)	51,703*	8,653,746*	70,681*	130,456*	(10,543,696)*	(1,636,298)

* These reserve accounts comprise the consolidated reserves of RMB(1,798,135,000) as at 31 December 2025 (2024: RMB(1,637,110,000)) in the consolidated statement of financial position.

** The amount is less than RMB1,000.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(205,092)	(903,428)
Adjustments for:			
Interest income	6	(6,329)	(23,685)
Finance costs	9	377	5,756
Depreciation of property, plant and equipment	15	17,066	28,406
Depreciation of right-of-use assets	16	4,415	5,627
Amortisation of intangible assets	17	5,741	6,290
Gain on disposal of property, plant and equipment	6, 7	(12)	(28)
Loss/(gain) on disposal of right-of-use assets	6, 7	21	(2,257)
Loss on disposal of intangible assets	7	–	289
Impairment of property, plant and equipment	7	–	14,007
Share-based compensation expenses	31	6,687	16,278
Foreign exchange differences, net	6, 7	(11,456)	23,657
(Reversal of inventory provision)/Write-down of inventories to net realisable value	7	(565)	694,521
Fair value loss on derivative instruments	7	–	197
Fair value changes of financial assets at fair value through profit or loss	6	(171)	(399)
		(189,318)	(134,769)
Decrease/(increase) in inventories		1,735	(8,574)
Decrease/(increase) in trade receivables		40,990	(16,887)
(Increase)/decrease in prepayments, other receivables and other assets		(227)	28,910
Decrease in trade payables		(11,823)	(127,376)
Decrease in other payables and accruals		(28,512)	(69,016)
Increase in contract liabilities		–	34,605
Decrease in deferred income		(14,000)	(19,064)
Cash used in operations		(201,155)	(312,171)
Interest received		6,329	23,685
Net cash flows used in operating activities		(194,826)	(288,486)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(33)	(1,133)
Purchases of intangible assets		–	(495)
Proceeds from disposal of property, plant and equipment		21	72
Decrease in time deposits and restricted deposits		–	4,724
Net cash flows (used in)/from investing activities		(12)	3,168
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans		20,000	80,277
Repayment of bank loans		(93,988)	(314,609)
Interest paid		(754)	(5,617)
Lease payments	16	(5,122)	(11,145)
Share issue expenses		–	(20)
Proceeds from exercise of options		484	5
Decrease in pledged deposits		143,768	199,610
Net cash flows from/(used in) financing activities		64,388	(51,499)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		401,243	735,864
Effect of foreign exchange rate changes, net		(3,164)	2,196
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	271,403	556,515
Cash and cash equivalents as stated in the statement of financial position		271,403	556,515
Time deposits and restricted cash	22	(3,774)	(11,504)
Pledged deposits	22	–	(143,768)
Cash and cash equivalents as stated in the consolidated statement of cash flows		267,629	401,243

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 31 October 2018. The registered address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the year, the Group was principally engaged in the research and development, manufacture and commercialisation of innovative vaccines.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") effective from 5 November 2021.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Clover Biopharmaceuticals (Hong Kong) Co., Limited ("Clover HK")	Hong Kong 30 November 2018	HKD3,969,902,390	100%	–	Investment holding
Sichuan Clover Biopharmaceuticals, Inc. ("Clover Sichuan")* 四川三葉草生物製藥有限公司	People's Republic of China ("PRC")/Mainland China** 4 June 2007	RMB1,598,796,254	–	100%	Research and development
Clover Biopharmaceuticals AUS Pty Ltd. ("Clover AUS")	Australia 6 June 2017	AUD119,717,637	100%	–	Research and development
Zhejiang Clover Biopharmaceuticals, Inc. ("Clover Zhejiang")* 浙江三葉草生物製藥有限公司	PRC/Mainland China*** 23 August 2016	RMB260,000,000	–	100%	Research and development
Clover Biopharmaceuticals (Beijing) Co., Ltd. ("Clover Beijing")* 克洛菲生物製藥(北京)有限公司	PRC/Mainland China*** 1 September 2020	RMB1,000,000	–	100%	Research and development
Clover Biopharmaceuticals USA, LLC ("Clover USA")	United States 6 March 2020	USD50,000	–	100%	Research and development

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name	Place and date of incorporation/ registration and place of operations	Nominal value of ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Clover Biopharmaceuticals (Shanghai) Co., Ltd. ("Clover Shanghai")* 愷洛菲生物製藥(上海)有限公司	PRC/Mainland China*** 9 February 2021	RMB21,000,000	-	100%	Research and development
Clover Biopharmaceuticals Ireland Limited ("Clover Ireland")	Ireland 14 April 2021	EUR1	-	100%	Research and development
Clover Biopharmaceuticals UK Ltd. ("Clover UK")****	England and Wales 13 October 2021	GBP475	-	100%	Research and development
Zhejiang Clover Biomedical Management Co., Ltd.* 浙江三葉草生物醫藥經營有限公司	PRC/Mainland China*** 8 November 2023	RMB10,000,000	-	100%	Sale of Biopharmaceutical drugs

* The English names of the companies registered in the PRC represent the best efforts made by management of the Company to translate the Chinese names of the companies as they do not have official English names.

** Registered as a wholly-foreign-owned enterprise under PRC law.

*** Limited liability companies established in PRC.

**** The company is in the process of liquidation.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB and the Hong Kong Companies Ordinance. They have been prepared on a historical cost basis, except for financial assets and liabilities (including derivative instruments) that have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.1 BASIS OF PREPARATION (CONTINUED)

Going concern basis

These financial statements have been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the next twelve months after 31 December 2025 notwithstanding that as at 31 December 2025, the Group had net liabilities of RMB1,797,319,000 primarily attributable to contract liabilities of RMB1,572,621,000 and non-current trade payables of RMB501,203,000 and incurred a net loss of RMB205,092,000 for the year ended 31 December 2025. The Group was involved in a dispute with the Global Alliance for Vaccines and Immunization (“GAVI”) in relation to the contract liabilities which represented the advanced payment received from GAVI amounting to USD224,000,000 or equivalent to RMB1,572,621,000, which resulted in a notice of termination, a claim for repayment and subsequent arbitration proceedings initiated by GAVI in 2025.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to maintain the Group’s cashflow situation. The measures taken by the Group include, but not limited to, the following:

- (i) On 22 March 2026, the Group entered into a settlement agreement with GAVI (the “**Settlement Agreement**”), pursuant to which the arbitration proceedings between the parties will be fully and finally resolved, and all claims asserted by GAVI in connection with the arbitration will be withdrawn and released upon payment of an agreed upfront amount. The Settlement Agreement was entered into for commercial considerations and does not constitute any admission of liability by either party. Under the Settlement Agreement, the Group has agreed to make (i) a one-off upfront cash payment to GAVI of USD7 million, (ii) future semi-annual deferred cash payments of USD1.5 million or a low single-digit percentage of the Group’s cash balance (whichever is higher), and (iii) future contingent success-based cash payments based on mid-to-high single-digit percentages of the Group’s future cash receipts (including from financings, business development and product sales). The maximum cumulative amount of future payments (combined from deferred cash payments and contingent success-based cash payments) will be capped in the mid double-digit millions of dollars, with earlier payment over the 12-year term of the Settlement Agreement being eligible for applicable discounts. The directors have considered the expected cash outflows under the Settlement Agreement in the Group’s cash flow projections. The Settlement Agreement is expected to provide greater visibility for Group’s future and its ability to potentially achieve its core strategic priorities.

2.1 BASIS OF PREPARATION (CONTINUED)

Going concern basis (Continued)

- (ii) The Group has implemented a range of strategies and initiatives to strengthen its capital base and preserve liquidity, which include but not limited to raising new capital or financing, reprioritization of pipelines investments, and reduction of non-core expenditures, including general and administrative expenses.
- (iii) The Group will continue to explore strategic collaborations and alternative financing opportunities which, if successful, are expected to further improve the Group's liquidity position.

The board of directors have reviewed the Group's cash flow projections prepared by management, which cover a period of twelve months from 31 December 2025. Based on these projections, and taking into account the above-mentioned plans and measures, the directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months after 31 December 2025. Accordingly, the directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The directors acknowledge that the Group's ability to continue as a going concern is dependent on the successful implementation of the above-mentioned plans and measures, including raising new capital or financing, implementing cost control initiatives and achieving strategic collaborations. While there can be no assurance that these plans and measures will be successfully implemented, the directors consider that the going concern basis of preparation remains appropriate.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosure²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>

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

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

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

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 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 accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statements of comprehensive income.

