Stock Code : 2257

sirnaomics

Transcribing For Better Lives

2026 Interim Report

Table of Contents

Corporate Information

BOARD OF DIRECTORS

Executive Director

Dr. Poon Hung Fai
Chairman and Chief Executive Officer

Non-Executive Directors

Dr. Yin Huijun
Mr. Ouyang Yunlong
(resigned with effect from June 5, 2026)

Independent Non-Executive Directors

Mr. Wong Yu Shan Eugene
Dr. Zhang Peng
Ms. Lo Yee Hang

AUDIT COMMITTEE

Mr. Wong Yu Shan Eugene *(Chairperson)*
Dr. Yin Huijun
(appointed with effect from June 5, 2026)
Ms. Lo Yee Hang
Mr. Ouyang Yunlong
(resigned with effect from June 5, 2026)

REMUNERATION COMMITTEE

Dr. Zhang Peng *(Chairperson)*
Dr. Yin Huijun
(appointed with effect from June 5, 2026)
Mr. Wong Yu Shan Eugene
Mr. Ouyang Yunlong
(resigned with effect from June 5, 2026)

NOMINATION COMMITTEE

Ms. Lo Yee Hang *(Chairperson)*
Dr. Poon Hung Fai
Dr. Zhang Peng

AUTHORIZED REPRESENTATIVES

Dr. Poon Hung Fai
Mr. Yuen Yun Ting

COMPANY SECRETARY

Mr. Yuen Yun Ting

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Corporate Information

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Registered Public Interest Entity Auditor
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COMPANY WEBSITE

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STOCK CODE

2257

Management Discussion and Analysis

BUSINESS OVERVIEW & UPDATED CORPORATE STRATEGY

Founded in 2007, Sirnaomics is a clinical-stage biopharmaceutical leader pioneering novel RNA interference therapeutics focusing on our proprietary dual delivery platforms: polypeptide nanoparticle (PNP) and GalAhead™ GalNAc-conjugated RNA system. During the period under review, the Group implemented a refined, resource-efficient corporate strategy centered on focused internal investment in our high-potential oncology pipeline, while advancing all non-oncology therapeutic franchises, including medical aesthetics, cardiometabolic disease, renal and proteinopathy disease, and central nervous system disease, through proactive global licensing, co-development and strategic external partnerships.

This strategic refocus is intended to improve capital efficiency by concentrating core R&D resources on our most clinically validated oncology assets, while distributing development risks and operational costs across third-party collaborators for all other pipeline programs. The Group's two foundational delivery platforms, GalAhead™ and PNP, underpin our entire therapeutic portfolio. The Group also intends to continue reviewing the optimal allocation of its clinical and preclinical research capacity, including the possible use of external manufacturing arrangements where commercially appropriate and subject to operational considerations.

Supported by more than a decade of sustained R&D investment, the Group has amassed an extensive proprietary database spanning preclinical profiling and global clinical trial datasets for RNA therapeutics. The Group actively deploys artificial intelligence to analyze and iterate on this comprehensive body of data, streamlining candidate identification, shortening R&D timelines, and accelerating the full end-to-end development cycle of RNA-based medicines. However, the timing and extent of any resulting development efficiencies, if achieved, will depend on a number of factors, including the quality of the underlying data, internal resources and development priorities.

Concurrently, the Group intends to continue allocating dedicated R&D capital to invent and optimize next-generation RNA delivery platforms, reinforcing our durable technological competitive edge within the global RNAi industry. The Group's integrated U.S.-China R&D and manufacturing infrastructure supports its pipeline and collaboration activities, backed by an extensive intellectual property portfolio covering delivery chemistry, RNA molecular design and clinical formulations.

UPDATED PIPELINE

The updated R&D pipeline includes 16 products and 17 projects. The pipeline remains on track as outlined in the annual report of the Company for the year ended December 31, 2025, with continued progress achieved in the first half of 2026.

	Candidate	Gene Targets	Indications	Delivery Platform	Pre-clinical	IND Enabling	IND Filing	Phase I	Phase II	Phase III	Rights	Status
Oncology	STP705	TGF-β1/COX-2	isSCC	PNP-IT							Global	Phase IIb/III
			BCC								Global	Phase II completed
	STP707	TGF-β1/COX-2	Solid tumors	PNP-IV							Global	Phase I completed
	STP355	TGF-β1/VEGFR2	Solid tumors	PNP-IV							Global	IND Enabling
	STP369	BCLXL/MCL1	Head & Neck	PNP-IV/IT							Global	
Medical Aesthetics	STP705	TGF-β1/COX-2	Fat Reduction	PNP-Subcu.							Global	Phase II ongoing
GalAhead™	STP122G	Factor XI	Anticoagulation/Thrombosis	mxRNA Subcu.							Global	Phase I completed
	STP125G	ApoC3	Hyper-triglyceridemia								Global	IND Filing
	STP144G	Complement Factor B	Complement-diseases								Global	IND Enabling
	STP145G	Complement Factor C5	Complement-diseases								Global	BD Programs
	STP146G	Complement Factor C3	Complement-diseases								Global	
	STP152G	TTR	ATTR amyloidosis								Global	
	STP136G	AGT	Hypertension								Global	
	STP247G	CFB/C5	Complement-diseases	muRNA-Subcu.							Global	BD Programs
	STP251G	ApoC3/TMPRSS6	Hemochromatosis & Hypertriglyceridemia								Global	
	STP237G	AGT/ApoC3	Hypertension & Hypertriglyceridemia								Global	
	STP271G	PCSK9/ANGPTL3	hyperlipidemia								Global	

Abbreviations: isSCC = squamous cell carcinoma in situ; BCC = basal cell carcinoma; PNP = our polypeptide nanoparticle (PNP) RNAi delivery platform; PNP-IT = PNP platform formulated for intratumoral administration; PNP-Subcu = PNP platform formulated for subcutaneous administration; PNP-ID = PNP platform formulated for intradermal administration; PNP-IV = PNP platform formulated for intravenous administration; GalAhead™ = our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers; mxRNA-Subcu = mxRNA™ (miniaturized RNAi triggers) for subcutaneous administration; muRNA-Subcu = muRNA™ (multi-unit RNAi triggers) for subcutaneous administration

Management Discussion and Analysis

1. ONCOLOGY FRANCHISE

1.1 STP705 (PNP intratumoral formulation; Dual Target: TGF-β1/COX-2)

STP705 serves as our flagship oncology asset targeting cutaneous non-melanoma skin cancers, squamous cell carcinoma in situ (isSCC) and basal cell carcinoma (BCC). During the period under review, we conducted proactive, detailed regulatory alignment meetings with the U.S. FDA to finalize pivotal trial designs, clinical endpoints and statistical analysis frameworks. These constructive dialogues have laid the groundwork for a clear, mutually agreed regulatory roadmap for Phase IIb and Phase III pivotal studies for isSCC, our top-priority commercial indication for STP705. We retain a complete long-term development path for BCC to fully unlock STP705's therapeutic value; further BCC development will move forward subject to the outcome of the isSCC program and viable partnership opportunities.

1.2 STP707 (PNP intravenous formulation; Dual Target: TGF-β1/COX-2 for Solid Tumors)

Aligned with our capital optimization priorities, internal clinical advancement of STP707 for broad solid tumor indications will be deferred until the comprehensive regulatory and clinical execution plan for STP705 is fully validated. The Phase I basket trial of STP707 completed in late 2025 generated safety and preliminary efficacy data that the Group considers supportive of further evaluation in pancreatic cancer. The complete clinical dataset is available for due diligence by prospective co-development partners during this pause. The Group will revisit internal development plans for STP707 after STP705's pivotal trials officially launch, with all near-term advancement activities pursued through external strategic collaborations.

1.3 Additional Preclinical Oncology Assets

Early-stage PNP-based oncology candidates STP355 and STP369 are advancing through IND-enabling workstreams, with the timing of any IND filings or subsequent development steps dependent on ongoing clinical progress, regulatory requirements, and the Group's resource allocation across the STP705 and STP707 programs. The Group is seeking potential licensing and co-development opportunities for non-core PNP pipeline assets. Our newly launched GalAhead™ oncology program represents a highly promising pipeline asset, and we are on track to generate preliminary proof-of-concept data for its PCC indication.

2. MEDICAL AESTHETICS FRANCHISE

Consistent with our partnership-led non-oncology development framework, the focal fat reduction indication of STP705 has advanced into Phase II clinical development, and the Group is engaging external partners regarding possible further development. Patient recruitment for the Phase II study is ongoing, with interim results targeted for Q1 2027. Multiple internal lead compounds targeting PCC are advancing steadily, and associated partnership negotiations are progressing favorably. The Group is actively pursuing formal, binding strategic collaboration agreements for this asset class, targeting completion in 2027. However, any estimated timetable for patient recruitment, interim analysis or subsequent milestones should be regarded as indicative only and may change as development progresses.

3. CARDIOMETABOLIC FRANCHISE

3.1 STP122G (mxRNA subcutaneous; Target: Factor XI for Anticoagulation & Thrombosis)

During the period under review, the Group achieved a landmark clinical milestone for STP122G. The Group completed its Phase I clinical trial, generating consistent positive safety, tolerability, and preliminary pharmacodynamic data across all five dosing cohorts. The robust U.S. clinical dataset and compelling risk-benefit profile have attracted widespread interest from global biopharma stakeholders. The Group is engaged in discussions regarding possible global or regional co-development partnerships to fund and execute subsequent Phase II/III programs covering atrial fibrillation, deep vein thrombosis, pulmonary embolism, and perioperative thrombosis prophylaxis. However, the form, and outcome of any such arrangements remain uncertain and subject to negotiation, due diligence, and broader market conditions.

3.2 STP125G (mxRNA subcutaneous; Target: ApoC3 for Hypertriglyceridemia)

STP125G has finalized all IND-enabling activities, including GLP toxicology evaluations, GMP drug substance manufacturing, and clinical formulation refinement, rendering the asset fully IND-ready. Under the Group's internal R&D roadmap, we intend to submit the IND application in due course, after which the Group may seek to advance the program through partnership agreements. Following any IND filing, further development will depend on the outcome of regulatory review and the Group's strategic priorities at the relevant time.

3.3 Remaining GalAhead™ Cardiometabolic Pipeline

Other cardiometabolic assets, including hypertension candidate STP136G, dual-target muRNA candidate STP271G, alongside our new PCC-focused preclinical program, are progressing through continuous preclinical characterization. All assets are open for global strategic collaboration, platform technology licensing and full asset out-licensing opportunities. As with all early-stage programs, the timing and feasibility of future development steps will depend on scientific, regulatory and commercial considerations.

4. COMPLEMENT & PROTEINOPATHY FRANCHISE

Our complement and proteinopathy pipeline maintain steady, productive preclinical advancement. STP144G, targeting Complement Factor B, has finished GMP-grade drug substance manufacturing, with regulatory documentation preparation underway in support of a future IND submission. STP145G, targeting Complement Factor C5, has completed comprehensive preclinical efficacy validation, with full research datasets accessible for partner due diligence. STP146G, targeting upstream Complement Factor C3, remains in early preclinical stages with biological mechanism characterization ongoing. As the flagship dual-target asset within this franchise, STP247G simultaneously inhibits the CFB and C5 signaling pathways, with mature preclinical efficacy data available for global collaboration discussions. For proteinopathy indications, ATTR amyloidosis candidate STP152G has concluded all preclinical efficacy assessments, and the Group is seeking potential co-development and licensing opportunities. These activities do not ensure that any candidate will ultimately enter clinical development, as further studies, regulatory engagement and resource allocation decisions will be required before such progression can be made.

5. CNS FRANCHISE

Our proprietary CNS-targeting proof-of-concept RNA molecules have attracted inbound interest from global biopharma counterparts. We will sustain ongoing business development and technical exchanges with potential collaborators, aiming to establish high-value strategic partnerships to accelerate clinical translation and advancement of our full CNS pipeline portfolio.

BUSINESS DEVELOPMENT STRATEGY & 2026 OUTLOOK

Business development serves as a core strategic pillar aligned with our revised corporate strategy, designed to mitigate development risks for non-oncology assets and drive near-term capital inflows through partnership transactions.

The successful completion of STP122G's positive U.S. Phase I trial has substantially elevated industry interest in our GalAhead™ platform and anticoagulation asset. Multiple mid-sized and large-cap biopharma firms have initiated formal data room reviews and preliminary term sheet discussions for global co-development rights to STP122G. Beyond STP122G, our full pipeline portfolio, which includes STP705's medical aesthetics indication, STP707 solid tumor program, all GalAhead™ cardiometabolic and complement assets, and our new PCC GalAhead™ program, has attracted consistent inbound inquiries from global strategic partners and venture capital consortia.

Our business development team is focused on executing multiple value-enhancing strategic partnership agreements, covering asset licensing, platform technology access, and revenue-sharing co-development structures. These initiatives are at an exploratory stage and remain subject to market demand, counterparties' interest, due diligence, and definitive documentation. We continue to explore joint venture frameworks with venture capital investors to spin out select non-core pipeline assets, reducing internal R&D expenditure while preserving potential royalty and milestone revenue streams for the Group.

Any expected proceeds, milestones, or royalty arrangements will depend on the terms ultimately agreed with counterparties, if any, and no assurance can be given that such arrangements will be completed.

LEADERSHIP, OPERATIONAL RESTRUCTURING & FINANCIAL DISCIPLINE

During the period under review, cost optimization and resource allocation efforts were focused on our core oncology priorities. Our organizational structure has been adjusted to ensure full alignment and dedicated support for business development partnership execution and core R&D priorities. Targeted executive leadership appointments completed in 2025 continue to deliver robust regulatory, clinical, and business development strategic leadership in 2026, bringing deep expertise in FDA pivotal trial design and global biotech licensing.

To further strengthen pipeline advancement and technical governance, the Group has established an external Scientific Advisory Board (SAB) with cross-disciplinary expertise spanning oncology clinical development, global biopharma commercial networks, CMC manufacturing, international regulatory affairs, and specialized RNA technology expertise tailored to both our PNP and GalAhead™ delivery platforms.

The Group adheres to strict financial discipline to extend its cash runway, leveraging upfront partnership payments, development milestones, and licensing royalties to offset internal R&D spending concentrated on pivotal trial preparation. Additional financing avenues and selective divestment of non-core assets remain under active evaluation to bolster long-term financial stability.

FUTURE OUTLOOK & STRATEGIC PRIORITIES

Looking ahead to the second half of 2026, the Group will focus on the following key strategic priorities:

1. To complete the prerequisite clinical and regulatory deliverables to launch STP705 Phase IIb/III pivotal trials under the agreed FDA pathway for isSCC;

2. To execute strategic collaboration deals covering our non-core pipeline assets;

3. To secure multiple additional global licensing and co-development partnerships across our broader pipeline portfolio;

4. To maintain exclusive internal clinical development focus on our core oncology franchise; and

5. To advance new preclinical assets through efficacy and toxicology studies to accelerate business development partnering opportunities.

Our long-term commercialization focus remains centered on STP705, contingent upon positive pivotal clinical readouts and favorable FDA regulatory review timelines. Our differentiated dual RNA delivery platforms, a diversified high-value pipeline, and a partnership-focused strategy uniquely position the Group to deliver sustainable long-term shareholder value while advancing transformative RNA therapeutics to address unmet patient medical needs worldwide.

RISK FACTOR UPDATE

We face inherent risks associated with clinical development, potential delays to regulatory review timelines, and the uncertainty of finalizing partnership agreements for our pipeline assets. Furthermore, there can be no assurance that our lead candidates will ultimately receive regulatory approval or achieve commercial launch. The successful clinical advancement of the Group's pipeline programs is subject to these inherent uncertainties. To mitigate these risks and ensure the continuity of our planned development activities, we are proactively pursuing a dual-pronged strategy: seeking partnership proceeds through ongoing collaboration discussions, while simultaneously exploring potential future financing opportunities. This approach provides us with financial flexibility while preserving shareholder value.

FINANCIAL REVIEW

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
Other income	**140**	124
Other gains and losses	**4,651**	768
Changes in fair value of financial liabilities at FVTPL	**(601)**	1,724
Administrative expenses	**(2,152)**	(2,553)
Research and development expenses	**(2,030)**	(3,045)
Other expenses	**–**	(4)
Finance costs	**(387)**	(402)
Loss for the period	**(379)**	(3,388)

Management Discussion and Analysis

Overview

For the six months ended June 30, 2026, the Group did not generate any revenue from product sales. The Group recorded a loss of US$0.4 million for the six months ended June 30, 2026, as compared with US$3.4 million for the six months ended June 30, 2025.

Substantially all of the Group's net losses resulted from research and development expenses and administrative expenses.

Revenue

For the six months ended June 30, 2026, the Group did not generate any revenue from product sales.

Other Income

The Group's other income primarily consists of: (i) government grants, including cash incentives to support the Group's research and development activities; (ii) interest income from bank balances; and (iii) rental income.

For the six months ended June 30, 2026, the other income of the Group increased to US$140,000, representing an increase of US$16,000, or 13%, from US$124,000 for the six months ended June 30, 2025. The increase was primarily due to the increase in government grants from US$64,000 for the six months ended June 30, 2025 to US$104,000 for the six months ended June 30, 2026.

Other Gains and Losses

The Group's other gains and losses primarily consist of: (i) gain on termination of lease; (ii) gain or loss on disposal of property, plant and equipment; and (iii) gain on lease modification.

For the six months ended June 30, 2026, the other gains and losses of the Group increased to a gain of US$4.7 million, representing an increase of US$3.9 million, or 488%, from a gain of US$0.8 million for the six months ended June 30, 2025. The increase was primarily due to: (i) the gain on termination of lease of US$6.0 million for the six months ended June 30, 2026, partly offset by (ii) the change from a gain on disposal of property, plant and equipment of US$18,000 for the six months ended June 30, 2025 to a loss on disposal of property, plant and equipment of US$1.3 million for the six months ended June 30, 2026; and (iii) no gain on lease modification for the six months ended June 30, 2026.

Changes in Fair Value of Financial Liabilities at FVTPL

The Group's changes in fair value of financial liabilities at FVTPL mainly represent changes in fair value of Series Seed and Series A preferred shares of RNAimmune as a result of the changes in the valuation of RNAimmune.

For the six months ended June 30, 2026, the changes in fair value of financial liabilities at FVTPL changed to a loss of US$0.6 million from a gain of US$1.7 million for the six months ended June 30, 2025. The change was primarily due to the increase in the valuation of preferred shares of RNAimmune. For details, please refer to note 19 to the condensed consolidated financial statements.

Administrative Expenses

The following table sets forth the components of the Group's administrative expenses for the periods indicated:

	For the six months ended June 30,		
	2026	2025	Changes
	US$'000	US$'000	%
Directors' emolument and staff costs	**855**	1,252	(32%)
Professional and consultancy fees	**730**	562	30%
Depreciation of property, plant and equipment and right-of-use assets	**187**	220	(15%)
Office expenses	**116**	163	(29%)
Traveling expenses	**41**	59	(31%)
Others	**223**	297	(25%)
Total	**2,152**	2,553	(16%)

The Group's administrative expenses primarily consist of: (i) directors' emolument and staff costs relating to the Group's administrative staff; and (ii) professional and consultancy fees, including financial advisory service fees, legal fees for patent-related and general corporate advisory services, and professional fees for marketing, business development and regulatory compliance.

For the six months ended June 30, 2026, the administrative expenses of the Group decreased to US$2.2 million, representing a reduction of US$0.4 million, or 16%, from US$2.6 million for the six months ended June 30, 2025. The decrease was primarily attributable to the decrease in directors' emolument and staff costs in relation to the Group's administrative staff, as a result of the Group's restructuring strategy and cost-saving measures.

Research and Development Expenses

The following table sets forth the components of the Group's research and development expenses for the periods indicated:

	For the six months ended June 30,		
	2026	2025	Changes
	US$'000	US$'000	%
Directors' emolument and staff costs	**679**	1,458	(53%)
Clinical trials expenses	**251**	68	269%
Toxicology study expenses	**10**	–	–
Chemistry, manufacturing and controls expenses	**241**	223	8%
Materials consumed	**48**	25	92%
Preclinical test expenses	**4**	28	(86%)
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	**475**	728	(35%)
Consultancy fee	**88**	171	(49%)
Others	**234**	344	(32%)
Total	**2,030**	3,045	(33%)

The Group's research and development expenses primarily consist of: (i) directors' emolument and staff costs relating to the research and development staff; (ii) clinical trials expenses, mainly in relation to the engagement of CROs; (iii) chemistry, manufacturing and controls expenses; and (iv) depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets.

For the six months ended June 30, 2026, the research and development expenses of the Group decreased to US$2.0 million, representing a reduction of US$1.0 million, or 33%, from US$3.0 million for the six months ended June 30, 2025. The decrease was primarily attributable to the decrease in directors' emolument and staff costs in relation to the Group's research and development staff, and depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets as a result of the Group's restructuring strategy and cost-saving measures.

Finance Costs

The Group's finance costs primarily consist of: (i) interest on lease liabilities; and (ii) interest on bank borrowings.

For the six months ended June 30, 2026, the finance costs of the Group decreased to US$387,000, representing a reduction of US$15,000, or 4% from US$402,000 for the six months ended June 30, 2025.

Income Tax Expense

No Hong Kong profits tax, U.S. federal corporate income and state income taxes or China Enterprise Income Tax were provided as the group entities had no assessable profits during the six months ended June 30, 2026.

Loss for the Period

The Group's loss for the period decreased from US$3.4 million for the six months ended June 30, 2025 to US$0.4 million for the six months ended June 30, 2026. Such decrease in loss was primarily attributable to: (i) the increase in other gains and losses; (ii) the decrease in research and development expenses; and (iii) the decrease in administrative expenses, partly offset by (iv) the change from gain to loss on changes in fair value of financial liabilities at FVTPL for the six months ended June 30, 2026.

Cash flows

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
Net cash used in operating activities	**(4,785)**	(4,893)
Net (used in)/from investing activities	**(1,389)**	4
Net cash (used in)/from financing activities	**(213)**	20
Net decrease in cash and cash equivalents	**(6,387)**	(4,869)
Cash and cash equivalents at January 1	**13,518**	11,769
Effect of foreign exchange rate changes	**60**	(28)
Cash and cash equivalents at June 30	**7,191**	6,872

Net cash used in operating activities for the six months ended June 30, 2026 decreased to US$4.8 million, representing a reduction of US$0.1 million, or 2%, from US$4.9 million for the six months ended June 30, 2025.

Cash flows used in/from investing activities changed from net cash from investing activities of US$4,000 for the six months ended June 30, 2025 to net cash used in investing activities of US$1.4 million for the six months ended June 30, 2026. The change was primarily due to the investments in financial assets at fair value through other comprehensive income for the six months ended June 30, 2026.

Cash flows used in/from financing activities changed from net cash from financing activities of US$20,000 for the six months ended June 30, 2025 to net cash used in financing activities of US$0.2 million for the six months ended June 30, 2026. The change was primarily due to the decrease in proceeds from bank borrowings.

Liquidity and Source of Funding and Borrowing

The Group's management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. As at June 30, 2026, the Group's cash and cash equivalents were mainly denominated in U.S. dollars, Renminbi and Hong Kong dollars. The Group relies on equity and debt financing as the major sources of liquidity. The Group had bank borrowings of US$2.3 million as at June 30, 2026.

As at June 30, 2026, the Group had no unutilized banking facilities.

As at June 30, 2026, the Group's cash and cash equivalents decreased to US$7.2 million from US$13.5 million as at December 31, 2025. The decrease primarily resulted from the Group's research and development activities, general corporate and administrative activities.

As at June 30, 2026, the current assets of the Group were US$9.0 million, including cash and cash equivalents of US$7.2 million, and prepayments, deposits and other receivables of US$1.8 million. As at June 30, 2026, the current liabilities of the Group were US$34.3 million, including trade and other payables of US$8.2 million, bank borrowings of US$2.3 million, contract liability of US$0.7 million, deferred income of US$0.3 million, financial liabilities at FVTPL of US$22.7 million and lease liabilities of US$0.1 million.

As at June 30, 2026, the Group's net liabilities decreased from US$24.5 million as at December 31, 2025 to US$21.1 million. The decrease was primarily due to the decrease in trade and other payables from US$12.7 million as at December 31, 2025 to US$8.2 million as at June 30, 2026.

Key Financial Ratios

The following table sets out the Group's key financial ratios as at the dates indicated:

	As at June 30, 2026 %	As at December 31, 2025 %
Current ratio	**26.2**	40.3
Gearing ratio	**(10.8)**	(9.5)

Notes:

1. Current ratio represents current assets divided by current liabilities as at the same date.

2. Gearing ratio represents bank borrowings divided by total equity as at the same date.

Significant Investments

The Group did not make any significant investments during the six months ended June 30, 2026.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates (within the meaning of the Listing Rules) or joint ventures for the six months ended June 30, 2026.

Pledge of Assets

As at June 30, 2026, the Group did not have any pledge of assets.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this interim report, there was no specific plan for material investments or capital assets as at June 30, 2026.

Contingent Liabilities

As at June 30, 2026, the Group did not have any material contingent liabilities.

Foreign Exchange Exposure

Certain bank balances, deposits and other receivables and trade and other payables denominated in foreign currencies of respective group entities expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. The foreign exchange exposure is considered very minimal since the majority of the Group's expenses are in U.S. dollar and this matches with the denomination of majority of our deposits. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration

As at June 30, 2026, the Group had a total of 37 employees. The following table sets forth the total number of employees by function as of June 30, 2026:

	Number of Employees
Management	1
Research	16
Clinical and Regulation	1
General and Administration	19
Total	**37**

The total remuneration cost incurred by the Group for the six months ended June 30, 2026 was US$1.5 million (including share-based payment expense of US$81,000), as compared to US$2.7 million (including share-based payment expense of US$0.3 million) for the six months ended June 30, 2025. The remuneration of the employees of the Group comprises salaries and other allowances, retirement benefit scheme contributions, share-based payment expense as well as performance and discretionary bonus.

As required by relevant laws and regulations, the Group participates in various employee social security plans for the employees that are administered by local governments, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

The Company has adopted the Pre-IPO Equity Incentive Plan, RSU schemes and share option schemes to incentivize eligible employees, details of which are set out in the section headed "Corporate Governance and Other Information — Pre-IPO Equity Incentive Plan, 2022 RSU Scheme, 2026 RSU Scheme, 2022 Share Option Scheme and 2026 Share Option Scheme" in this interim report.

PRE-IPO EQUITY INCENTIVE PLAN, RSU SCHEMES AND SHARE OPTION SCHEMES

Pre-IPO Equity Incentive Plan

On January 21, 2021, the Company adopted the Pre-IPO Equity Incentive Plan to, among others, attract and retain outstanding individuals to serve as directors, officers, employees, consultants, and advisors to the Company. Each share option granted under the Pre-IPO Equity Incentive Plan represents the right to purchase the Shares of the Company at a pre-determined exercise price, subject to vesting and other conditions provided for under the Pre-IPO Equity Incentive Plan. The Company issued and allotted 12,770,000 Shares in aggregate to a professional trustee which holds the Shares on trust under the Pre-IPO Equity Incentive Plan. On April 22, 2022, the Pre-IPO Equity Incentive Plan was terminated by the Company, subject to the rights of the participants of the Pre-IPO Equity Incentive Plan with respect to the awards granted according to the Pre-IPO Equity Incentive Plan prior to its termination. As at June 30, 2026, no Shares were available for issue under the Pre-IPO Equity Incentive Plan.

The principal terms of the Pre-IPO Equity Incentive Plan are set out below. The terms of the Pre-IPO Equity Incentive Plan were not subject to the provisions of Chapter 17 of the Listing Rules when it was adopted and shall now be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

(1) Purpose

The purpose of the Pre-IPO Equity Incentive Plan is to attract and retain outstanding individuals to serve as directors, officers, employees, consultants, and advisors to our Group.