NOTES TO FINANCIAL STATEMENTS

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2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Machinery	10%
Electronic and other equipment	20% to 33%
Vehicles	25%
Leasehold improvements	Over the shorter of the residual useful life and lease terms

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Intangible assets not yet available for use are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (Continued)

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 3 to 10 years. The estimated useful life of software is determined by considering the period of the economic benefits to the Group as well as by referring to the industry practice.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

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

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Categories	Estimated useful lives
Leasehold buildings	2 to 4 years
Office equipment	3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of offices, machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, derivative financial instruments, interest-bearing bank borrowings and financial liabilities included in other payables and accruals.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows. Otherwise, the financial liabilities are classified in interest-bearing bank and other borrowings in the statement of financial position and the related cash flows are included in financing activities in the statement of cash flows.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables and borrowings)

After initial recognition, trade and other payables, interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign exchange swap, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the year, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business consolidation and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO FINANCIAL STATEMENTS

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of vaccines

Revenue from the sale of vaccines is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the vaccines or receipt of the vaccines by customers.

Contracts for the sale of vaccines provide customers with rights of return, giving rise to variable consideration.

Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

NOTES TO FINANCIAL STATEMENTS

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Share-based compensation

The Company operates a share option scheme and a restricted share unit scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share-based compensation (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options and restricted share units is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

NOTES TO FINANCIAL STATEMENTS

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2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period, and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed dividends are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

The functional currencies of the Company and certain overseas subsidiaries are currencies other than RMB. The functional currency of the Company is the United States Dollar (“USD”). As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period, and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Revenue from contracts with customers

The Group applied the following judgement that significantly affects the determination of the amount and timing of revenue from contracts with customers:

Determining the method to estimate variable consideration and assessing the constraint for the sale of vaccines:

Contracts for the sale of vaccines include a right of return that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of vaccines with rights of return.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of buildings due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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

Variable consideration for returns

The Group estimates variable consideration to be included in the transaction price for the sale of vaccines with rights of return.

The Group has developed a statistical model for forecasting sales returns. The model used the collected vaccination data of vaccine products to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration.

The Group updates its assessment of expected returns annually and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future. As at 31 December 2025, the amount recognised as refund liabilities for the expected returns was nil (2024: RMB18,219,000).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each of the reporting period. Intangible assets not yet available for intended use are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for inventories

The Group reviews the carrying amounts of the inventories at the end of each of the reporting period to determine whether the inventories are carried at the lower of cost and net realisable value. The net realisable value is estimated based on current market situation and historical experience. Any change in the assumptions would increase or decrease the amount of inventories written down or the related reversals of write-down and affect the Group's financial position.

Useful lives of intangible assets

The intangible assets are amortised on the straight-line basis by taking into account the residual value. The Group reviews the estimated useful lives on an annual basis to determine the related amortisation charges for its intangible assets. The estimation is based on the legal protection period, with consideration of market condition. Management will increase the amortisation charges when useful lives become shorter than previously estimated.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and the related depreciation charge for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation charge in the future periods.

Accrual of research and development costs

The Group engages contract research organisations ("CROs") and contract development and manufacturing organisations ("CDMOs") (collectively referred as "Outsourced Service Providers") to conduct, supervise, and monitor the Group's clinical trials, or to develop manufacturing processes to support the Group's own manufacturing capacities. Determining the amounts of research and development costs incurred up to the end of each reporting period requires the management of the Group to estimate and measure the progress of receiving research and development services under the contracts with Outsourced Service Providers using inputs such as number of patient enrolments, time elapsed and milestone achieved when the Group has not yet been invoiced or otherwise notified of the actual costs.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Fair value measurement of share-based compensation

The Group has set up the share option scheme and granted options to the Group's employees, and granted restricted share units to the Company's directors and the Group's consultants. The fair value of the options is determined by the binomial option-pricing model at the grant dates for options granted to directors and employees, and at the service provision dates for the consultants. Significant estimates on assumptions, including the underlying equity value, discount rate, expected volatility, and dividend yield, are made by management. Further details are included in note 31 to the financial statements.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the losses can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. Further details are included in note 12 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one operating segment, which is the research and development, manufacturing and commercialisation of innovative vaccines. Since this is the only reportable operating segment of the Group, no further operating segment analysis therefore is presented.

Geographical information

(a) *Revenue from external customers*

	2025 RMB'000	2024 RMB'000
Mainland China	3,505	35,177
Korea	–	3,242
Total	3,505	38,419

The revenue information of continuing operations above is based on the locations of the customers.

(b) *Non-current assets*

	2025 RMB'000	2024 RMB'000
Mainland China	122,087	149,535

The non-current asset information above is based on the locations of the assets.

Information about a major customer

Revenue amounting to RMB3,189,000 (2024: RMB35,178,000) was derived from sales to a single customer.

NOTES TO FINANCIAL STATEMENTS

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5. REVENUE

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
<i>Revenue from contracts with customers</i>	3,505	38,419

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of good		
Vaccines	3,189	35,177
Adjuvant	–	3,242
Others	316	–
Total	3,505	38,419
Timing of revenue recognition		
Goods transferred at a point in time	3,505	38,419

(b) Performance obligations

Sale of vaccines

The performance obligation is satisfied upon delivery of the vaccines or receipt of the vaccines by customers and payment is generally due within 3 months to 1 year from release or delivery. The contracts provide customers with rights of return which give rise to variable consideration subject to constraint.

Sale of adjuvant

The performance obligation is satisfied upon receipt of the adjuvant to customers and payment is generally due within 1 month from delivery. The amounts disclosed above do not include variable consideration which is constrained.

NOTES TO FINANCIAL STATEMENTS

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6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Government grants*	33,934	14,760
Foreign exchange differences, net	11,456	–
Bank interest income	6,329	23,685
Fair value gains, net:		
Financial assets at fair value through profit or loss	171	399
Gain on disposal of property, plant and equipment	12	32
Waiver of trade payables**	–	34,690
Funding from Coalition for Epidemic Preparedness Innovations (“CEPI”)**	–	19,574
Gain on disposal of right-of-use assets (note 16)	–	2,257
Rental income (note 16)	–	1,192
Others	2,196	626
Total	54,098	97,215

* Government grants have been received from the local government authorities to support the subsidiaries' research and development activities and purchase of certain items of property, plant and equipment. There are no unfulfilled conditions related to these government grants.

** In June 2024, the Group entered into a settlement agreement with one of its vendors, pursuant to which the vendor waived part of the Group's payables under the service agreement between the two parties as an incentive for the Group to settle the amount due to the vendor. This waiver of debt is recognised in other income and gains, as all contractual obligations under the service agreement have been fulfilled by the vendor, and no additional services or goods are to be exchanged for the waived liability.

*** Funding received from CEPI amounting to RMB19,574,000 was recognised in other income because the conditions attached to the funding have been fulfilled during the year ended 31 December 2024.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

7. OTHER EXPENSES

	2025 RMB'000	2024 RMB'000
Severance costs	3,902	1,893
Loss on disposal of right-of-use assets (note 16)	21	–
(Reversal of inventory provision)/write-down of inventories to net realisable value (note 18)	(565)	694,521
Foreign exchange differences, net	–	23,657
Impairment of property, plant and equipment (note 15)	–	14,007
Loss on disposal of intangible assets	–	289
Net fair value loss on foreign exchange swap	–	197
Loss on disposal of property, plant and equipment	–	4
Others	4,455	3,633
Total	7,813	738,201

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		765	16,841
Research and development costs (excluding related employee benefit expenses, depreciation and amortisation)		75,808	51,971
Depreciation of property, plant and equipment	15	17,066	28,406
Depreciation of right-of-use assets	16	4,415	5,627
Amortisation of intangible assets	17	5,741	6,290
Lease payments not included in the measurement of lease liabilities	16	347	575
Auditor's remuneration		2,266	2,353
Employee benefit expenses (including directors' and chief executive's remuneration):			
Wages, salaries and welfare		104,594	136,626
Pension scheme contributions		7,678	11,698
Share-based compensation expenses		6,343	14,584
Total of employee benefit expenses		118,615	162,908

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

9. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank loans	56	5,104
Interest on lease liabilities (note 16)	321	652
Total	377	5,756

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	3,304	1,168
Other emoluments:		
Salaries, bonuses, allowances and benefits in kind	5,806	4,393
Share-based compensation expenses*	6,019	18,199
Subtotal	11,825	22,592
Total	15,129	23,760

During the year, certain directors were granted share options and restricted share units, in respect of their services to the Group, under the share option scheme and restricted share unit scheme of the Company, further details of which are set out in note 31 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

* Share-based compensation is settled in equity.