(2) Participants

The participants of the Pre-IPO Equity Incentive Plan shall be: (i) a director, an officer or an employee of the Group, or (ii) an individual that has been engaged to be a director, an officer or an employee of the Group, or (iii) a consultant or an advisor who provides services to the Group, or (iv) an individual that has been engaged to provide services to the Group.

(3) Administration

The compensation committee of the Board (or such successor committee with the same or similar authority) has full power and authority to administer in its sole discretion the Pre-IPO Equity Incentive Plan, including the authority to: (i) interpret the provisions of the Pre-IPO Equity Incentive Plan; (ii) prescribe, amend and rescind rules and regulations relating to the Pre-IPO Equity Incentive Plan; (iii) correct any defect, supply any omission, or reconcile any inconsistency in carrying into effect the Pre-IPO Equity Incentive Plan; and (iv) make all other determinations necessary or advisable for the administration of the Pre-IPO Equity Incentive Plan.

A majority of the members of the compensation committee of the Board constitutes a quorum, and must make all determinations of the committee. The compensation committee of the Board may make any determination under the Pre-IPO Equity Incentive Plan without notice or meeting by writing that a majority of the committee members have signed. All committee determinations are final and binding. If, at any time, the compensation committee of the Board is not in existence, the Board must administer the Pre-IPO Equity Incentive Plan and all references to the compensation committee of the Board in the Pre-IPO Equity Incentive Plan are deemed to mean the Board.

To the extent applicable law permits, the Board may delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the compensation committee of the Board.

(4) Awards

An award means a grant of options, share appreciation rights or restricted shares.

(5) Discretionary grant of awards

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board has full power and authority in its sole discretion to: (i) designate from time to time the participants to receive awards under the plan; (ii) determine the type or types of awards to be granted to each participant; (iii) determine the number of shares with respect to which an award relates; and (iv) determine any terms and conditions of an award. Awards under the plan may be granted either alone or in addition to, in tandem with, or in substitution for any other award (or any other award granted under another plan of the Group). The compensation committee's designation of a participant to receive an award in a given year does not require the compensation committee to designate such person to receive an award in any other year.

(6) Shares reserved

An aggregate of 12,770,000 Shares were reserved for issuance under the Pre-IPO Equity Incentive Plan. The Company issued and allotted the 12,770,000 Shares to a professional trustee which holds the Shares on trust under the Pre-IPO Equity Incentive Plan.

(7) Replenishment of Shares

If an award lapses, expires, terminates, or is canceled without the issuance of Shares or payment of cash under the award, then the Shares subject to or reserved for in respect of such award, or the Shares to which such award relates, may again be used for new awards, including issuance pursuant to incentive share options. If Shares are delivered to (or withheld by) the Company in payment of the exercise price or withholding taxes of an award, then such Shares may be used for new awards under the Pre-IPO Equity Incentive Plan, including issuance pursuant to incentive share options. If Shares are issued under an award and if the Company subsequently reacquires them pursuant to rights reserved upon the issuance of the Shares, then such Shares may be used for new awards under the plan but excluding issuance pursuant to incentive share options.

(8) Options

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board must determine all terms and conditions of each option, including but not limited to:

(i) whether the option is an incentive stock option or a non-qualified stock option;

(ii) the number of Shares subject to the option;

(iii) the exercise price per share, which must not be less than the fair market value of a share as determined on the date of grant; provided, however, that an incentive stock option granted to a 10% owner-employee must have an exercise price that is at least 110% of the fair market value of a share on the date of grant;

(iv) the terms and conditions of exercise;

(v) unless the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, the option, subject to the holder's continued employment or service by or for the Group, will vest 25% on the first anniversary of the date of grant and will vest in 1/36 of the remaining unvested portion for the next 36 months thereafter on the last business day of each calendar month;

(vi) unless the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, and notwithstanding anything else to the contrary in section (8)(v) hereof, the option may vest, in full, in the sole discretion of the compensation committee of the Board, upon a change of control of the Group;

(vii) the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, the expiration or termination date of the option will be the fifth anniversary of the date of grant of the option, provided, however, that each incentive stock option granted to a 10% owner-employee must terminate no later than the fifth anniversary of the date of grant;

(viii) upon a participant's death, the option may be exercised by the person or persons to whom such participant's rights under the option pass by will or by applicable law or, if no such person has such rights, by his or her executor or administrator.

(9) Share appreciation rights

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board must determine all terms and conditions of each share appreciation right, including but not limited to:

(i) the number of shares to which the share appreciation right relates;

(ii) the grant price, provided, however, that the grant price must not be less than the fair market value of the shares subject to the share appreciation right as determined on the date of grant;

(iii) the terms and conditions of exercise or maturity;

(iv) the termination date, provided, however, that a share appreciation right must terminate no later than the fifth anniversary of the date of grant;

(v) whether the share appreciation right will be settled in cash, shares, or a combination thereof;

(vi) upon a participant's death, the share appreciation right may be exercised by the person or persons to whom such participant's rights under the share appreciation right pass by will or by applicable law or, if no such person has such rights, by his or her executor or administrator.

(10) Restricted shares

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board must determine all terms and conditions of each award of restricted shares, including but not limited to:

(i) the number of shares to which the award relates;

(ii) the period of time over which, and/or the criteria or conditions that must be satisfied so that, the risk of forfeiture and/or restrictions on transfer imposed on the restricted shares will lapse;

(iii) with respect to awards of restricted shares, the manner of registration of certificates for such shares, and whether to hold in escrow such certificates pending lapse of the risk of forfeiture and/or restrictions on transfer, or to issue such shares with an appropriate legend referring to such restrictions;

(iv) with respect to awards of restricted shares, whether dividends paid with respect to such shares are paid immediately or held in escrow or otherwise defined, and whether such dividends are subject to the same terms and conditions as the awards to which they related, all in a manner to avoid giving rise to additional taxes under US Tax Code Section 409A.

Details of the movements of the outstanding share options granted under the Pre-IPO Equity Incentive Plan during the six months ended June 30, 2026 are as follows:

	Date of grant	Expiry date	Vesting period	Exercise price per Share (US$)	Number of share options: At January 1, 2026	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	At June 30, 2026	Weighted average closing price of the Shares immediately before the dates on which the share options were exercised (HK$)
Five highest paid individuals in aggregate											
Tranche 2019–2	March 28, 2019	December 30, 2028	Note 1	1.75	10,000	–	–	–	–	**10,000**	–
Tranche 2020–5	November 5, 2020	December 28, 2029	Note 1	2.35	10,000	–	–	–	–	**10,000**	–
Tranche 2021–5	July 12, 2021	December 30, 2030	Note 1	3.50	79,000	–	–	–	–	**79,000**	–
Other grantees											
Tranche 2018–2	August 28, 2018	December 30, 2027	Note 1	1.45	1,140,000	–	–	–	–	**1,140,000**	–
Tranche 2018–3	November 8, 2018	December 30, 2027	Note 1	1.60	216,000	–	–	–	–	**216,000**	–
Tranche 2019–2	August 1, 2019	December 30, 2028	Note 1	1.75	100,000	–	–	–	–	**100,000**	–
Tranche 2020–1	July 30 & August 1, 2020	December 28, 2029	Note 5	1.75	421,000	–	–	–	–	**421,000**	–
Tranche 2020–1	December 15, 2020	December 28, 2029	Note 1	2.35	675,000	–	–	–	–	**675,000**	–
Tranche 2020–2	July 30, 2020	December 28, 2029	Note 4	1.75	900,000	–	–	–	–	**900,000**	–
Tranche 2020–3	August 17, 2020	December 28, 2029	Note 1	1.75	100,000	–	–	–	–	**100,000**	–
Tranche 2020–5	November 5, 16 & December 15, 2020	December 28, 2029	Note 1	2.35	392,100	–	–	–	–	**392,100**	–
Tranche 2021–4	January 26 & April 15, 2021	December 30, 2030	Note 1	2.35	98,500	–	–	–	–	**98,500**	–
Tranche 2021–5	July 12, 2021	December 30, 2030	Note 1	3.50	2,680,000	–	–	–	–	**2,680,000**	–
Tranche 2021–6	September 30, 2021	December 30, 2030	Note 1	3.55	196,545	–	–	–	–	**196,545**	–
					7,018,145	–	–	–	–	**7,018,145**	

Notes:

(1) 12/48 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/48 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.

(2) 12/36 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/36 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.

(3) 12/24 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/24 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.

(4) The share options vest upon achieving certain research and development milestones. In the event of the Listing, all options shall vest.

(5) The share options vest on the date of grant.

(6) The unvested portion of share options granted under the Pre-IPO Equity Incentive Plan vested immediately upon fulfillment of milestone of the completion of Listing on December 30, 2021.

2022 RSU Scheme

On April 22, 2022, the Board approved the adoption of the 2022 RSU Scheme to incentivize skilled and experienced personnel, and to recognize the contributions of the eligible participants of the Group. The 2022 RSU Scheme is initially valid and effective for the period commencing on the adoption date (i.e. April 22, 2022) and ending on the business day immediately prior to the 10th anniversary of the adoption date. The 2022 RSU Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules when it was adopted. On June 30, 2026, the 2022 RSU Scheme was terminated by the Company, subject to the rights of the participants of the 2022 RSU Scheme with respect to the awards granted according to the 2022 RSU Scheme prior to its termination. As at June 30, 2026, no Shares were available for issue under the 2022 RSU Scheme.

The principal terms of the 2022 RSU Scheme are set out below.

(1) Purpose

The purposes of the 2022 RSU Scheme are to:

(i) recognize the contributions by the eligible participants with an opportunity to acquire a proprietary interest in the Company;

(ii) encourage and retain such individuals for the continual operation and development of the Group;

(iii) provide additional incentives for them to achieve performance goals;

(iv) attract suitable personnel for further development of the Group; and

(v) motivate the eligible participants to maximize the value of the Company for the benefits of both the eligible participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the eligible participants directly to the Shareholders through ownership of Shares.

(2) Effective and Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the 2022 RSU Scheme, the 2022 RSU Scheme shall be valid and effective for a period of 10 years commencing on the 2022 RSU Scheme Adoption Date, after which no awards will be granted, but the provisions of the 2022 RSU Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the 2022 RSU Scheme may continue to be valid and vest in accordance with their respective terms of grant. On June 30, 2026, the 2022 RSU Scheme was terminated by the Company.

(3) Administration

The Board shall have the sole and absolute right to, among other things, interpret and construe the provisions of the 2022 RSU Scheme, determine the Senior Grantees who will be granted awards under the 2022 RSU Scheme, the terms and conditions on which awards are granted to Senior Grantees and when the RSUs granted to Senior Grantees pursuant to the 2022 RSU Scheme may vest. The Chief Executives shall have the sole and absolute right to, among other things, determine the Junior Grantees who will be granted awards under the 2022 RSU Scheme, the terms and conditions on which awards are granted to Junior Grantees and when the RSUs granted to Junior Grantees pursuant to the 2022 RSU Scheme may vest.

The Company may appoint a trustee to assist with the administration and vesting of RSUs granted pursuant to the 2022 RSU Scheme. The Administrative Committee may (i) exercise the mandate granted by the Shareholders at general meetings of the Company and direct the Company to allot and issue Shares to the trustee to be held by the trustee to satisfy the RSUs upon vesting; and/or (ii) direct and procure the trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise. The trustee will receive new Shares or purchase existing Shares only when there is a particular grant of RSUs. The Company shall procure that sufficient funds are provided to the trustee by whatever means as the Administrative Committee may determine to enable the trustee to satisfy its obligations in connection with the administration of the 2022 RSU Scheme.

(4) Eligible Participants and Grant of Awards

(I) Eligible participants

Eligible participants of the 2022 RSU Scheme include the following:

(i) any employees (whether full-time or part-time), executives, officers, directors (including executive, non-executive and independent non-executive directors) of any members of the Group or any Related Entities; and

(ii) any consultants, advisors, or agents of any members of the Group or of any Related Entities who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Related Entities.

(II) Grant of awards

The Board and the Chief Executives (as the case may be) shall be entitled at any time during the term of the 2022 RSU Scheme to make a grant to any eligible participant, as the Board or the Chief Executives (as the case may be) may in its absolute discretion determine. The amount of an award of RSUs may be determined at the sole and absolute discretion of the Board and the Chief Executives (as the case may be) and may differ among selected eligible participant.

Awards may be granted on such terms and conditions (such as by linking the vesting of the RSUs to the attainment or performance of milestones or targets by any member of the Group, the RSU grantee or any group of RSUs grantees) as the Board and the Chief Executives (as the case may be) may determine, provided such terms and conditions shall be consistent with any other terms and conditions of the 2022 RSU Scheme and shall be set out in the notice of RSU grant issued by the Company.

The consideration (if any) payable by a selected eligible participant to the trustee for acceptance of the award under the 2022 RSU Scheme shall be determined at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chief Executives (in the case of Junior Grantees), and shall be payable within such period as prescribed by the 2022 RSU Scheme. Any such consideration shall be held by the trustee as income of the trust fund and be applied by the trustee as it deems appropriate or desirable in accordance with the terms of the 2022 RSU Scheme and the trust deed.

(5) Maximum Number of Shares Available for Awards

(I) 2022 RSU Scheme Limit

Pursuant to the scheme rules of the 2022 RSU Scheme, the Board shall not make any further award of RSUs which will result in the number of Shares awarded under the 2022 RSU Scheme exceeding 10% of the issued Shares as at the 2022 RSU Scheme Adoption Date (i.e. the 2022 RSU Scheme Limit). The granting of awards is also subject to an annual limit of 3% of the total issued Shares as at the 2022 RSU Scheme Adoption Date, unless otherwise approved by the Shareholders.

Any Share covered by an award (or any portion of an award) which is forfeited, cancelled or expired (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the 2022 RSU Scheme Limit. Shares that actually have been issued under the 2022 RSU Scheme pursuant to an award of RSUs shall not be returned to the 2022 RSU Scheme and shall not become available for future issuance under the 2022 RSU Scheme, except (i) otherwise permitted by the 2022 RSU Scheme, and (ii) that if unvested Shares are forfeited, or repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the 2022 RSU Scheme.