NOTES TO FINANCIAL STATEMENTS

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10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Share-based compensation expenses RMB'000	Fees RMB'000	Total remuneration RMB'000
Year ended 31 December 2025			
Dr. WU Xiaobin	326	535	861
Mr. LIAO Xiang	326	635	961
Mr. Jeffrey Farrow	326	450	776
Mr. Thomas Leggett	326	564	890
Total	1,304	2,184	3,488
Year ended 31 December 2024			
Dr. WU Xiaobin	1,870	239	2,109
Mr. LIAO Xiang	1,870	218	2,088
Mr. Jeffrey Farrow	1,870	154	2,024
Mr. Thomas Leggett	1,870	268	2,138
Total	7,480	879	8,359

There were no other emoluments payable to the independent non-executive directors during the year (2024: nil).

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31 DECEMBER 2025

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and the chief executive

	Salaries, bonuses, allowances and benefits in kind RMB'000	Share-based compensation expenses RMB'000	Fees RMB'000	Total remuneration RMB'000
Year ended 31 December 2025				
Executive directors:				
Dr. LIANG Peng	3,843	546	–	4,389
Mr. LIANG Joshua G (chief executive)*	1,963	3,545	–	5,508
Subtotal	5,806	4,091	–	9,897
Non-executive directors:				
Dr. Xiaodong Wang	–	326	435	761
Dr. Donna Marie Ambrosino	–	149	389	538
Dr. Ralf Leo Clemens	–	149	296	445
Subtotal	–	624	1,120	1,744
Total	5,806	4,715	1,120	11,641
Year ended 31 December 2024				
Executive directors:				
Dr. LIANG Peng	4,393	1,493	–	5,886
Mr. LIANG Joshua G (chief executive)**	–	6,664	–	6,664
Subtotal	4,393	8,157	–	12,550
Non-executive directors:				
Dr. Xiaodong Wang	–	1,870	139	2,009
Dr. Donna Marie Ambrosino	–	346	75	421
Dr. Ralf Leo Clemens	–	346	75	421
Subtotal	–	2,562	289	2,851
Total	4,393	10,719	289	15,401

* Mr. Joshua Liang has agreed to waive the cash-based base salary for the year 2025.

** Mr. Joshua Liang has agreed to waive the cash based compensation for the year 2024.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 31 December 2025 included two executive directors (2024: included two executive directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries, bonuses, allowances and benefits in kind	10,222	8,975
Pension scheme contributions	1,741	1,517
Share-based compensation expenses	946	3,147
Total	12,909	13,639

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December	
	2025	2024
HKD3,000,001 to HKD3,500,000	1	–
HKD3,500,001 to HKD4,000,000	1	1
HKD4,500,001 to HKD5,000,000	–	1
HKD6,000,001 to HKD6,500,000	1	1
Total	3	3

During the year ended December 31, 2025, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

12. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong. The first HKD2,000,000 (2024: HKD2,000,000) of assessable profits of this subsidiary are subject to 8.25% (2024: 8.25%) and the remaining assessable profits are subject to 16.5% (2024: 16.5%).

NOTES TO FINANCIAL STATEMENTS

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12. INCOME TAX (CONTINUED)

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% (2024: 25%) on the taxable income.

Australia

The subsidiary incorporated in the Australia is subject to Australia statutory corporate income tax at a rate of 25% (2024: 25%).

United States of America

The subsidiary incorporated in Delaware, United States was subject to statutory United States federal corporate income tax at a rate of 21% (2024: 21%) during the year.

United Kingdom

The subsidiary incorporated in the United Kingdom is subject to corporation income tax on its worldwide profits at 19% (2024: 19%) during the year.

Ireland

The subsidiary incorporated in Ireland is subject to Ireland corporate income tax at a rate of 25% (2024: 25%) on the estimated assessable profits arising in Ireland during the year.

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the jurisdiction in which the majority of the Group's subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates is as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(205,092)	(903,428)
Tax at the statutory tax rate of 25%	(51,273)	(225,857)
Effect of tax rate differences in other jurisdictions	3,579	7,977
Expenses not deductible for tax	78	10,166
Additional deductible allowance for qualified research and development costs	(22,943)	(19,292)
Tax losses utilised from previous periods	(11)	(15,604)
Deductible temporary differences not recognised	(29,319)	125,318
Tax losses not recognised	99,889	117,292
Tax charge at the Group's effective tax rate	—	—

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

12. INCOME TAX (CONTINUED)

The Group had accumulated tax losses of RMB3,587,135,000 (2024: RMB3,112,281,000) as at 31 December 2025, out of which the Group's entities in the Mainland China had accumulated tax losses of RMB2,735,087,000 (2024: RMB2,383,675,000), while the Group's overseas entities had accumulated tax losses of RMB852,048,000 (2024: RMB728,606,000). Tax losses in the Mainland China are available for a maximum of five years for offsetting against future taxable profits of the companies in which the losses arose, while the tax losses incurred by overseas entities can be carried forward without a period limit.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

13. DIVIDENDS

No dividends have been declared or paid by the Company for the year ended 31 December 2025 (2024: nil).

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent of RMB205,092,000 (2024: RMB903,428,000) and the weighted average number of ordinary shares. The weighted average number of shares for the year ended 31 December 2025 was determined based on 1,260,362,713 shares outstanding during the year (2024: 1,253,673,382).

As the Group incurred losses, no adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2025 (2024: nil) as the impact of the share options and restricted share units outstanding had an anti-dilutive effect on the basic loss per share amount presented. Accordingly, the dilutive loss per share amounts for the years ended 31 December 2025 and 2024 are the same as the basic loss per share amounts.

The calculations of basic and diluted loss per share are based on:

	2025 RMB'000	2024 RMB'000
Loss		
Loss attributable to owners of the parent, used in the basic loss per share calculation:	(205,092)	(903,428)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic loss per share calculation:	1,260,362,713	1,253,673,382

NOTES TO FINANCIAL STATEMENTS

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15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery RMB'000	Electronic and other equipment RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	29,799	114,529	43,123	291	24,168	14,007	225,917
Accumulated depreciation and impairment	(5,422)	(37,503)	(39,510)	(291)	(21,745)	(14,007)	(118,478)
Net carrying amount	24,377	77,026	3,613	-	2,423	-	107,439
At 1 January 2025, net of accumulated depreciation	24,377	77,026	3,613	-	2,423	-	107,439
Additions	-	25	-	-	-	-	25
Depreciation provided during the year (note 8)	(1,490)	(10,772)	(2,833)	-	(1,971)	-	(17,066)
Disposals	-	-	(8)	-	-	-	(8)
At 31 December 2025, net of accumulated depreciation	22,887	66,279	772	-	452	-	90,390
At 31 December 2025:							
Cost	29,799	114,554	43,027	291	24,168	14,007	225,846
Accumulated depreciation and impairment	(6,912)	(48,275)	(42,255)	(291)	(23,716)	(14,007)	(135,456)
Net carrying amount	22,887	66,279	772	-	452	-	90,390

The Group's long-lived assets comprise of property, plant and equipment, intangible assets and right of use assets. As at 31 December 2025, because the vaccine pipelines of the Group are still under development, there were impairment indicators for the long-lived assets allocated to the cash-generating unit ("CGU") of research and development ("R&D") and manufacturing of vaccine products ("vaccine CGU") with carrying amount of RMB96,800,000, so the Group performed an impairment test on vaccine CGU. The recoverable amount of the vaccine CGU was RMB408,119,000 which was determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management. The discount rate applied in the cash flow projections was 14% (2024: 14%). Based on the impairment test, the recoverable amount of vaccine CGU exceeded its book value, so no impairment loss needed to be recognised.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The key assumptions involved in the impairment test were the discount rate and revenue. If the discount rate increased by 2%, recoverable amount of the vaccine CGU would decrease by RMB56,340,000, no impairment loss was needed to be recognised during the year. If the revenue decreased by 10%, recoverable amount of the vaccine CGU would decrease by RMB127,946,000, no impairment loss was needed to be recognised during the year.