Pursuant to the transitional arrangements published by the Hong Kong Stock Exchange in connection with the consultation conclusion for the revised Chapter 17 of the Listing Rules, the Company may only grant awards until the second annual general meeting after January 1, 2023. Accordingly, the Company can no longer make new grants under the 2022 RSU Scheme, unless the 2022 RSU Scheme is revised to comply with Chapter 17 of the Listing Rules. On June 30, 2026, the 2022 RSU Scheme was terminated by the Company, subject to the rights of the participants of the 2022 RSU Scheme with respect to the awards granted according to the 2022 RSU Scheme prior to its termination.

(II) Maximum entitlement of each eligible participant

The maximum number of Shares which may be awarded to any one eligible participant under the 2022 RSU Scheme may not exceed 1% of the issued Shares as at the 2022 RSU Scheme Adoption Date.

(6) Vesting of Awards

Subject to the terms of the 2022 RSU Scheme and any additional requirement under the Listing Rules and the specific terms and conditions applicable to each award of RSUs (including performance milestones or targets, if applicable), the RSUs granted in an award shall be determined by the Board or the Chief Executives (as the case may be). If the performance milestones or targets and/or other conditions determined by the Board or the Chief Executives (if any) are not satisfied, the RSU shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Board or the Chief Executives (as the case may be) in its/his sole and absolute discretion.

The RSUs which have vested shall be satisfied at the sole and absolute discretion of the Board or the Chief Executives (as the case may be) within a reasonable period from the vesting date of such RSUs, either by: (a) the Administrative Committee directing and procuring the trustee to transfer the Shares underlying the RSUs to the RSU grantee or his wholly owned entity (as represented by the RSU grantee) from the trust fund; and/or (b) the Administrative Committee directing and procuring the trustee to pay to the RSU grantee in cash an amount which is equivalent to the market value of the Shares, pursuant to the terms of the 2022 RSU Scheme.

Details of the movements of the outstanding RSUs granted under the 2022 RSU Scheme during the six months ended June 30, 2026 are as follows:

					Number of RSUs						
	Date of grant	Vesting period	Exercise period	Purchase price per Share (HK$)	At January 1, 2026	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period	At June 30, 2026	Weighted average closing price of the Shares immediately before the dates on which the RSUs were vested (HK$)
EMPLOYEE PARTICIPANTS											
Five highest paid individuals in aggregate											
Tranche 2022–2	November 24, 2022	Note 1	Note 2	–	4,192	–	–	–	(3,039)	**1,153**	–
Senior Grantees											
Tranche 2022–2	November 24, 2022	Note 1	Note 2	–	1,100	–	–	–	(1,100)	**–**	–
Junior Grantees											
Tranche 2022–2	November 24, 2022	Note 1	Note 2	–	3,670	–	–	–	–	**3,670**	–
					8,962	–	–	–	(4,139)	**4,823**	

Notes:

(1) 25% of the Tranche 2022–2 RSUs granted shall vest on each of the first, second, third and fourth anniversary of the date of grant respectively.

(2) The RSUs shall be valid from the grant date and shall continue for a period of 10 years from the date of grant.

(3) The closing price of the Shares immediately before the date on which the RSUs were granted was HK$57.8 per Share.

(4) The grant date fair value of each Tranche 2022–2 RSU was approximately US$6.82–US$7.50. The accounting standards and policies adopted are set out in note 3 to the condensed consolidated financial statements. The methodology and assumptions used are disclosed in note 21 to the condensed consolidated financial statements.

(5) Upon the adoption of the 2022 RSU Scheme on April 22, 2022, RSUs in respect of a total of 8,904,023 Shares may be granted under the 2022 RSU Scheme Limit.

(6) On June 28, 2022, the RSU annual mandate was granted by the Shareholders to the Directors at an extraordinary general meeting of the Company, pursuant to which the maximum number of new Shares which may be issued under the RSU annual mandate is 2,671,206. As at January 1, 2026 and June 30, 2026, such RSU annual mandate has expired.

(7) On June 30, 2026, the 2022 RSU Scheme was terminated by the Company, subject to the rights of the participants of the 2022 RSU Scheme with respect to the awards granted according to the 2022 RSU Scheme prior to its termination. As at June 30, 2026, no Shares were available for issue under the 2022 RSU Scheme.

2026 RSU Scheme

On June 30, 2026, the Shareholders approved and adopted the 2026 RSU Scheme to further establish and improve the long-term incentive and restraint mechanism of the Company, to fully motivate the management and core personnel, and to align the interests of Shareholders, the Company, and employees. The 2026 RSU Scheme is valid and effective for a period of 10 years commencing on the 2026 Adoption Date (i.e., June 30, 2026) and ending on the business day immediately prior to the 10th anniversary of the 2026 Adoption Date. The 2026 RSU Scheme constitutes a share scheme involving the issuance of new Shares and fully complies with the requirements of Chapter 17 of the Listing Rules.

The principal terms of the 2026 RSU Scheme are set out below:

(1) Purpose

The purposes of the 2026 RSU Scheme are to:

(i) further establish and improve the long-term incentive and restraint mechanism of the Company to attract and retain outstanding employees;

(ii) fully motivate the management and core personnel of the Company; and

(iii) effectively align the interests of Shareholders, the Company, and the personal interests of employees so that all parties can focus on the long-term development of the Company.

(2) Effectiveness and Duration

Without prejudice to the subsisting rights of any selected eligible participant and subject to any early termination of the 2026 RSU Scheme by the Board, the 2026 RSU Scheme shall be valid and effective for a period of 10 years commencing on the 2026 Adoption Date, after which no further awards will be granted, provided that the provisions of the 2026 RSU Scheme shall in all other respects remain in full force and effect to the extent necessary to settle any awards granted prior to such expiry and the administration of the trust fund held by the trustee to administer the 2026 RSU Scheme.

(3) Administration

To facilitate the centralized management of grants across multiple jurisdictions (including mainland China, Hong Kong, and the United States), the Company maintains a trust arrangement with a professional trustee for the administration of its share schemes, including the 2026 Share Option Scheme and the 2026 RSU Scheme. The trustee is responsible for holding the underlying Shares, managing the exercise and settlement process, and facilitating regulatory compliance with applicable legal, regulatory and tax obligations in each relevant jurisdictions. The trustee will not exercise the voting rights attached to the unvested Shares of the relevant share schemes and shall abstain from voting on matters that require Shareholders' approval under the Listing Rules.

The Board shall have the sole and absolute right to, among other things, interpret and construe the provisions of the 2026 RSU Scheme. The Board may delegate its day-to-day administrative powers to the Administrative Committee. The Company may appoint the trustee to assist with the administration and vesting of RSUs granted pursuant to the 2026 RSU Scheme.

The Administrative Committee may: (i) exercise the mandate granted by the Shareholders at general meetings of the Company and direct the Company to allot and issue Shares to the trustee to be held by the trustee to satisfy the RSUs upon vesting; and/or (ii) direct and procure the trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon vesting.

The Company shall procure that sufficient funds are provided to the trustee by whatever means as the Administrative Committee may determine to enable the trustee to satisfy its obligations in connection with the administration of the 2026 RSU Scheme.

(4) Eligible Participants and Grant of Awards

(I) Eligible participants

Employee participants, including directors (excluding any independent non-executive directors) and full-time employees of the Company or any of its subsidiaries (including any person who is granted any award as an inducement to enter into employment contracts with the Company or any of its subsidiaries), who the Board considers, in its sole discretion, has the eligibility.

(II) Grant of awards

The Board shall be entitled at any time during the term of the 2026 RSU Scheme to make a grant to any eligible participant, as the Board may in its absolute discretion determine.

The Board may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making a grant to an eligible participant (including, without limitation, as to the performance targets, clawback mechanism and the vesting period attached to the award), provided such terms and conditions shall not be inconsistent with any other terms and conditions of the 2026 RSU Scheme. The terms and conditions of an award may be determined at the sole and absolute discretion of the Board and may differ among selected eligible participants.

The Board may determine and specify the purchase price of the RSUs (which may be nil) in the notice of the RSU grant, which shall be based on considerations such as the prevailing market price of the Shares, the purpose of the RSU and the characteristics and profile of the selected eligible participants. Such purchase price (if any) shall be paid to the Company or the trustee by the RSU grantee at the sole and absolute discretion of the Board within 12 months after the vesting date of the 2026 RSU Scheme.

(5) Maximum Number of Shares Available for Awards

(I) 2026 Scheme Mandate Limit

The 2026 Scheme Mandate Limit, being the total number of Shares which may be issued in respect of all options and awards to be granted under the 2026 RSU Scheme and any other Share Scheme, must not in aggregate exceed 10,972,153 Shares, representing 10% of the total number of Shares in issue (excluding any Treasury Shares) as at the 2026 Adoption Date, unless the Company obtains the approval of its Shareholders to refresh the 2026 Scheme Mandate Limit. For the purpose of calculating the 2026 Scheme Mandate Limit, any share options and awards that have lapsed under the terms of the 2026 RSU Scheme and any other Share Scheme shall not be treated as having been utilized.

(II) Maximum entitlement of each eligible participant

If a grant of awards to an Employee Participant (excluding Directors) would cause the Shares issued and to be issued in respect of all options and awards granted to them (excluding any lapsed options and awards) in any 12-month period to exceed 1% of the total issued Shares as at the RSU grant date (excluding Treasury Shares), such grant must be approved by the Shareholders at a general meeting, in the manner prescribed by the relevant provisions under Chapter 17 of the Listing Rules.

If a grant of awards to a Director (other than an independent non-executive Director), a Supervisor, or a chief executive, a substantial shareholder, or any of their respective associates (each as defined under the Listing Rules), would cause the Shares issued and to be issued in respect of all awards granted to them (excluding any lapsed awards) in any 12-month period to exceed 0.1% of the total issued Shares as at the RSU grant date (excluding Treasury Shares), such grant must be approved by the Shareholders at a general meeting, in the manner prescribed by the relevant provisions under Chapter 17 of the Listing Rules.

(6) Vesting of Awards

The vesting period in respect of any award granted under the 2026 RSU Scheme shall not be less than 12 months, unless the Board determines, in its sole and absolute discretion, that the awards granted to a selected eligible participant may be subject to a vesting period of less than 12 months in the following circumstances:

(a) grant of "make-whole" awards to new joiners to replace the share awards they forfeited when leaving the previous employers;

(b) subject to terms and conditions of the 2026 RSU Scheme, accelerate the vesting of previously granted awards to a RSU grantee whose employment is terminated due to death, major illness, disability or occurrence of any out of control event;

(c) awards are subject to performance-based vesting conditions in lieu of time-based vesting criteria to stimulate the selected eligible participants to achieve the relevant performance targets in a shorter period;

(d) grant of awards in batches during a year for administrative and compliance reasons, including awards that should have been granted earlier but had to wait for a subsequent batch due to such administrative or compliance reasons. In such cases, the vesting periods may be shorter to reflect the time from which the awards would have been granted;

(e) grant of awards with a mixed or accelerated vesting schedule, such as where the awards may vest evenly over a period of 12 months, or where the awards may be vested in batches with the first batch to vest within 12 months from the RSU grant date and the last batch to vest after 12 months from the RSU grant date; and

(f) the vesting and holding period of the awards granted is more than 12 months in total.

No RSUs have been granted under the 2026 RSU Scheme since its adoption and up to the date of this interim report.

2022 Share Option Scheme

On June 28, 2022, the Shareholders resolved to adopt the 2022 Share Option Scheme. The 2022 Share Option Scheme constitutes a share option scheme under Chapter 17 of the Listing Rules. Pursuant to the transitional arrangements published by the Hong Kong Stock Exchange in connection with the consultation conclusion for the revised Chapter 17 of the Listing Rules, the Company may continue to make further grants of options under the 2022 Share Option Scheme using the existing scheme mandate granted by the Shareholders on June 28, 2022. On June 30, 2026, the 2022 Share Option Scheme was terminated by the Company, subject to the rights of the participants of the 2022 Share Option Scheme with respect to the awards granted according to the 2022 Share Option Scheme prior to its termination. As at June 30, 2026, no Shares were available for issue under the 2022 Share Option Scheme.

The principal terms of the 2022 Share Option Scheme are set out below.

(1) Purpose

The purposes of the 2022 Share Option Scheme are to:

(i) recognize the contributions by the eligible participants with an opportunity to acquire a proprietary interest in the Company;

(ii) encourage and retain such individuals for the continual operation and development of the Group;

(iii) provide additional incentives for them to achieve performance goals;

(iv) attract suitable personnel for further development of the Group; and

(v) motivate the eligible participants to maximize the value of the Company for the benefits of both the eligible participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the eligible participants directly to the Shareholders through ownership of Shares.

(2) Effective and Duration

The 2022 Share Option Scheme shall take effect on the date of the passing of an ordinary resolution to approve the adoption of the 2022 Share Option Scheme by the Shareholders in general meeting, provided that the Listing Committee of the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of share options granted under the 2022 Share Option Scheme.

The 2022 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the 2022 Share Option Scheme Adoption Date, after which period no further share options will be granted under the 2022 Share Option Scheme, but the provisions of the 2022 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2022 Share Option Scheme. On June 30, 2026, the 2022 Share Option Scheme was terminated by the Company.

(3) Administration

The Board shall have the sole and absolute right to, among other things, interpret and construe the provisions of the 2022 Share Option Scheme, determine the Senior Grantees who will be offered share options under the 2022 Share Option Scheme and the subscription price in relation to such share options in accordance with the provisions of the 2022 Share Option Scheme. The Chief Executives shall have the sole and absolute right to, among other things, determine the Junior Grantees who will be offered share options under the 2022 Share Option Scheme and the subscription price in relation to such share options in accordance with the provisions of the 2022 Share Option Scheme.

The Administrative Committee shall be responsible for, among other things, applying to the Listing Committee of the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of share options under the 2022 Share Option Scheme on the Hong Kong Stock Exchange and other administrative work of the 2022 Share Option Scheme as delegated by the Board and the Chief Executives from time to time.

(4) Eligible Participants and Making and Acceptance of a Grant

Eligible participants of the 2022 Share Option Scheme include the following:

(i) any employees (whether full-time or part-time, and include persons who are granted share options as an inducement to enter into employment contracts with the Group), executives, officers or directors (including executive, non-executive and independent non-executive directors) of any members of the Group or any Related Entities; and

(ii) any consultants, advisors or agents of any members of the Group or of any Related Entities who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Related Entities.

The Board (in the case of Senior Grantees) and the Chief Executives (in the case of Junior Grantees) shall be entitled at any time during the operation of the 2022 Share Option Scheme, at its/his sole and absolute discretion, to make an offer of share options to an eligible participants by letter in such form as the Board or the Chief Executives (as the case may be) may from time to time determine. An amount of HK$1.00 is payable by the share option grantee to the Company upon acceptance of the offer of share options within such period as prescribed by the 2022 Share Option Scheme, and such remittance shall not be refundable and shall not be deemed to be a part payment of the subscription price.

(5) Maximum Number of Shares Available for Subscription

(I) 2022 Share Option Scheme Limit

The total number of Shares which may be issued upon exercise of all share options that may be granted under the 2022 Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the issued Shares as of the 2022 Share Option Scheme Adoption Date (i.e. the 2022 Share Option Scheme Limit), unless the Company obtains the approval of the Shareholders in accordance with the terms of the 2022 Share Option Scheme in sub-paragraph (II) below to refresh the 2022 Share Option Scheme Limit. Share options lapsed in accordance with the terms of the 2022 Share Option Scheme shall not be counted for the purpose of calculating the 2022 Share Option Scheme Limit.

(II) Refreshment of Share Option Scheme Limit

Subject to any additional requirement under the Listing Rules, the Company may seek the approval of the Shareholders in general meeting to refresh the 2022 Share Option Scheme Limit. Share options previously granted under the 2022 Share Option Scheme, including share options outstanding, cancelled or lapsed in accordance with the relevant option scheme or exercised options, shall not be counted for the purpose of calculating the limit to be refreshed.

The Company may seek separate approval by the Shareholders in general meeting to grant share options beyond the 2022 Share Option Scheme Limit, provided that such share options are granted only to participants specifically identified by the Company and any other applicable requirements under the Listing Rules are complied with before the approval of the Shareholders is sought.

(III) Maximum number of Shares issued pursuant to share options

The maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the 2022 Share Option Scheme and any other share options granted and yet to be exercised under any other schemes of the Company shall not exceed 30% of the issued Shares from time to time.

(IV) Maximum entitlement of each eligible participants

Subject to any additional requirement under the Listing Rules, where any new grant of share options to any eligible participants, when aggregated with all share options granted to such eligible participants (excluding any share options lapsed in accordance with the terms of the relevant schemes) in the 12-month period up to and including the share option grant date of such new grant, would result in the total number of Shares issued and to be issued to such eligible participants in aggregate exceeding over 1% of the issued Shares as at the share option grant date of such new grant, such new grant of share options must be separately approved by the Shareholders in a general meeting with such eligible participants and his/her close associates (or associates if the eligible participants are connected persons of the Company) abstain from voting.

(6) Subscription Price

The subscription price shall be a price determined by the Board or the Chief Executives (as the case may be) and notified to any share option grantee (subject to any adjustments made pursuant to the "Changes in Capital Structure" clause of the 2022 Share Option Scheme) which shall be not less than the highest of:

(i) the closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotation sheet on the share option grant date of the relevant share options, which must be a Business Day;

(ii) an amount equivalent to the average closing price of a Share as stated in the Hong Kong Stock Exchange's daily quotation sheets for the 5 Business Days immediately preceding the share option grant date of the relevant share options; and

(iii) the nominal value per Share on the share option grant date.

(7) Vesting and Exercise Period

The Board or the Chief Executives (as the case may be) may specify the exercise period, vesting schedule and conditions (including performance milestones or targets, if applicable) of the share options in the share option grant letter, provided, however, that all share options shall automatically lapse upon the expiry of the 10th anniversary of the share option grant date. Unless the share options have been withdrawn and cancelled or been forfeited in whole or in part, and subject to the provisions in the 2022 Share Option Scheme, the share option grantee may exercise his rights under the 2022 Share Option Scheme according to the vesting schedule set out in the relevant share option grant letter.

Details of the movements of the outstanding share options granted under the 2022 Share Option Scheme during the six months ended June 30, 2026 are as follows:

	Date of grant	Vesting period	Exercise period	Exercise price per Share (HK$)	Number of share options: At January 1, 2026	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	At June 30, 2026	Weighted average closing price of the Shares immediately before the dates on which the share options were exercised (HK$)
EMPLOYEE PARTICIPANTS											
Five highest paid individuals in aggregate											
Tranche 2022–1	November 24, 2022	Note 1	Note 3	58.9	4,400	–	–	–	–	**4,400**	–
Tranche 2022–2	November 24, 2022	Note 2	Note 3	58.9	33,500	–	–	–	(6,275)	**27,225**	–
Senior Grantees											
Tranche 2022–1	November 24, 2022	Note 1	Note 3	58.9	310,200	–	–	–	–	**310,200**	–
Tranche 2022–2	November 24, 2022	Note 2	Note 3	58.9	183,820	–	–	–	(5,564)	**178,256**	–
Junior Grantees											
Tranche 2022–1	November 24, 2022	Note 1	Note 3	58.9	44,325	–	–	–	–	**44,325**	–
Tranche 2022–2	November 24, 2022	Note 2	Note 3	58.9	155,434	–	–	–	–	**155,434**	–
					731,679	–	–	–	(11,839)	**719,840**	

Notes:

(1) 50% of the Tranche 2022-1 share options granted shall vest on each of the first and second anniversary of the date of grant respectively.

(2) 25% of the Tranche 2022-2 share options granted shall vest on each of the first, second, third and fourth anniversary of the date of grant respectively.

(3) The share options shall be valid from the grant date and shall continue for a period of 10 years from the date of grant.

(4) The closing price of the Shares immediately before the date on which the Tranche 2022-1 and Tranche 2022-2 share options were granted was HK$57.8 per Share.

(5) The grant date fair value of each Tranche 2022-1 share option was approximately US$3.95–US$4.63. The grant date fair value of each Tranche 2022-2 share option was approximately US$4.26–US$4.93. The accounting standards and policies adopted are set out in note 3 to the condensed consolidated financial statements. The methodology and assumptions used are disclosed in note 21 to the condensed consolidated financial statements.

(6) Upon the adoption of the 2022 Share Option Scheme on June 28, 2022, share options to subscribe for a total of 8,904,023 Shares, may be granted under the 2022 Share Option Scheme Limit.

(7) As at January 1, 2026, share options to subscribe for a total of 8,172,344 Shares were available for grant under the 2022 Share Option Scheme Limit. On June 30, 2026, the 2022 Share Option Scheme was terminated by the Company, subject to the rights of the participants of the 2022 Share Option Scheme with respect to the awards granted according to the 2022 Share Option Scheme prior to its termination. As at June 30, 2026, no Shares were available for issue under the 2022 Share Option Scheme.

(8) As at the date of this interim report, the total number of Shares available for issue upon exercise of all outstanding share options granted under the 2022 Share Option Scheme is 110,199, representing approximately 0.10% of the issued Shares.

2026 Share Option Scheme

On June 30, 2026, the Shareholders resolved to adopt the 2026 Share Option Scheme. The 2026 Share Option Scheme constitutes a share option scheme under Chapter 17 of the Listing Rules.

The principal terms of the 2026 Share Option Scheme are set out below.

(1) Purpose

The Board proposes the adoption of the 2026 Share Option Scheme, which will be valid and effective for a period of ten years from the 2026 Adoption Date. The purpose of the 2026 Share Option Scheme is (i) to recognize and acknowledge the contribution of the eligible participants and provide incentives to motivate eligible participants to contribute to, and promote the interests of, the Company by granting Options to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) to attract, retain and motivate high-caliber eligible participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop, maintain and strengthen long-term business relationships that the eligible participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the option grantees with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

(2) Effective and Duration

The 2026 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the 2026 Adoption Date unless sooner terminated. The 2026 Share Option Scheme may be terminated at any time by the Board at its absolute discretion without Shareholders' approval, provided that the Board will only exercise such discretion under specific circumstances where the Board determines appropriate.

After the expiry or termination of the 2026 Share Option Scheme, no further options shall be offered or granted under the 2026 Share Option Scheme, but in all other respects the provisions of the 2026 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting and exercise of any Options granted under the 2026 Share Option Scheme prior thereto or otherwise as may be required in accordance with the provisions of the 2026 Share Option Scheme, and options granted prior to such expiry or termination shall continue to be valid and exercisable in accordance with the 2026 Share Option Scheme and their terms of grant.

(3) Administration

To facilitate the centralized management of grants across multiple jurisdictions (including mainland China, Hong Kong, and the United States), the Company maintains a trust arrangement with a professional trustee for the administration of its share schemes, including the 2026 Share Option Scheme and the 2026 RSU Scheme. The trustee is responsible for holding the underlying Shares, managing the exercise and settlement process, and facilitating regulatory compliance with applicable legal, regulatory and tax obligations in each relevant jurisdictions. The trustee will not exercise the voting rights attached to the unvested Shares of the relevant share schemes and shall abstain from voting on matters that require Shareholders' approval under the Listing Rules.

The 2026 Share Option Scheme shall be subject to the administration of the Board (save as otherwise provided in the option scheme rules) whose decision in all matters arising in relation to the 2026 Share Option Scheme and the option scheme rules or their interpretation or effect shall, subject to all applicable laws, rules and regulations (including the Listing Rules) and requirements of any competent authorities and other than matters which require approval by the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) as required in the option scheme rules or under the Listing Rules, shall be final and binding on all parties who may be affected thereby, subject to the prior receipt of a statement in writing from the auditors of the Company or the independent financial adviser if and as required.

The Administrative Committee shall be responsible for, among other things, applying to the Listing Committee of the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of options under the 2026 Share Option Scheme on the Hong Kong Stock Exchange and other administrative work of the 2026 Share Option Scheme as delegated by the Board from time to time.

(4) Eligible Participants and Making and Acceptance of a Grant

The eligible participants are Employee Participants, including any directors (excluding any independent non-executive directors) and any full-time employees of the Company or any of its subsidiaries (including any persons who are granted any options as an inducement to enter into employment contracts with the Company or any of its subsidiaries), who the Board considers, in its sole discretion, have the eligibility.

Upon and subject to the terms of the 2026 Share Option Scheme and all applicable laws, rules and regulations (including the Listing Rules), the Board shall be entitled at any time within the period of 10 years after the 2026 Adoption Date to make an offer to any Eligible Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at a subscription price. The acceptance of an offer must be accompanied by a payment in favor of the Company of HK$1.00 as consideration for the offer which shall be paid to the Company within 30 days from the Offer Date which shall be determined by the Board from time to time.

(5) Maximum Number of Shares Available for Subscription

(I) 2026 Scheme Mandate Limit

The 2026 Scheme Mandate Limit, being the total number of Shares which may be issued in respect of (i) all options to be granted under the 2026 Share Option Scheme; (ii) all awards to be granted under the 2026 RSU Scheme; and (iii) all options and awards to be granted under any other Share Scheme(s) of the Company that involve(s) the issuance of new Shares (if any), must not in aggregate exceed 10,972,153 Shares, representing 10% of the total number of Shares in issue (excluding any Treasury Shares) as at the 2026 Adoption Date.

For the purposes of calculating the 2026 Scheme Mandate Limit, Shares which are the subject matter of any options, any share options and share awards that have already lapsed in accordance with the respective terms of the 2026 Share Option Scheme and any other share schemes shall not be regarded as utilized and hence shall not be counted.

(II) Refreshment of 2026 Scheme Mandate Limit

The 2026 Scheme Mandate Limit may respectively be refreshed by ordinary resolution of the Shareholders in a general meeting after three years from the 2026 Adoption Date or the date of Shareholders' approval for the last refreshment, provided that the total number of Shares which may be issued in respect of (i) all options to be granted under the 2026 Share Option Scheme; and (ii) all share options and share awards to be granted under any other share schemes as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% of the ordinary Shares in issue (excluding any Treasury Shares) at the date of the Shareholders' approval of such New Scheme Mandate Limit.

The Company may seek separate Shareholders' approval in a general meeting for granting options beyond the 2026 Scheme Mandate Limit, provided that the Options in excess of the 2026 Scheme Mandate Limit are granted only to eligible participants specifically identified by the Company before such approval is sought and any other applicable requirements under the Listing Rules are complied with before the approval of the Shareholders is sought.

(III) Maximum entitlement of each eligible participants

Each grant of option(s) to a Director (other than an independent non-executive Director), or a chief executive, a substantial shareholder of the Company, or any of their respective associates (each as defined under the Listing Rules), must be approved by the independent non-executive Directors.

If a grant of options to an Employee Participant (excluding Directors) would cause the Shares issued and to be issued in respect of all options and awards granted to them (excluding any lapsed options and awards) in any 12-month period to exceed 1% of the total issued Shares as at the relevant Offer Date (excluding Treasury Shares), such grant must be approved by the Shareholders at a general meeting, in the manner prescribed by the relevant provisions under Chapter 17 of the Listing Rules.

If a grant of Options to a Director (other than an independent non-executive Director), a chief executive, a substantial shareholder, or any of their respective associates (each as defined under the Listing Rules), would cause the Shares issued and to be issued in respect of all options and awards granted to them (excluding any lapsed options and awards) in any 12-month period to exceed 0.1% of the total issued Shares as at the relevant Offer Date (excluding Treasury Shares), such grant must be approved by the Shareholders at a general meeting, in the manner prescribed by the relevant provisions under Chapter 17 of the Listing Rules.