	Buildings RMB'000	Machinery RMB'000	Electronic and other equipment RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024:							
Cost	29,799	104,130	42,830	291	35,789	25,278	238,117
Accumulated depreciation and impairment	(3,931)	(27,079)	(30,179)	(264)	(26,944)	-	(88,397)
Net carrying amount	25,868	77,051	12,651	27	8,845	25,278	149,720
At 1 January 2024, net of accumulated depreciation	25,868	77,051	12,651	27	8,845	25,278	149,720
Additions	-	-	-	-	-	250	250
Depreciation provided during the year (note 8)	(1,491)	(10,516)	(9,523)	(27)	(6,849)	-	(28,406)
Impairment (note 7)	-	-	-	-	-	(14,007)	(14,007)
Transfers	-	10,491	529	-	427	(11,521)	(74)
Disposals	-	-	(44)	-	-	-	(44)
At 31 December 2024, net of accumulated depreciation	24,377	77,026	3,613	-	2,423	-	107,439
At 31 December 2024:							
Cost	29,799	114,529	43,123	291	24,168	14,007	225,917
Accumulated depreciation and impairment	(5,422)	(37,503)	(39,510)	(291)	(21,745)	(14,007)	(118,478)
Net carrying amount	24,377	77,026	3,613	-	2,423	-	107,439

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings used in its operations. Leases of buildings generally have lease terms between 2 and 4 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(1) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold buildings RMB'000
At 1 January 2024	12,336
Addition	2,117
Disposals	(90)
Depreciation charge (note 8)	(5,627)
Exchange realignment	6
At 31 December 2024 and 1 January 2025	8,742
Addition	–
Disposals	(243)
Depreciation charge (note 8)	(4,415)
Exchange realignment	–
At 31 December 2025	4,084

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(2) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	15,678	26,388
New leases	–	2,117
Accretion of interest recognised during the year (note 9)	321	652
Disposals	(264)	(2,347)
Payments	(5,122)	(11,145)
Exchange realignment	–	13
Carrying amount at 31 December	10,613	15,678
Analysed into:		
Current portion	10,613	12,183
Non-current portion	–	3,495

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Lease liabilities	5	2026	10,613	5	2025	12,183
Non-current						
Lease liabilities	–	–	–	5	2026	3,495
			10,613			15,678

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(3) *The amounts recognised in profit or loss in relation to leases are as follows:*

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities (note 9)	321	652
Depreciation charge of right-of-use assets (note 8)	4,415	5,627
Expense relating to short-term leases and leases of low-value assets (note 8)	347	575
Loss/(Gain) on disposal of right-of-use assets (notes 6, 7)	21	(2,257)
Total amount recognised in profit or loss	5,104	4,597

(4) *Extension and termination options*

The Group had no lease contracts that included extension or termination options as at 31 December 2025 and 2024. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs.

(5) *The total cash outflow for leases is disclosed in note 33(c) to the financial statements.*

The Group as a lessor

No rental income recognised by the Group for the year ended 31 December 2025 (2024: RMB1,192,000), details of which are included in note 6 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

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17. INTANGIBLE ASSETS

	Know-how RMB'000	Software and others RMB'000	Total RMB'000
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	-	33,354	33,354
Amortisation provided during the year (note 8)	-	(5,741)	(5,741)
At 31 December 2025	-	27,613	27,613
At 31 December 2025			
Cost	35,805	48,498	84,303
Accumulated amortisation	(35,805)	(20,885)	(56,690)
Net carrying amount	-	27,613	27,613
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	-	39,859	39,859
Transfer from property, plant and equipment (note 15)	-	74	74
Amortisation provided during the year (note 8)	-	(6,290)	(6,290)
Disposals	-	(289)	(289)
At 31 December 2024	-	33,354	33,354
At 31 December 2024			
Cost	35,805	48,498	84,303
Accumulated amortisation	(35,805)	(15,144)	(50,949)
Net carrying amount	-	33,354	33,354

NOTES TO FINANCIAL STATEMENTS

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18. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	2,402,644	2,463,662
Work in progress	46,640	58,668
Finished goods	35,890	78,752
Impairment	(2,475,314)	(2,590,051)
Total	9,860	11,031

The Company periodically analyses the inventories for excess amounts or obsolescence and makes inventory provision to write down obsolete or otherwise unmarketable inventory to its estimated net realisable value. The inventory provision is estimated based on multiple factors, including assumptions about expected future demand and market conditions, current sales orders, the estimated costs to be incurred to sale, and the expiry dates of inventories.

During the year, the Group has made a provision of RMB391,000 for raw materials, work in progress and finished goods that were not expected to be used or sold within the useful life due to the changes in the market conditions, which have affected the respective sales plans and expected future usage.

During the year ended 31 December 2025, the Group has written off the inventory provision of RMB114,172,000 as certain inventories were scrapped or utilised, and reversed a provision of RMB956,000 for raw materials, work in progress and finished goods that were not expected to be used or sold within the useful life in the previous period.

19. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	3	40,993
Impairment	–	–
Net carrying amount	3	40,993

The Group's trading terms with its customers are mainly on credit. The credit period is generally 3 months to 1 year, depending on the contract terms. Each customer has a maximum credit limit. The majority of the Group's trade receivables relate to one major customer, as such, there is a concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

NOTES TO FINANCIAL STATEMENTS

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19. TRADE RECEIVABLES (CONTINUED)

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

	2025 RMB'000	2024 RMB'000
Within 6 months	2	40,989
6 to 12 months	–	4
Over 1 year	1	–
Total	3	40,993

An impairment analysis is performed at each reporting date. The Group has applied the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The directors of the Company are of the opinion that the ECL in respect of the balance of trade receivables is minimal. No loss allowance for impairment of trade receivables is provided as at 31 December 2025 (2024: nil).

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments	28,756	27,402
Value-added tax recoverable	11,281	7,843
Other receivables	11,636	16,371
	51,673	51,616
Impairment allowance	(11,726)	(11,726)
Total	39,947	39,890

Prepayments primarily consisted of advance payments to suppliers for raw materials, research and development services and machinery.

Value-added tax recoverable represented the value-added tax that can be used for future deduction.

NOTES TO FINANCIAL STATEMENTS

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20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

The financial assets included in the above balances are other receivables that primarily consisted of deposits relating to office lease or services, which are non-interest-bearing, unsecured and repayable at the end of the lease or when the related services are completed. As at 31 December 2025, none of the balances of other receivables, except for the amount mentioned below which has been fully provided, is either due or impaired as they related to balances for which there was no history of default.

The loss allowance for impairment of prepayments, other receivables and other assets remained unchanged during the years ended 31 December 2025 and 2024, with a balance of RMB11,726,000 at both year ends.

The impairment of prepayments, other receivables and other assets was mainly in relation to the termination of procurement contracts of equipment.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	RMB'000	RMB'000
Investments in financial products, at fair value	14,621	14,780

As at 31 December 2025, the investments in financial products were issued by a private fund company registered in Cayman Islands (2024: issued by a private fund company registered in Cayman Islands). They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

NOTES TO FINANCIAL STATEMENTS

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22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and cash equivalents	267,629	401,243
Time deposits and restricted cash	3,774	11,504
Pledged deposits	–	143,768
Subtotal	271,403	556,515
Less:		
Restricted cash*	(3,774)	(11,504)
Pledged for banking facilities	–	(143,768)
Cash and cash equivalents	267,629	401,243
Denominated in:		
RMB	132,982	217,724
USD	60,516	92,340
AUD	917	4,887
HKD	73,205	78,963
GBP	9	7,328
EUR	–	1
Cash and cash equivalents	267,629	401,243

* The restricted cash at 31 December 2025 mainly included deposits as guarantee for payment and funds frozen in litigation (2024: government funding received by Clover Sichuan, the withdrawal of which is subject to the approval of the government authority).

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for periods between three months and one year depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO FINANCIAL STATEMENTS

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23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 6 months	11,939	35,653
6 to 12 months	1,319	23,781
Over 1 year	595,933	573,603
Total	609,191	633,037
Analysed into:		
Current portion	107,988	120,453
Non-current portion	501,203	512,584

The trade payables are non-interest-bearing and are normally settled on 60-day terms, except for certain suppliers with specified payment terms.

Non-current portion of trade payables of USD71,307,000 (equivalent to RMB501,203,000) represented the trade payables due to Dynavax Technologies Corporation (“**Dynavax**”) for procurement of CpG 1018 adjuvant, which was included in trade payables. During the years ended 31 December 2024 and 2025, the Company had reassessed the payment terms under the purchase agreement with Dynavax and confirmed with Dynavax on the amounts payable and the respective timing of payment. The amount of USD71,307,000 (equivalent to RMB501,203,000 as of 31 December 2025 and RMB512,584,000 as of 31 December 2024) was classified as non-current portion of trade payables to reflect the timing of settlement of the payables to Dynavax, which would be over 12 months from the balance sheet date.

NOTES TO FINANCIAL STATEMENTS

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24. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Service fee payable	19,653	19,435
Payroll payable	15,723	21,726
Payables for acquisition of property, plant and equipment	1,248	1,378
Taxes other than income tax	801	1,097
Refund liability*	–	27,424
Other payables	21,990	17,351
Total	59,415	88,411

* A refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group estimates the future sales return of the goods sold and a corresponding adjustment to revenue is recognised for those products expected to be returned.

Other payables and accruals are non-interest-bearing and have no fixed terms of settlement.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 RMB'000	2024 RMB'000
Foreign exchange swap	–	200

The Group previously entered into a foreign exchange swap to manage its exchange rate exposures, which was not designated for hedging and was measured at fair value through profit or loss. As at 31 December 2025, no derivative financial instrument was outstanding.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

26. INTEREST-BEARING BANK BORROWINGS

The Group did not have any Interest-bearing bank borrowings as at 31 December 2025.

	Effective interest rate (%)	2024 Maturity	RMB'000
Current			
Bank loans-secured	1.25-3.60	2025	73,966

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	-	73,966

Notes:

The carrying amounts of borrowings are denominated in the following currencies:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
RMB	-	73,966

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

27. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Advances from customers	1,572,621	1,612,450

Contract liabilities represented the advances received from the Global Alliance for Vaccines and Immunization (“GAVI”) to deliver the Company’s SCB-2019 (CpG 1018/Alum) vaccines (the “Vaccines”). In June 2021, the Company and GAVI entered into the Advance Purchase Agreement (“APA”), pursuant to which GAVI agreed to procure (i) 64 million doses of Vaccines, and (ii) up to 350 million doses of Vaccines pursuant to the options stated therein. The advances could be used to fund non-refundable payments to the Group’s suppliers to secure for procurement of raw materials and services required to manufacture any of the firm order commitment and/or the additional doses. On 15 September 2022, the Company and GAVI entered into and signed an amendment to the APA (the “amended APA”), pursuant to which the Company and GAVI agreed to convert the initial firm order commitment into an option to procure 64 million doses of Vaccines over an extended period from 1 January 2023 to 31 December 2026, and to cancel the original purchase option of up to 350 million doses.

GAVI has not exercised its option to purchase the Vaccines under the amended APA and, in the reporting period, asserted that it is entitled to a repayment of the entire amount of advances amounting to USD224 million, which the Company believes is without merit. The Group received from GAVI a one month’s prior written notice dated 21 March 2025 which asserts a unilateral termination of the APA and a letter of claim dated 21 March 2025 which claims for an immediate repayment by the Group of the advanced payment of USD224 million (“Claim”). On 6 June 2025, the Group received an arbitration request filed by GAVI (the “Arbitration”), claiming the repayment of the advanced payment. On 22 March 2026, the Group and GAVI entered into a settlement agreement, pursuant to which the Arbitration will be fully and finally resolved, and all claims asserted by GAVI in connection with the Arbitration will be withdrawn and released upon payment of an agreed upfront amount, details of which are included in note 2.1 to the consolidated financial statements.

As at 31 December 2025, advances from GAVI amounting to USD224,000,000, equivalent to RMB1,572,621,000 (2024: RMB1,612,450,000), was accounted for as contract liabilities in the statement of financial position.

28. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Deferred government grants	3,400	25,300

The movements in government grants during the year are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of the year	25,300	26,950
Grants received during the year	–	200
Amount recognised in profit or loss	(21,900)	(1,850)
At end of year	3,400	25,300

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29. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	2025 Right-of-use assets RMB'000	2024 Right-of-use assets RMB'000
At 1 January 2025/2024	2,077	2,623
Deferred tax credited to the statement of profit or loss during the year	(1,190)	(546)
Gross deferred tax liabilities at 31 December 2025/2024	887	2,077

Deferred tax assets

	2025 Lease liabilities RMB'000	2024 Lease liabilities RMB'000
At 1 January 2025/2024	2,077	2,623
Deferred tax charged to the statement of profit or loss during the year	(1,190)	(546)
Gross deferred tax assets at 31 December 2025/2024	887	2,077

For presentation purposes, deferred tax assets and liabilities have been offset in the statement of financial position.

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30. SHARE CAPITAL AND TREASURY SHARES

Issued and fully paid:

	Number of shares in issue	Share capital USD'000	RMB equivalent RMB'000
Ordinary shares of USD0.0001 each			
As at 31 December 2025	1,297,836,552	130	839
As at 31 December 2024	1,297,057,929	130	838

A summary of movements in the Company's issued share capital is as follows:

	Notes	Number of shares in issue	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Total RMB'000
At 1 January 2024		1,296,289,733	838	(30)	8,620,777	8,621,585
Vesting of restricted share units		–	–	4	30,227	30,231
Exercise of share options		768,196	*	–	2,762	2,762
Share issue expenses		–	–	–	(20)	(20)
At 31 December 2024 and 1 January 2025		1,297,057,929	838	(26)	8,653,746	8,654,558
Vesting of restricted share units	(a)	–	–	3	14,573	14,576
Exercise of share options	(b)	778,623	1	–	1,337	1,338
At 31 December 2025		1,297,836,552	839	(23)	8,669,656	8,670,472

* The amount is less than RMB1,000.

Note:

- (a) During the year ended 31 December 2025, 5,093,478 restricted share units were vested resulting in RMB3,000 and RMB14,573,000 transferred from the share-based compensation reserve to treasury shares and share premium, respectively.
- (b) During the year ended 31 December 2025, 778,623 share options were exercised for a total cash consideration of RMB484,000. RMB854,000 was transferred from the share-based compensation reserve to share premium upon the exercise of the share options.

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31. SHARE-BASED COMPENSATION

The Company operates share-based payment schemes including the restricted share unit scheme (the “**RSU Scheme**”), the Pre-IPO share option plan (the “**Pre-IPO Plan**”) and the Post-IPO share option plan (the “**Post-IPO Plan**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the RSU Scheme, the Pre-IPO Plan and the Post-IPO Plan include the Company’s directors, the Group’s employees and non-employee consultants.

The RSU Scheme and the Pre-IPO Plan became effective in April 2021 when the board of directors of the Company approved the RSU Scheme and the Pre-IPO Plan. The maximum aggregate number of shares that may be issued under the RSU Scheme and the Pre-IPO Plan is 77,350,000 and 25,947,096 (taking into account the Capitalisation Issue) ordinary shares of the Company, respectively. The Post-IPO Plan was adopted by the Company on 26 September 2021, effective from the date when the Company got listed (“**Listing Date**”). The board of directors of the Company resolved that at the time of adoption of the Post-IPO Plan or any new share option scheme (the “**New Scheme**”), the aggregate number of shares which may be issued upon exercise of all options to be granted under the Post-IPO Plan, the New Scheme and all schemes existing at such time (the “**Existing Schemes**”) of the Company must not in aggregate exceed 10% of the total number of shares in issue(excluding treasury shares) as of the date that the shares commenced trading on the Stock Exchange or the date of adoption of the New Scheme (as the case may be).

Share options

In 2021, the Company granted 3,095,430 (without taking into account the effect of the Capitalisation Issue) options under the Pre-IPO Plan to 138 employees. The vesting schedule of the options granted would be subject to both a listing-based vesting condition (the “**IPO Condition**”) and a service-based vesting condition (the “**Service Condition**”). The IPO Condition would be satisfied the day after the first-half anniversary of the Listing Date. Subject to the satisfaction of the IPO Condition, the Service Condition would be satisfied over a 4-year term.