(6) Subscription Price

The subscription price (subject to the adjustments in accordance with the option scheme rules) shall be a price determined by the Board and notified to a eligible participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the Offer Date, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

(7) **Vesting and Exercise Period**

(I) Vesting period

The option vesting period in respect of any options shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Options granted to eligible participants may be subject to a shorter option vesting period as determined by (i) the Remuneration Committee if such eligible participant is a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, or (ii) the Board if such eligible participant is not a Director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, under any of the following circumstances:

(a) grants of "make-whole" options to a new eligible participant to replace the share awards or share options that such eligible participant forfeited when leaving his or her previous employer;

(b) grants to an eligible participant whose employment is terminated due to death or disability or occurrence of any out-of-control events;

(c) grants of options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;

(d) grants of options that are made in batches during a year for administrative and compliance reasons;

(e) grants of options with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 months; and

(f) grants of options with a total vesting and holding period of more than 12 months.

(II) Exercise period

The exercise period of an option shall be a period to be determined and notified by the Board to the grantee during which the option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the Offer Date (subject to the provisions for early termination). For the avoidance of doubt, such period may, if the Board so determines, be set at different lengths for different grantees, and the Board may also set conditions and/or restrictions on the exercise of such option during the period an option may be exercised.

No share options have been granted under the 2026 Share Option Scheme since its adoption and up to the date of this interim report.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended June 30, 2026 divided by the weighted average number of Shares of the Company for the six months ended June 30, 2026 is 0% as no option or award was granted under all schemes of the Company during the six months ended June 30, 2026.

CHANGES IN THE INFORMATION OF DIRECTORS OR CHIEF EXECUTIVE OF THE COMPANY

The changes in the information of the Directors or chief executive of the Company since December 31, 2025 and up to the date of this interim report are set out below:

1. Mr. Ouyang Yunlong resigned as a non-executive Director, and a member of the Audit Committee and Remuneration Committee with effect from June 5, 2026;

2. Dr. Yin Huijun was appointed as a member of the Audit Committee and Remuneration Committee with effect from June 5, 2026; and

3. Mr. Wong Yu Shan Eugene was appointed as an independent non-executive director, the chairperson of the audit committee and a member of remuneration committee of EACON Group Co., Ltd., a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 7687), with effect from July 8, 2026.

Save as disclosed above, as of the date of this interim report, there is no change in information of the Directors or chief executive of the Company which shall be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

As at June 30, 2026, the interests and short positions of the Directors and the chief executive of the Company in any of the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares and underlying Shares

Name of Director or chief executive	Nature of interest	Number of Shares/ underlying Shares	Approximate percentage of interest in the Company (1)
Dr. Poon Hung Fai	Beneficial interest; Interests in controlled corporation (2)	17,685,996 (L)	16.12%

Notes:

(L) denotes long position.

(1) The calculation is based on the total number of 109,721,538 issued Shares as at June 30, 2026.

(2) Quarmaceutical Limited is wholly owned by Dr. Poon Hung Fai ("**Dr. Poon**"). Under the SFO, the deemed interest of Dr. Poon consists of: (i) 17,527,696 Shares held by Quarmaceutical Limited; and (ii) 158,300 Shares held by Dr. Poon himself.

Save as disclosed above, as at June 30, 2026, so far as is known to any Directors or chief executive of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations, which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2026, so far as the Directors are aware, the following persons (other than the Directors and chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholders	Nature of interest	Number of Shares/ underlying Shares	Approximate percentage of interest in the shareholding (1)
Quarmaceutical Limited	Beneficial Interest (2)	17,527,696 (L)	15.97%
Dr. Yang Lu	Beneficial interest; Settlor of a discretional trust (3)	7,457,400 (L)	6.80%

Notes:

(L) denotes long position.

(1) The calculation is based on the total number of 109,721,538 issued Shares as at June 30, 2026.

(2) As Quarmaceutical Limited is wholly owned by Dr. Poon, Dr. Poon is deemed to be interested in these Shares as disclosed under "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations".

(3) Dr. Yang Lu ("**Dr. Lu**") is the settlor of The Yang Lu Family Trust and the beneficiaries of The Yang Lu Family Trust are Zheng Joan Wang and Laura Yao Lu, being Dr. Lu's spouse and daughter, respectively. Zheng Joan Wang and Laura Yao Lu are co-trustees of The Yang Lu Family Trust. Therefore, Dr. Lu is deemed to be interested in the 1,714,350 Shares held by The Yang Lu Family Trust. Under the SFO, the deemed interest of Dr. Lu consists of: (i) 1,714,350 Shares held by The Yang Lu Family Trust; (ii) 3,658,250 Shares beneficially owned by Dr. Lu; (iii) options granted to him to subscribe for 1,925,000 Shares under the Pre-IPO Equity Incentive Plan; and (iv) options granted to him to subscribe for 159,800 Shares under the 2022 Share Option Scheme, subject to vesting conditions.

Save as disclosed above, as at June 30, 2026, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of Treasury Shares) during the six months ended June 30, 2026. As of June 30, 2026, the Company did not hold any Treasury Shares.

MATERIAL LITIGATION

References are made to note 25 to the condensed consolidated financial statements, the Company was not involved in any material litigation or arbitration during the six months ended June 30, 2026. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended June 30, 2026.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

USE OF PROCEEDS FROM SUBSCRIPTION OF SHARES

(i) Use of Proceeds from Subscription of Shares in 2024

The Company (as issuer) entered into a subscription agreement with an individual subscriber, Dr. Poon Hung Fai, in respect of the subscription of 17,527,696 new Shares at the subscription price of HK$3.36 per Share on October 2, 2024. The subscription price of HK$3.36 per Share represents a discount of approximately 19.99999990% (being less than 20.0%) over the closing price of HK$4.20 per Share as quoted on the Hong Kong Stock Exchange on the date of the subscription agreement.

The net proceeds received by the Company from the subscription of 17,527,696 new Shares taken place in October 2024 were approximately US$7.5 million after deducting all applicable costs and expenses of the subscription. There was no change in the intended use of net proceeds as previously disclosed in the announcement of the Company dated October 3, 2024 and the Company intends to use the proceeds from the subscription for its general working capital. As at June 30, 2026, all proceeds from the subscription have been fully utilized.

The table below sets forth a detailed breakdown and description of the use of net proceeds, as previously disclosed in the announcement of the Company dated October 3, 2024, as at June 30, 2026:

Purpose	% of use of net proceeds	Net proceeds from subscription (US$ million)	Utilized net proceeds up to December 31, 2025 (US$ million)	Unutilized net proceeds up to January 1, 2026 (US$ million)	Net proceeds utilized during the Reporting Period (US$ million)	Unutilized net proceeds up to June 30, 2026 (US$ million)	Estimated timeline for utilizing the net proceeds from subscription
For general corporate and working capital purposes	100%	7.5	5.0	2.5	2.5	–	–

(ii) Use of Proceeds from Subscription of Shares in 2025

The Company (as issuer) entered into subscription agreements with four subscribers, Bloomage Biotechnology (Hong Kong) Limited, Mr. Tse Shek Ho, Bamboo Bloom Limited and Capstone Resources Holding Limited, in respect of the subscription of 17,352,421 new Shares at the subscription price of HK$12.00 per Share on September 7, 2025. The subscription price of HK$12.00 per Share represents a discount of approximately 19.84% over the closing price of HK$14.97 per Share as quoted on the Hong Kong Stock Exchange on the last trading day prior to the date of the subscription agreements.

Subsequently, on December 7, 2025, the Company and the relevant subscribers mutually agreed to terminate the subscription of 2,151,286 Shares by Mr. Tse Shek Ho (representing a partial termination) and the entire subscription of 1,577,493 Shares by Bamboo Bloom Limited. On March 7, 2026, the Company and Bloomage Biotechnology (Hong Kong) Limited mutually agreed to terminate the subscription of 9,068,280 Shares (representing a partial termination). Accordingly, the total number of new Shares issued by the Company under the subscription was adjusted to 4,555,362 Shares.

Consequently, the net proceeds received by the Company from the subscription of 4,555,362 new Shares were approximately US$6.8 million after deducting all applicable costs and expenses of the subscription. There was no change in the intended use of net proceeds as previously disclosed in the announcement of the Company dated March 7, 2026. The Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purpose based on actual business needs. The table below sets forth a detailed breakdown and description of the use of net proceeds as at June 30, 2026:

Purpose	% of use of net proceeds	Net proceeds from subscription (US$ million)	Utilized net proceeds up to December 31, 2025 (US$ million)	Unutilized net proceeds up to January 1, 2026 (US$ million)	Net proceeds utilized during the Reporting Period (US$ million)	Unutilized net proceeds up to June 30, 2026 (US$ million)	Estimated timeline for utilizing the net proceeds from subscription
To fund the development and commercialization of STP705	47.1%	3.2	–	3.2	0.1	3.1	By end of 2027
To fund the development of STP122G	6.6%	0.5	–	0.5	0.4	0.1	By end of 2027
To fund the development of other drug candidates, including STP707, STP125G and STP144G	31.3%	2.1	–	2.1	0.3	1.8	By end of 2027
For business development activities to enrich the Group's pipeline	7.5%	0.5	–	0.5	0.2	0.3	By end of 2027
For general corporate and working capital purposes	7.5%	0.5	–	0.5	–	0.5	By end of 2027
Total	100.0%	6.8	–	6.8	1.0	5.8	

(iii) Use of Proceeds from Subscription of Shares in 2026

The Company (as issuer) entered into subscription agreements with an individual subscriber, Mr. Tse Shek Ho, in respect of the subscription of 2,435,600 new Shares at the subscription price of HK$4.69 per Share on May 23, 2026. The subscription price of HK$4.69 per Share represents a discount of approximately 15.34% over the closing price of HK$5.54 per Share as quoted on the Hong Kong Stock Exchange on the last trading day prior to the date of the subscription agreement.

Subsequent to June 30, 2026, the subscription of 2,435,600 new Shares was completed on August 12, 2026 and the net proceeds received by the Company were approximately US$1.5 million after deducting all applicable costs and expenses of the subscription. There was no change in the intended use of net proceeds as previously disclosed in the announcement of the Company dated May 23, 2026 and the Company intends to use the proceeds from the subscription for its general working capital. The Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purpose based on actual business needs.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and applied the code provisions of the CG Code set out in Appendix C1 to the Listing Rules. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period, save and except for the deviations of the following:

Code provision C.2.1 provides that the roles of the chairman of the Board and the chief executive should be separate and should not be performed by the same individual. The roles of chairman of the Board and the chief executive officer of our Company are currently performed by Dr. Poon Hung Fai ("**Dr. Poon**"). In view of Dr. Poon's substantial contribution to the Group and his extensive experience, the Board considers that having Dr. Poon acting as both the Chairman of the Board and the Chief Executive Officer of the Group will provide strong and consistent leadership to the Group and facilitate the efficient execution of the Group's business strategies. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether the separation of the roles of chairman of the Board and the chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own code of conduct regarding securities transactions, which applies to all Directors and relevant employees of the Group who are likely to be in possession of unpublished price-sensitive information of the Company, on terms no less than the required standard indicated by the Model Code.

All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the Directors and relevant employees was noted during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee consists of one non-executive Director, being Dr. Yin Huijun, and two independent non-executive Directors, being Mr. Wong Yu Shan Eugene and Ms. Lo Yee Hang. Mr. Wong Yu Shan Eugene is the chairperson of the Audit Committee.

The Audit Committee had, together with the management of the Company, reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2026 and the accounting principles and policies adopted by the Group. The interim results have not been reviewed by the external auditor of the Company.

INTERIM DIVIDEND

The Board did not recommend the distribution of any interim dividend for the Reporting Period.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of material related party transactions of the Group undertaken in the normal course of business are set out in note 23 to the condensed consolidated financial statements, none of which falls under the definition of "Connected Transactions" or "Continuing Connected Transactions" under Chapter 14A of the Listing Rules.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, no important events affecting the Company have occurred since June 30, 2026 and up to the date of this interim report.