In 2022, the Company granted 40,426,500 options to 9 directors and 205 employees under the Post-IPO Plan. The vesting schedule of the options granted would be subject to a service-based vesting condition, which would be satisfied over a 1-year or 4-year term.

In 2023, the Company granted 2,037,000 options to 7 directors and 16,813,500 options to 157 employees under the Post-IPO Plan, respectively. The vesting schedule of the options granted would be subject to a service-based vesting condition and performance condition which would be satisfied over a 1-year or 4-year term. The performance condition is required to be satisfied by the mid-year performance check-in and the annual performance evaluation.

31. SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

In 2024, the Company granted 2,037,000 options to 7 directors and 7,426,000 options to 61 employees under the Post-IPO Plan, respectively. The vesting schedule of the options granted would be subject to a service-based vesting condition and performance condition which would be satisfied over a 1-year or 4-year term. The performance condition is required to be satisfied by the group level performance target and individual annual performance targets.

In 2025, the Company granted 2,037,000 options to 7 directors and 3,927,000 options to 57 employees under the Post-IPO Plan, respectively. The vesting schedule of the options granted would be subject to a service-based vesting condition and performance condition which would be satisfied over a 1-year or 4-year term. The performance condition is required to be satisfied by the group level and/or individual level annual performance evaluation.

The options granted to employees are accounted for as equity awards and measured at their grant date fair values.

The following share options were outstanding under the Pre-IPO Plan and the Post-IPO Plan during the year:

	2025		2024	
	Number of Share options	Weighted average exercise price per share option USD	Number of Share options	Weighted average exercise price per share option USD
At 1 January	31,641,230	0.7389	44,490,308	0.5747
Granted during the year	5,964,000	0.031	9,463,000	0.0553
Forfeited during the year	(2,463,435)	0.1883	(21,543,882)	0.1257
Exercised during the year	(778,623)	0.0909	(768,196)	0.001
At 31 December	34,363,172	0.6702	31,641,230	0.7389

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31. SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

The exercise price and exercise periods of the share options outstanding under the Pre-IPO Plan and the Post-IPO Plan at the end of the reporting period are as follows:

2025

Number of options	Exercise price	Exercise period
1,664,317	USD0.001	2022-2031
11,326,000	HKD7.300	2022-2032
2,135,478	HKD4.116	2022-2032
695,000	HKD3.894	2022-2032
1,780,000	HKD3.830	2022-2032
4,608,877	HKD1.820	2023-2033
6,477,000	HKD0.432	2024-2034
5,676,500	HKD0.241	2025-2035
34,363,172		

2024

Number of options	Exercise price	Exercise period
1,835,817	USD0.001	2022-2031
11,326,000	HKD7.300	2022-2032
2,568,470	HKD4.116	2022-2032
695,000	HKD3.894	2022-2032
1,889,380	HKD3.830	2022-2032
5,272,563	HKD1.820	2023-2033
8,054,000	HKD0.432	2024-2034
31,641,230		

31. SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

The fair value of the share options granted during the year was RMB681,403. The Group recognised share-based compensation expense of RMB3,702,000 for the year ended 31 December 2025 (2024: RMB2,327,000) in relation to share options

The fair value of equity-settled share options granted to directors and employees was estimated as at the date of grant using a binominal model, taking into account the terms and conditions upon which the options were granted. The variables and assumptions used in computing the fair value of the share options are based on the Company's best estimate. Changes in variables and assumptions may result in changes in the fair value of the share options. The following table lists the key assumptions that the model used.

	2025	2024
Expected dividend yield (%)	0%	0%
Expected volatility (%)	57.15%-62.34%	57.15%-64.03%
Risk-free interest rate (%)	0.98%-3.34%	0.98%-3.86%
Expected life of options (year)	10	10

The expected life of the options is based on the historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

As at 31 December 2025, the Company had 34,363,172 share options outstanding under the Pre-IPO Plan and the Post-IPO Plan. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 34,363,172 additional ordinary shares of the Company and additional share capital of RMB24,000.

The fair values of share options which were yet to be exercised were included in share-based compensation reserve. The amount will either be transferred to the share premium account when the related options are exercised or be reversed should the related options be forfeited.

NOTES TO FINANCIAL STATEMENTS

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31. SHARE-BASED COMPENSATION (CONTINUED)

Restricted share units

In 2021, the Company granted 6,400,224 and 261,474 (without taking into account the effect of the Capitalisation Issue) restricted share units under the RSU Scheme to 56 employees and 11 non-employee consultants, respectively. 80,070 restricted share units were forfeited during the year of 2021. The vesting schedule of the restricted share units granted would be subject to both the IPO Condition and the Service Condition. The IPO Condition would be satisfied the day after the first-half anniversary of the Listing Date. Subject to the satisfaction of the IPO Condition, the Service Condition would be satisfied over a 4-year term. The restricted share units granted to employees and non-employee consultants are accounted for as equity awards.

In 2022, the Company granted 10,651,000 restricted share units under the RSU Scheme to 135 employees without consideration. The vesting schedule of the restricted share units granted would be subject to a service-based vesting condition, satisfied over a 1-year term or 4-year term. The restricted share units granted to employees are accounted for as equity awards and are determined using the closing price of listed shares of the Company as at the grant dates. In 2022, 21,623,118 restricted share units have been vested and 11,387,781 restricted share units have been forfeited under the RSU Scheme. As at 31 December 2022, the Company had 23,711,497 restricted share units outstanding under the RSU Scheme.

In 2023, the Company granted 4,988,000 restricted share units under the RSU Scheme to 105 employees without consideration. The vesting schedule of the restricted share units granted would be subject to a service-based vesting condition and performance condition, satisfied over a 1-year term or 4-year term. The restricted share units granted to employees are accounted for as equity awards and are determined using the closing price of listed shares of the Company as at the grant dates. In 2023, 8,863,660 restricted share units have been vested and 6,369,773 restricted share units have been forfeited under the RSU Scheme. As at 31 December 2023, the Company had 13,466,064 restricted share units outstanding under the RSU Scheme.

In 2024, the Company granted 4,562,000 restricted share units to 9 directors, 1,901,000 restricted share units to 27 employees and 636,000 restricted share units to 6 non-employee consultants under the RSU Scheme without consideration. The vesting schedule of the restricted share units granted would be subject to a service-based vesting condition and performance condition, satisfied over a 1-year term or 4-year term. The restricted share units granted to employees are accounted for as equity awards and are determined using the closing price of listed shares of the Company as at the grant dates. In 2024, 6,542,912 restricted share units have been vested and 2,015,870 restricted share units have been forfeited under the RSU Scheme. As at 31 December 2024, the Company had 12,006,282 restricted share units outstanding under the RSU Scheme.

In 2025, the Company granted 14,270,000 RSUs to 9 directors and 951,000 RSUs to 26 employees of the Group, respectively, without consideration. The vesting schedule of the restricted share units granted would be subject to a service-based vesting condition and performance condition, satisfied over a 1-year term or 4-year term. The restricted share units granted to employees are accounted for as equity awards and are determined using the closing price of listed shares of the Company as at the grant dates. In 2025, 5,093,478 restricted share units have been vested and 1,546,666 restricted share units have been forfeited under the RSU Scheme. As at 31 December 2025, the Company had 20,587,138 restricted share units outstanding under the RSU Scheme.

31. SHARE-BASED COMPENSATION (CONTINUED)

Restricted share units (Continued)

The restricted share units granted to employees are measured at their grant date fair values, and the restricted share units granted to non-employee consultants are measured at the fair values of the equity at the dates on which the services are rendered.

The Group recognised share-based compensation expenses of RMB2,985,000 in relation to restricted share units for the year ended 31 December 2025 (2024: RMB13,951,000).

32. RESERVES

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity.

(a) Merger reserve

Merger reserve arose from the reorganisation undertaken by the Company in preparation for the listing.

(b) Share premium

The share premium account represents the amount paid by shareholders for capital injection in excess of its nominal value.

(c) Share-based compensation reserve

The share-based compensation reserve comprises the fair value of share options and restricted share units granted which are yet to be exercised, as further explained in the accounting policy for share based compensation in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised or be transferred to retained profits should the related options expire or be forfeited.

(d) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies of which the functional currencies are not RMB. The reserve is dealt with in accordance with the accounting policy set out in note 2.4.

NOTES TO FINANCIAL STATEMENTS

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of nil (2024: RMB2,117,000) in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

	Interest- bearing bank borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2024	308,063	26,388
Changes from financing cash flows	(239,949)	(11,145)
Currency translation differences	748	13
New leases	–	2,117
Disposal	–	(2,347)
Interest expense	5,104	652
At 31 December 2024	73,966	15,678
	Interest- bearing bank borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2025	73,966	15,678
Changes from financing cash flows	(74,742)	(5,122)
Currency translation differences	720	–
Disposal	–	(264)
Interest expense	56	321
At 31 December 2025	–	10,613

NOTES TO FINANCIAL STATEMENTS

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33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Within operating activities	347	575
Within financing activities	5,122	11,145
Total	5,469	11,720

34. PLEDGE OF ASSETS

As of December 31, 2025, the Group had no assets pledged.

35. COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for: Property, plant and equipment	6,631	13,105

36. RELATED PARTY TRANSACTIONS

(a) Name and relationship

The directors of the Group are of the view that the following parties are related parties that had transactions or balances with the Group during the period.

Name of related parties	Relationship with the Group
Chengdu Tianhe Conventional Chinese and Medicine Technology Nurture Co., Ltd. (“Chengdu Tianhe”)	An entity that controls a major shareholder of the Company

NOTES TO FINANCIAL STATEMENTS

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36. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The Group had the following transactions with related parties during the year:

	2025 RMB'000	2024 RMB'000
Office lease and utility fees:		
Chengdu Tianhe	5,315	5,977

(c) Outstanding balances with related parties

	2025 RMB'000	2024 RMB'000
Amount due from a related party:		
Chengdu Tianhe	932	944

All above the balances are unsecured and interest-free.

(d) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	19,332	19,311
Share-based compensation expenses	6,965	17,770
Post-employment benefits	1,741	2,593
Total	28,038	39,674

Further details of directors' and the chief executive's emoluments are included in note 10 to the financial statements.

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37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

31 December 2025

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss (Mandatorily designated as such) RMB'000	Total RMB'000
Trade receivables	3	–	3
Financial assets included in prepayments, other receivables and other assets	7,350	–	7,350
Financial assets at fair value through profit or loss	–	14,621	14,621
Time deposits and restricted cash	3,774	–	3,774
Cash and cash equivalents	267,629	–	267,629
Total	278,756	14,621	293,377

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37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

31 December 2025

Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade payables	
Current portion	107,988
Non-current portion	501,203
Financial liabilities included in other payables and accruals	42,441
Total	651,632

31 December 2024

Financial assets

	Financial assets at amortised cost RMB'000	Financial assets at fair value through profit or loss (Mandatorily designated as such) RMB'000	Total RMB'000
Trade receivables	40,993	–	40,993
Financial assets included in prepayments, other receivables and other assets	7,653	–	7,653
Financial assets at fair value through profit or loss	–	14,780	14,780
Time deposits and restricted cash	11,504	–	11,504
Pledged deposits	143,768	–	143,768
Cash and cash equivalents	401,243	–	401,243
Total	605,161	14,780	619,941

NOTES TO FINANCIAL STATEMENTS

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37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

31 December 2024

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Financial liabilities at fair value through profit or loss (Designated as such upon initial recognition) RMB'000	Total RMB'000
Trade payables			
Current portion	120,453	–	120,453
Non-current portion	512,584	–	512,584
Financial liabilities included in other payables and accruals	46,485	–	46,485
Interest-bearing bank borrowings	73,966	–	73,966
Derivative financial instruments	–	200	200
Total	753,488	200	753,688

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to the fair values, are as follows:

	Carrying amounts		Fair Values	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets				
Financial assets at fair value through profit or loss	14,621	14,780	14,621	14,780
Financial liabilities				
Derivative financial instruments	–	200	–	200

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables, and financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO FINANCIAL STATEMENTS

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 31 December 2025

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using		Total RMB'000
		Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss:	-	14,621	-	14,621

As at 31 December 2024

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using		Total RMB'000
		Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss:	-	14,780	-	14,780

NOTES TO FINANCIAL STATEMENTS

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Liabilities measured at fair value

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Derivative financial instruments:	–	200	–	200

The Group did not have any financial liabilities measured at fair value as at 31 December 2025.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: nil).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and restricted cash, pledged deposits and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, other receivables, trade payables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

Foreign currency risk is 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 Group's financial condition and results of operations. The Group seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant, of the Group's profit before tax.

Increase/(decrease) in loss before tax

	2025 RMB'000	2024 RMB'000
If the RMB weakens against the USD by 5%	(18,684)	(11,417)
If the RMB strengthens against the USD by 5%	18,684	11,417
If the RMB weakens against the HKD by 5%	(3,660)	(3,898)
If the RMB strengthens against the HKD by 5%	3,660	3,898

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month	Lifetime ECLs			Total
	ECLs	ECLs			
	Stage 1	Stage 2	Stage 3	Simplified	
	RMB'000	RMB'000	RMB'000	approach	RMB'000
				RMB'000	
Financial assets included in prepayments, other receivables and other assets					
– Normal*	7,350	-	-	-	7,350
Trade receivables**	-	-	-	3	3
Restricted cash – Not yet past due	3,774	-	-	-	3,774
Cash and cash equivalents – Not yet past due	267,629	-	-	-	267,629
Total	278,753	-	-	3	278,756

NOTES TO FINANCIAL STATEMENTS

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maximum exposure and year-end staging (Continued)

As at 31 December 2024

	12-month	Lifetime ECLs			Simplified approach	Total
	ECLs	Stage 1	Stage 2	Stage 3		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in prepayments, other receivables and other assets						
– Normal*	7,653	–	–	–	–	7,653
Trade receivables**	–	–	–	–	40,993	40,993
Restricted cash – Not yet past due	11,504	–	–	–	–	11,504
Pledged deposits – Not yet past due	143,768	–	–	–	–	143,768
Cash and cash equivalents – Not yet past due	401,243	–	–	–	–	401,243
Total	564,168	–	–	–	40,993	605,161

* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

** For trade receivables to which the Group applies the simplified approach for impairment, information is disclosed in note 19 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

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

The maturity profile of the Group's financial liabilities as at the end of each of reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025				Total RMB'000
	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	
Lease liabilities	-	10,696	-	-	10,696
Trade payables					
Current portion	107,988	-	-	-	107,988
Non-current portion	-	-	501,203	-	501,203
Financial liabilities included in other payables and accruals	42,441	-	-	-	42,441
Total	150,429	10,696	501,203	-	662,328

	As at 31 December 2024				Total RMB'000
	On demand RMB'000	Within 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	
Lease liabilities	-	12,601	3,728	-	16,329
Trade payables					
Current portion	120,453	-	-	-	120,453
Non-current portion	-	-	512,584	-	512,584
Financial liabilities included in other payables and accruals	46,485	-	-	-	46,485
Derivative financial instruments	-	200	-	-	200
Interest-bearing bank borrowings	-	73,966	-	-	73,966
Total	166,938	86,767	516,312	-	770,017

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2025.

40. CONTINGENCIES LIABILITIES

As of December 31, 2025, the Group did not have any contingent liabilities that we expected would materially adversely affect our business, financial position or results of operations.