On behalf of the Board,

Dr. Poon Hung Fai
Chairman

Hong Kong, August 28, 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

	Notes	For the six months ended June 30, 2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Other income	5	**140**	124
Other gains and losses	6	**4,651**	768
Changes in fair value of financial liabilities at fair value through profit or loss ("**FVTPL**")		**(601)**	1,724
Administrative expenses		**(2,152)**	(2,553)
Research and development expenses		**(2,030)**	(3,045)
Other expenses		**–**	(4)
Finance costs	7	**(387)**	(402)
Loss before tax		**(379)**	(3,388)
Income tax expense	8	**–**	–
Loss for the period	9	**(379)**	(3,388)
Other comprehensive income/(expense):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**33**	(22)
Other comprehensive income/(expense) for the period		**33**	(22)
Total comprehensive expense for the period		**(346)**	(3,410)
Profit/(loss) for the period attributable to:			
Owners of the Company		**91**	(3,698)
Non-controlling interests		**(470)**	310
		(379)	(3,388)
Total comprehensive income/(expense) for the period attributable to:			
Owners of the Company		**136**	(3,718)
Non-controlling interests		**(482)**	308
		(346)	(3,410)
Earnings/(loss) per share	11		
— Basic and diluted (US cents)		**0.09**	(3.95)

Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	Notes	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**2,020**	3,866
Right-of-use assets	*13*	**309**	162
Intangible assets		**652**	657
Financial assets at fair value through other comprehensive income	*14*	**1,417**	–
Deposits	*15*	**40**	521
		4,438	5,206
CURRENT ASSETS			
Prepayments, deposits and other receivables	*15*	**1,788**	1,881
Cash and cash equivalents	*16*	**7,191**	13,518
		8,979	15,399
CURRENT LIABILITIES			
Trade and other payables	*17*	**8,221**	12,724
Contract liability	*18*	**734**	711
Deferred income		**295**	300
Lease liabilities		**99**	63
Financial liabilities at FVTPL	*19*	**22,649**	22,048
Bank borrowings		**2,286**	2,329
		34,284	38,175
NET CURRENT LIABILITIES		**(25,305)**	(22,776)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(20,867)**	(17,570)
NON-CURRENT LIABILITY			
Lease liabilities		**225**	6,922
NET LIABILITIES		**(21,092)**	(24,492)
CAPITAL AND RESERVES			
Share capital	*20*	**110**	107
Deficits		**(6,174)**	(10,021)
Deficits attributable to owners of the Company		**(6,064)**	(9,914)
Non-controlling interests		**(15,028)**	(14,578)
TOTAL DEFICITS		**(21,092)**	(24,492)

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company											
	Share capital US$'000	Shares held for share option scheme US$'000	Shares held for share award scheme US$'000	Share premium US$'000	Other reserves *(Note)* US$'000	Translation reserve US$'000	Share option reserve US$'000	Share award reserve US$'000	Accumulated losses US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total US$'000
At 1 January 2025 (audited)	105	(11)	(1)	522,517	(12,561)	(3,620)	15,897	16	(524,022)	(1,680)	(14,324)	(16,004)
(Loss)/profit for the period	–	–	–	–	–	–	–	–	(3,698)	(3,698)	310	(3,388)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(20)	–	–	–	(20)	(2)	(22)
Total comprehensive (expense)/income for the period	–	–	–	–	–	(20)	–	–	(3,698)	(3,718)	308	(3,410)
Recognition of share-based payment	–	–	–	–	–	–	239	41	–	280	35	315
Lapse/forfeiture of share options	–	–	–	–	–	–	(63)	–	63	–	–	–
At June 30, 2025 (unaudited)	105	(11)	(1)	522,517	(12,561)	(3,640)	16,073	57	(527,657)	(5,118)	(13,981)	(19,099)

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company											
	Share capital US$'000	Shares held for share option scheme US$'000	Shares held for share award scheme US$'000	Share premium US$'000	Other reserves *(Note)* US$'000	Translation reserve US$'000	Share option reserve US$'000	Share award reserve US$'000	Accumulated losses US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total US$'000
At 1 January 2026 (audited)	**107**	**(9)**	**(1)**	**529,152**	**(12,561)**	**(3,647)**	**13,805**	**33**	**(536,793)**	**(9,914)**	**(14,578)**	**(24,492)**
Profit/(loss) for the period	–	–	–	–	–	–	–	–	91	91	(470)	(379)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	45	–	–	–	45	(12)	33
Total comprehensive income/(expense) for the period	–	–	–	–	–	45	–	–	91	136	(482)	(346)
Recognition of share-based payment	–	–	–	–	–	–	62	(13)	–	49	32	81
Lapse/forfeiture of share options	–	–	–	–	–	–	(127)	–	127	–	–	–
Proceeds from share subscription *(Note 20)*	3	–	–	3,662	–	–	–	–	–	3,665	–	3,665
At June 30, 2026 (unaudited)	**110**	**(9)**	**(1)**	**532,814**	**(12,561)**	**(3,602)**	**13,740**	**20**	**(536,575)**	**(6,064)**	**(15,028)**	**(21,092)**

Note: Other reserves included (1) effect of series C warrants granted to non-controlling shareholders to convert their registered capital in a subsidiary, Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd.* 聖諾生物醫藥技術（蘇州）有限公司 ("**Suzhou Sirnaomics**") to preferred shares of its holding company, namely, Sirnaomics, Inc. ("**US Sirnaomics**"), (2) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of issuance of subsidiary's equity and the relevant proceeds received, (3) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of conversion of Simple Agreements for Future Equity ("**SAFE**") shares to ordinary shares of a subsidiary, RNAimmune, Inc. ("**RNAimmune**"), (4) differences between the decrease in the carrying amounts of net assets attributable to the non-controlling shareholders and the relevant consideration paid in the acquisition, (5) effect of group reorganization in connection with the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") which was completed on January 21, 2021 and (6) differences between the decrease in the carrying amounts of net assets attributable to the non-controlling shareholders and the relevant consideration paid in the acquisition of additional interest in a subsidiary, EDIRNA Inc. ("**EDIRNA**"), during the year ended December 31, 2023.

* The English name is for identification purpose only.

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	**(4,785)**	(4,893)
INVESTING ACTIVITIES		
Purchase and deposits paid for property, plant and equipment	**(1)**	(51)
Purchase of intangible assets	**(26)**	–
Interest received	**18**	8
Proceeds from disposal of property, plant and equipment	**30**	47
Purchase of financial assets at fair value through other comprehensive income	**(1,410)**	–
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(1,389)**	4
FINANCING ACTIVITIES		
Proceeds from bank borrowings	**–**	276
Repayment of bank borrowings	**(116)**	(33)
Interest paid on lease liabilities	**(12)**	(87)
Interest paid on bank borrowings	**(36)**	(10)
Repayment of lease liabilities	**(49)**	(126)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(213)**	20
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(6,387)**	(4,869)
CASH AND CASH EQUIVALENTS AT BEGINNING OF JANUARY 1	**13,518**	11,769
Effect of foreign exchange rate changes	**60**	(28)
CASH AND CASH EQUIVALENTS AT JUNE 30	**7,191**	6,872
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	**7,191**	6,872

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026

1. GENERAL INFORMATION

Sirnaomics Ltd. (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") effective from December 30, 2021. The respective address of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the interim report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are clinical-stage biotechnology companies engaged in developing and commercializing of ribonucleic acid interference ("**RNAi**") technology and multiple therapeutics.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**") Interim Financial Reporting issued by the International Accounting Standards Board ("**IASB**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The Group engages in developing and commercializing of RNAi technology and multiple therapeutics with certain drug candidates in different preclinical and clinical stages. The Group incurred a net loss of US$379,000 and a net operating cash outflow of US$4,785,000 for the six months ended June 30, 2026, and as of that date, the Group had cash and cash equivalents of US$7,191,000, net current liabilities of US$25,305,000 and net liabilities of US$21,092,000. The Group's ability to continue as a going concern is highly dependent on its ability to maintain minimal cash outflows from operations and sufficient financing resources to meet its financial obligations as and when they fall due. The Group is actively improving the liquidity and cashflow by implementing different plans and measures, including, but not limited to, the followings:

(i) The Group is pursuing external funding through equity and debt financing to replenish the cash balance;

(ii) The Group is exploring business development opportunities on its pipeline assets;

(iii) The Group is implementing restructuring initiatives to further streamline the organizational structure, enhance operational efficiency, and align its resources more effectively with the Group's strategic objectives to continue advancing its core products in order to reduce the cash outflow from the operating activities; and

(iv) The Group's indirect non-wholly owned subsidiary, RNAimmune, will continue to seek equity and other alternative financing, including but not limited to issuance of preference shares, to finance its own operations and meet its own financial obligations without relying on the additional financing support from the Group.

2. BASIS OF PREPARATION (Continued)

The directors of the Company performed an assessment of the Group's future liquidity and cash flows, which included preparing a cash flow projection for the Group covering a period of 18 months till December 31, 2027 and a review of assumptions about the likelihood of success of the plans and measures being implemented to meet the Group's financing needs. When preparing the condensed consolidated financial statements for the six months ended June 30, 2026, the directors, based on their assessment, are of the opinion that (a) the Group will be able to implement the restructuring initiatives in order to reduce the cash outflow from the operating activities and (b) RNAimmune will be able to obtain new source of external financing resources to finance its own operations and meet its own financial obligations, so that the Group has sufficient financial resources to finance its operations and to meet its financial obligations as and when they fall due at least twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

Significant uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above. If the above-mentioned plans and measures could not be implemented successfully as planned, the Group would be unable to finance its operations or meet its financial obligations as and when they fall due in the ordinary course of business. The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms, or to recognize a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2025.

Application of new and amendments to IFRS Accounting Standards

In the current period, the Group has applied all the new and amendments to IFRS Accounting Standards which comprise International Financial Reporting Standards ("**IFRS**"), International Accounting Standards ("**IASs**") and interpretations issued by the IASB, for the first time, which are mandatorily effective for the Group' s accounting period beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements.

The Group has not early applied the new and amendments to IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and amendments to IFRS Accounting Standards but is not yet in a position to state whether these new and amendments to IFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue

The Group has not generated any revenue during the period.

Segment information

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

4. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations and non-current assets are mainly located at the United States of America (the "**U.S.**") and the mainland of the PRC. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets excluding financial instruments	
	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
The U.S.	**442**	2,115
The PRC	**2,500**	2,560
Hong Kong	**39**	10
	2,981	4,685

5. OTHER INCOME

	For the six months ended June 30,	
	2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Government grants *(Note)*	**104**	64
Rental income	**9**	14
Interest income from bank balances	**18**	8
Consultancy income	**–**	3
Others	**9**	35
	140	124

Note: For both periods, government grants include cash incentives specifically for research and development activities, which are recognized upon compliance with the relevant conditions where applicable.

6. OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Net foreign exchange loss	**(54)**	(3)
(Loss) gain on disposal of property, plant and equipment	**(1,279)**	18
Gain on termination of lease *(Note)*	**5,984**	–
Gain on lease modification	**–**	746
Others	**–**	7
	4,651	768

Note: In June 2026, the Company early terminated its Maryland office and laboratory lease. The termination resulted in a total loss of US$5,984,000, comprising termination fee, forfeiture of rental deposit and the derecognition of related right-of-use asset and lease liability upon surrender of the premises.

7. FINANCE COSTS

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**351**	392
Interest on bank borrowings	**36**	10
	387	402

8. INCOME TAX EXPENSE

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

Hong Kong Profits Tax of Sirnaomics (Hong Kong) Limited ("**HK Sirnaomics**") is calculated at 8.25% on the first Hong Kong Dollar ("**HK$**") 2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the U.S. Tax Cuts and Jobs Act, the U.S. corporate income tax rate has charged at a flat rate of 21% during both periods presented. In addition, under the relevant rules of state taxes in Florida, Virginia, California, Massachusetts and Maryland of the U.S., the state tax rates are charged at ranging from 5.50% to 8.84% during the period (six months ended June 30, 2025: 5.50% to 8.84%).

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

Sirnaomics Biopharmaceuticals (Guangzhou) Co., Ltd.* 聖諾生物醫藥技術（廣州）有限公司 ("**Guangzhou Sirnaomics**") has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Guangzhou City and relevant authorities in June 2017, December 2020 and December 2023 respectively, and have been registered with the local tax authorities for enjoying the reduced Enterprise Income Tax ("**EIT**") rate at 15% during the financial years from 2017 to 2026.

No Hong Kong Profits Tax, U.S. corporate income and state taxes and EIT were provided as the group entities had no assessable profits for both periods.

* The English name is for identification purpose only.

9. LOSS FOR THE PERIOD

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Loss for the year has been arrived at after charging:		
Outsourcing service fees included in research and development expenses	**506**	270
Amortization of intangible assets	**47**	42
Depreciation of property, plant and equipment	**559**	825
Depreciation of right-of-use assets	**56**	81
	662	948
Analyzed as:		
— charged in administrative expenses	**187**	220
— charged in research and development expenses	**475**	728
	662	948
Staff costs (including directors' remuneration)		
— Salaries and other allowances	**1,253**	2,248
— Retirement benefit scheme contributions	**146**	147
— Performance and discretionary bonus	**54**	–
— Share-based payment expense	**81**	315
	1,534	2,710
Analyzed as:		
— charged in administrative expenses	**855**	1,252
— charged in research and development expenses	**679**	1,458
	1,534	2,710

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended June 30, 2026 and 2025. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

11. EARNINGS/(LOSS) PER SHARE

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

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Earnings/(loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**91**	(3,698)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**98,947,952**	93,694,108

The weighted average numbers of ordinary shares for the purpose of basic earnings/(loss) per share shown above for the six months ended June 30, 2026 and 2025 have been arrived at after deducting the shares held by the trustee for the share option schemes and share award scheme of the Company and treasury shares held by the Company. Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended June 30, 2025, the different series of preferred shares issued by RNAimmune and the share options issued by the Company, RNAimmune and EDIRNA outstanding were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive.

For the six months ended June 30, 2026, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the adjusted exercise price of those share options are higher than the average market price of the shares for the six months ended June 30, 2026, and does not include the different series of preferred shares issued by RNAimmune and the share options issued by RNAimmune outstanding, as their inclusion would be anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement US$'000	Furniture and fixtures US$'000	Laboratory equipment US$'000	Vehicles US$'000	Equipment and computers US$'000	Assets under construction US$'000	Total US$'000
COST							
At December 31, 2024 (audited)	14,416	894	11,892	251	483	72	28,008
Additions	–	–	24	–	–	–	24
Disposals/written off	–	–	(7)	(105)	–	–	(112)
Exchange adjustments	5	1	26	–	1	–	33
At June 30, 2025 (unaudited)	14,421	895	11,935	146	484	72	27,953
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS							
At December 31, 2024 (audited)	11,473	388	8,755	176	323	–	21,115
Provided for the period	218	51	508	13	35	–	825
Eliminated on disposals/written off	–	–	(5)	(78)	–	–	(83)
Exchange adjustments	4	1	15	–	1	–	21
At June 30, 2025 (unaudited)	11,695	440	9,273	111	359	–	21,878
CARRYING VALUES							
At June 30, 2025 (unaudited)	2,726	455	2,662	35	125	72	6,075
COST							
At December 31, 2025 (audited)	**14,441**	**898**	**12,045**	**148**	**490**	**72**	**28,094**
Additions	**–**	**1**	**–**	**–**	**–**	**–**	**1**
Disposals/written off	**(13,691)**	**(671)**	**(3,736)**	**–**	**(165)**	**–**	**(18,263)**
Exchange adjustments	**33**	**6**	**216**	**6**	**5**	**–**	**266**
At June 30, 2026 (unaudited)	**783**	**234**	**8,525**	**154**	**330**	**72**	**10,098**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS							
At December 31, 2025 (audited)	**13,380**	**523**	**9,822**	**118**	**385**	**–**	**24,228**
Provided for the period	**113**	**26**	**365**	**15**	**40**	**–**	**559**
Eliminated on disposals/written off	**(12,960)**	**(354)**	**(3,446)**	**–**	**(156)**	**–**	**(16,916)**
Exchange adjustments	**24**	**5**	**170**	**5**	**3**	**–**	**207**
At June 30, 2026 (unaudited)	**557**	**200**	**6,911**	**138**	**272**	**–**	**8,078**
CARRYING VALUES							
At June 30, 2026 (unaudited)	**226**	**34**	**1,614**	**16**	**58**	**72**	**2,020**

For the six months ended June 30, 2026, the Group acquired property, plant and equipment of US$1,000 which consisted of furniture and fixtures.