41. EVENTS AFTER THE REPORTING PERIOD

Except for the Settlement Agreement entered into by the Group and GAVI on 22 March 2026, details of which are included in note 2.1 to the consolidated financial statements, there are no other significant subsequent events after the end of reporting period that require additional disclosure or adjustments.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	1,097,983	1,199,631
Total non-current assets	1,097,983	1,199,631
CURRENT ASSETS		
Prepayments, other receivables and other assets	146,091	162,173
Financial assets at fair value through profit or loss	14,621	14,780
Cash and cash equivalents	104,966	103,466
Total current assets	265,678	280,419
CURRENT LIABILITIES		
Other payables and accruals	6,507	4,208
Total current liabilities	6,507	4,208
NET CURRENT ASSETS	259,171	276,211
TOTAL ASSETS LESS CURRENT LIABILITIES	1,357,154	1,475,842
NET ASSETS	1,357,154	1,475,842
EQUITY		
Share capital	839	838
Treasury shares	(23)	(26)
Reserves	1,356,338	1,475,030
TOTAL equity	1,357,154	1,475,842

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2025

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Merger reserve RMB'000	Share premium RMB'000	Share-based compensation reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2024	99,312	8,620,777	87,391	473,039	(7,041,051)	2,239,468
Loss for the year	-	-	-	-	(859,974)	(859,974)
Exchange differences	-	-	-	79,277	-	79,277
Total comprehensive loss for the year	-	-	-	79,277	(859,974)	(780,697)
Share issue expenses	-	(20)	-	-	-	(20)
Share-based compensation	-	-	16,278	-	-	16,278
Vesting of restricted share units	-	30,227	(30,231)	-	-	(4)
Exercise of share options	-	2,762	(2,757)	-	-	5
At 31 December 2024	99,312	8,653,746	70,681	552,316	(7,901,025)	1,475,030
At 1 January 2025	99,312	8,653,746	70,681	552,316	(7,901,025)	1,475,030
Loss for the year	-	-	-	-	(6,177)	(6,177)
Exchange differences	-	-	-	(119,682)	-	(119,682)
Total comprehensive loss for the year	-	-	-	(119,682)	(6,177)	(125,859)
Share-based compensation	-	-	6,687	-	-	6,687
Vesting of restricted share units	-	14,573	(14,576)	-	-	(3)
Exercise of share options	-	1,337	(854)	-	-	483
At 31 December 2025	99,312	8,669,656	61,938	432,634	(7,907,202)	1,356,338

43. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The financial statements were approved and authorised for issue by the board of directors on 25 March 2026.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out below:

	For the year ended December 31,				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	–	–	39,255	38,419	3,505
Other income and gains	38,262	23,246	2,571,354	97,215	54,098
Selling and distribution expenses	–	–	(54,766)	(19,705)	(5,070)
Research and development expenses	(1,826,301)	(1,465,324)	(649,885)	(183,387)	(182,338)
Administrative expenses	(345,710)	(410,237)	(198,816)	(75,172)	(66,332)
Loss for the year	(6,016,303)	(2,451,903)	(138,539)	(903,428)	(205,092)

	As at December 31,				
	2021	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	269,165	304,777	201,915	149,535	122,087
Current assets	5,076,495	4,389,929	1,899,519	663,209	335,834
Non-current liabilities	1,978,403	2,533,638	557,264	541,379	504,603
Current liabilities	2,148,109	2,829,205	2,277,003	1,907,663	1,750,637
Net assets/(liabilities)	1,219,148	(668,137)	(732,833)	(1,636,298)	(1,797,319)

DEFINITIONS

“Articles of Association”	the fifth amended articles of association of the Company adopted on June 20, 2024, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Australia Clover”	Clover Biopharmaceuticals AUS Pty Ltd., a proprietary company limited by shares registered in Australia on June 6, 2017, and a subsidiary of our Company
“Beijing Clover”	Clover Biopharmaceutical (Beijing) Co., Ltd. (克洛菲生物製藥(北京)有限公司), a limited liability company established in the PRC on September 1, 2020, and a wholly-owned subsidiary of our Company
“Board” or “Board of Directors”	the board of directors of our Company
“Business Day”	a day banks in Hong Kong are generally open for normal banking business to the public and is not a Saturday, Sunday or public holiday in Hong Kong
“CDMO(s)”	contract development and manufacturing organization(s), a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
“CEPI”	Coalition for Epidemic Preparedness Innovations, a foundation that takes donations from public, private, philanthropic, and civil society organisations, to finance independent research projects to develop vaccines against emerging infectious diseases
“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this annual report, Hong Kong, Macau Special Administrative Region and Taiwan
“CMC”	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
“Companies Act”	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Companies Ordinance”	The Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Company”, “the Company” or “Clover”	Clover Biopharmaceuticals, Ltd. (三葉草生物製藥有限公司), an exempted company incorporated in the Cayman Islands on October 31, 2018
“connected person”	has the meaning ascribed thereto under the Listing Rules
“connected transaction”	has the meaning ascribed thereto under the Listing Rules
“Core Product(s)”	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purpose of this annual report, our Core Products refers to SCB-2019 (CpG 1018/Alum) and RSV vaccine candidates
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Liang”	Dr. LIANG Peng, the founder, an executive Director, the chairman of the Board of our Company and a member of the Single Largest Group of Shareholders
“FDA”	Food and Drug Administration, a United States federal agency of the Department of Health and Human Services
“GenHunter”	GenHunter Corporation, a biotechnology company headquartered in the U.S.
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Greater China”	PRC, Hong Kong, Macau and Taiwan
“Group”, “we” or “us”	our Company and its subsidiaries
“HK Clover”	Clover Biopharmaceuticals (Hong Kong) Co., Limited, a limited company incorporated in Hong Kong on November 30, 2018, and a wholly-owned subsidiary of our Company
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRSs”	International Financial Reporting Standards

DEFINITIONS

“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China
“Ireland Clover”	Clover Biopharmaceuticals Ireland Limited, a proprietary company limited by shares registered in Ireland on April 14, 2021, and a subsidiary of our Company
“Latest Practicable Date”	April 16, 2026, being the latest practicable date prior to the printing of this purpose of ascertaining the information contained herein
“Listing” or “IPO”	the listing of our Shares on the Stock Exchange
“Listing Date”	November 5, 2021, the date on which dealings in our Shares first commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market of the Stock Exchange
“MassBiologic”	Massachusetts Biologic Laboratories of the University of Massachusetts, the only non-profit manufacturer of vaccines approved by Food and Drug Administration in the United States
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Mr. Joshua Liang”	Mr. LIANG Joshua G, an executive Director, the chief executive officer of our Company and a member of the Single Largest Group of Shareholders
“NMPA”	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
“Nomination Committee”	the nomination committee of the Board
“Placing”	the placing of the Placing Shares by a placing agent at a placing price pursuant to a placing agreement dated December 6, 2022

DEFINITIONS

“Placing Shares”	128,000,000 new Shares allotted and issued by the Company pursuant to a placing agreement dated December 6, 2022
“Post-IPO Share Option Plan”	the post-IPO share option scheme adopted by our Company on September 26, 2021, effective from the Listing Date, as amended from time to time, the principal terms of which are set out in “Report of the Directors – Post-IPO Share Option Plan” to this annual report
“Pre-IPO Share Option Plan”	the pre-IPO share option plan adopted by our Company on April 15, 2021, as amended from time to time, the principal terms of which are set out in “Report of the Directors – Pre-IPO Share Option Plan” to this annual report
“Prospectus”	the prospectus issued by the Company dated October 25, 2021
“Remuneration Committee”	the remuneration committee of the Board
“Reporting Period”	the year ended December 31, 2025
“RMB”	Renminbi Yuan, the lawful currency of China
“RSU Scheme”	the restricted share units scheme adopted by our Company on April 15, 2021 which was amended on September 26, 2021, the principal terms of which are set out in “Report of the Directors – RSU Scheme” to this annual report
“R&D”	research and development
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Shanghai Clover”	Clover Biopharmaceuticals (Shanghai) Co., Ltd. (愷洛菲生物製藥(上海)有限公司), a limited liability company established in the PRC on February 9, 2021, and a wholly-owned subsidiary of our Company
“Share(s)”	shares in the share capital of our Company, with a nominal value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Sichuan Clover”	Sichuan Clover Biopharmaceuticals, Inc. (四川三葉草生物製藥有限公司), a limited liability company established in the PRC on June 4, 2007, a wholly-owned subsidiary of HK Clover

DEFINITIONS

“Single Largest Group of Shareholders”	refers to Dr. Liang and Mr. Joshua Liang
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“UK Clover”	Clover Biopharmaceuticals UK Ltd., a limited liability company incorporated in England and Wales on October 13, 2021, and a wholly-owned subsidiary of our Company
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Clover”	Clover Biopharmaceuticals USA, LLC, a limited liability company converted from Clover Biopharmaceuticals USA, Inc. (a stock corporation incorporated in the State of Delaware, U.S. on March 30, 2020) on January 24, 2024, and a wholly-owned subsidiary of our Company
“US\$”	United States dollars, the lawful currency of the United States
“Zhejiang Clover”	Zhejiang Clover Biopharmaceutical, Inc. (浙江三葉草生物製藥有限公司), a limited liability company established in the PRC on August 23, 2016, and a wholly-owned subsidiary of our Company