13. RIGHT-OF-USE ASSETS

	Leased properties US$'000
As at January 1, 2026 (audited)	
Carrying amount	162
As at June 30, 2026 (unaudited)	
Carrying amount	**309**

During the six months ended June 30, 2026, the Group leases various offices and equipment for its operations. Lease contracts are entered into for fixed terms of six months to five years (six months ended June 30, 2025: one to ten years). The lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Unlisted equity securities	**1,417**	–

The above investments are intended to be held for the medium to long term. Designation of these investments as equity investments at fair value through other comprehensive income ("**FVTOCI**") can avoid the volatility of the fair value changes of these investments to the profit or loss.

During the six months ended June 30, 2026, Suzhou Sirnaomics, an indirect wholly owned subsidiary of the Company, entered into a Share Capital Increase Agreement (the "**Agreement A**") with a company incorporated in the PRC (the "**Target Company A**"), its founding shareholders, and other investors, pursuant to which Suzhou Sirnaomics agreed to subscribe to the newly increased registered capital of the Target Company A with total consideration of RMB6,150,000 (equivalent to approximately US$903,000). The Company's total investment consideration is RMB6,150,000 (equivalent to approximately US$903,000), representing a 2.47% equity interest in the Target Company A.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

During the six months ended June 30, 2026, Suzhou Sirnaomics, an indirect wholly owned subsidiary of the Company, entered into a Share Capital Increase Agreement (the "**Agreement B**") with a company incorporated in the PRC (the "**Target Company B**"), and its founding shareholders, pursuant to which Suzhou Sirnaomics agreed to subscribe to the newly increased registered capital of the Target Company B with total consideration of RMB3,500,000 (equivalent to approximately US$514,000). The Company's total investment consideration is RMB3,500,000 (equivalent to approximately US$514,000), representing a 3.38% equity interest in the Target Company B.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Prepayments to outsourced service providers	**706**	675
Prepayments for legal and other professional services	**199**	341
Rental deposits	**128**	608
Others receivables, net of allowance of credit losses	**795**	778
	1,828	2,402
Analyzed as:		
Current	**1,788**	1,881
Non-current	**40**	521
	1,828	2,402

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates ranging from 0.001% to 2.78% (December 31, 2025: 0.001% to 2.78%).

17. TRADE AND OTHER PAYABLES

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Trade payables	**2,703**	3,156
Accruals for outsourcing research and development fees	**2,371**	2,371
Payables and accruals for other operating expenses	**2,750**	2,948
Accruals for staff costs	**373**	380
Receipt in advance for share subscription *(Note 20)*	**–**	3,846
Payables for acquisition of property, plant and equipment	**24**	23
	5,518	9,568
	8,221	12,724

The credit period on purchase of materials or receiving services for research and development activities is usually within 90 days (December 31, 2025: 90 days). The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
0 to 30 days	**54**	79
31 to 60 days	**16**	20
61 to 90 days	**1**	5
Over 90 days	**2,632**	3,052
	2,703	3,156

18. CONTRACT LIABILITY

In 2021, the Group entered into a license agreement (the "**Agreement**") with Walvax Biotechnology Co., Ltd. ("**Walvax**") to co-develop small interfering RNA drugs targeting the influenza virus. Pursuant to the Agreement, the Group will grant the exclusive rights of license in the target drug in the territory covering mainland China, Hong Kong, Macau and Taiwan plus research and development services to Walvax. The license and the research and development service are not distinct and they are accounted for as a performance obligation that is satisfied over time using input method. The consideration of the Agreement includes an upfront payment of RMB5,000,000, a service payment for preclinical research and development services of RMB36,500,000, and variable considerations including milestone payments up to an aggregate amount of RMB100,000,000 and a sales-based royalty.

As at June 30, 2026 and December 31, 2025, the Group had received an upfront fee of RMB5,000,000 (equivalent to approximately US$734,000 (December 31, 2025: approximately US$711,000)) which was recognized as a contract liability until the services have been delivered to the customer.

The directors of the Company expected the contract liability to be settled within normal operating cycles. Therefore, the amount is classified under current liabilities.

19. FINANCIAL LIABILITIES AT FVTPL

Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune

On March 29, 2021, RNAimmune was authorized to issue 50,000,000 preferred shares of US$0.00001 par value per share, of which 7,936,509 and 15,000,000 authorized preferred shares were designated as series seed preferred shares ("**Series Seed Preferred Shares**") and series A preferred shares ("**Series A Preferred Shares**"), respectively. The remaining 27,063,491 authorized preferred shares had not been designated as at June 30, 2026.

On March 29, 2021, RNAimmune entered into share purchase agreements of Series Seed Preferred Shares with US Sirnaomics and independent investors to issue 1,587,302 and 6,349,207 Series Seed Preferred Shares at a consideration of US$2,000,000 and US$8,000,000, respectively. As at June 30, 2026 and December 31, 2025, 7,936,509 Series Seed Preferred Shares were issued and outstanding.

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

On March 10, 2022, RNAimmune entered into share purchase agreements of Series A Preferred Shares with US Sirnaomics and independent investors to issue 2,588,997 and 6,258,891 Series A Preferred Shares at a consideration of US$8,000,000 and US$19,340,000, respectively. As at December 31, 2022, out of the 6,258,891 Series A Preferred Shares which the independent investors agreed to purchase, 4,964,393 Series A Preferred Shares with a total consideration of US$15,340,000 were issued and outstanding. During the year ended December 31, 2023, the Company has entered into a termination agreement with an investor for the remaining 1,294,498 non-issued Series A Preferred Shares. As at June 30, 2026 and December 31, 2025, 7,553,390 Series A Preferred Shares were issued and outstanding.

Preferred shares	Year of issue	Number of investors	Total number of preferred shares issued	Subscription price per preferred share	Total consideration
				US$	US$'000
Series Seed Preferred Shares	2021	7	7,936,509	1.26	10,000
Series A Preferred Shares	2022	8	7,553,390	3.09	23,340
			15,489,899		33,340

No redemption rights are held by the holders of Series Seed Preferred Shares and Series A Preferred Shares and the other key terms of the Series Seed Preferred Shares and Series A Preferred Shares of RNAimmune are as follows:

(a) Voting Right

The voting, dividend and liquidation rights of ordinary shares are subject to and qualified by the rights, powers and preferences of Series Seed Preferred Shares and Series A Preferred Shares. Ordinary shares are entitled to one vote per share at all meetings of stockholders and there is no cumulative voting. On any matter presented to stockholders of RNAimmune for their action or consideration at any meeting of stockholders, each holder of outstanding Series Seed Preferred Shares and Series A Preferred Shares is entitled to the number of votes equal to the number of whole shares of ordinary shares into which Series Seed Preferred Shares and Series A Preferred Shares are convertible. Holders of Series Seed Preferred Shares and Series A Preferred Shares shall vote together with the holders of ordinary shares as a single class. Holders of ordinary shares, voting exclusively and as a separate class, shall be entitled to elect four directors of RNAimmune. Holders of ordinary shares, Series Seed Preferred Shares and Series A Preferred Shares vote together as a single class shall be entitled to elect the balance of the total number of directors of RNAimmune.

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(b) Dividends

RNAimmune shall not declare, pay, or set aside any dividends on shares of any other class or series of capital stock, unless holders of Series Seed Preferred Shares and Series A Preferred Shares shall first receive a dividend in an amount at least equal to the product of (A) the dividend payable as if all shares had been converted into ordinary shares and (B) the number of shares of ordinary shares issuable upon conversion of a share of preferred shares calculated on the record date for determination of holders entitled to receive such dividend.

The dividend payable to holders of preferred shares shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest dividend to, first, holders of Series A Preferred Shares and, second, holders of Series Seed Preferred Shares.

A dividend is payable only when funds are legally available therefore and only when, as and if declared by the board of directors of RNAimmune. RNAimmune is not obligated to pay a dividend. During the six months ended June 30, 2026 and 2025, the board of directors of RNAimmune has not declared any dividends.

(c) Liquidation Preference

In the event of any liquidation, dissolution or winding up of RNAimmune or a deemed liquidation event as defined in the amended and restated certificate of incorporation of RNAimmune, outstanding Series Seed Preferred Shares and Series A Preferred Shares are entitled to be paid in full out of RNAimmune's assets available for distribution before payment on ordinary shares in the following order: (i) on Series A Preferred Shares, the sum of (I) US$3.09 and (II) any dividends accrued or declared but unpaid and (ii) on Series Seed Preferred Shares, the sum of (I) US$1.26 and (II) any dividends accrued or declared but unpaid. If RNAimmune's assets available for distribution are insufficient to pay the full amount on a series of outstanding preferred shares, such series of preferred shares shall share rateably in any distribution of the assets available for distribution.

After the payment of all preferential amounts on outstanding preferred shares, the remaining RNAimmune's assets are distributed among preferred shares and ordinary shares, pro rata based on the number of share held by each holder as if they had been converted to ordinary share immediately prior to such liquidation, dissolution or winding up of RNAimmune or deemed liquidation event.

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(d) Optional Conversion

Holders of Series Seed Preferred Shares and Series A Preferred Shares have conversion rights. Each series of preferred shares is convertible, at holder's option, without payment of additional consideration, into number of fully paid ordinary shares of RNAimmune as determined by dividing original issue price by the conversion price for each series (as disclosed below) in effect at the time of conversion.

In order for a holder of preferred shares to convert preferred shares into ordinary shares, such holder provides written notice to RNAimmune that such holder elects to convert all or any portion of preferred shares. In general, preferred shares which have been surrendered for conversion are no longer deemed to be outstanding, and all rights with respect to such preferred shares cease and terminate at the conversion time. Any preferred shares so converted are retired and cancelled and may not be reissued.

(e) Conversion Price/Anti-Dilution Protection

The conversion price for each Series Seed Preferred Shares and Series A Preferred Shares is adjusted on a weighted-average basis if RNAimmune issues additional shares of ordinary shares or ordinary shares equivalents (other than for stock option grants and other customary exclusions) at a purchase price less than the applicable conversion price, subject to appropriate adjustments in the certificate of incorporation. The initial "Series Seed conversion price" and "Series A conversion price" are US$1.26 per share and US$3.09 per share, which also represent the original issue price of Series Seed Preferred Shares and Series A Preferred Shares, respectively.

If RNAimmune, after the original issue date for a series of preferred shares issues additional shares of ordinary shares or ordinary shares equivalents, without consideration or for a consideration per share less than the conversion price for such series in effect immediately prior to such issue, then the conversion price for such series is reduced, concurrently with such issue, to a price determined in accordance with the formula set forth in the restated certificate of incorporation.

No adjustment in the conversion price for a series of preferred shares is made if RNAimmune receives written notice from holders of a majority of such series of preferred shares then outstanding agreeing that no such adjustment should be made as the result of the issuance or deemed issuance of additional shares of ordinary shares or ordinary shares equivalents.

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(f) Mandatory Conversion

Upon (i) the closing of the sale of ordinary shares of RNAimmune to the public in a firm-commitment underwritten public offering resulting in at least US$50,000,000 of aggregate proceeds, net of the underwriting discount and commissions, the ordinary shares of RNAimmune is listed for trading on Nasdaq Stock Market's National Market, Hong Kong Stock Exchange, or another stock exchange approved by the board of directors of RNAimmune or (ii) the date and time, or the occurrence specified by vote or written consent of requisite holders, then all outstanding shares of Series Seed Preferred Shares and Series A Preferred Shares of RNAimmune shall be converted automatically into ordinary shares of RNAimmune, at the effective conversion price and such shares may not be reissued by RNAimmune.

With respect to each series of preferred shares of RNAimmune, all holders of such series of preferred shares are sent written notice of the mandatory conversion time and the place designated for mandatory conversion of all such series. In general, all rights with respect to a series of preferred shares of RNAimmune converted, including the rights, if any, to receive notices and vote (other than as a holder of ordinary shares of RNAimmune), terminate at the mandatory conversion time for such series. Such converted shares of such series of preferred shares shall be retired and cancelled and may not be reissued as shares of such series.

Presentation and Classification

The directors of the Company considered that the Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune are accounted for as financial liabilities measured at FVTPL.

The directors of the Company also considered that the changes in the fair value of the Series Seed Preferred Shares and Series A Preferred Shares attributable to the change in credit risk of these financial liabilities are minimal. Changes in fair value of the Series Seed Preferred Shares and Series A Preferred Shares not attributable to the change in credit risk of the financial liabilities are charged to profit or loss and presented as "changes in fair value of financial liabilities at FVTPL".

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

Presentation and Classification (Continued)

The Series Seed Preferred Shares and Series A Preferred Shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("**AVISTA Valuation**"), which has appropriate qualifications and experiences in valuation of similar instruments. The address of AVISTA Valuation is Suites 2401–06, 24/F, Everbright Centre, No. 108 Gloucester Road, Wan Chai, Hong Kong.

The directors of the Company used the back-solve method to determine the underlying share value of RNAimmune and performed an equity allocation based on Black-Scholes Option Pricing Model ("**OPM**") to arrive the fair value of the Series Seed Preferred Shares and Series A Preferred Shares at June 30, 2026 and December 31, 2025.

In addition to the underlying share value of RNAimmune determined by back-solve method, other key valuation assumptions used in OPM to determine the fair value of Series Seed Preferred Shares and Series A Preferred Shares are as follows:

Series Seed Preferred Shares and Series A Preferred Shares

	At June 30, 2026	At December 31, 2025
Time to liquidation	**4.5 years**	4.5 years
Risk-free interest	**4.22%**	3.68%
Expected volatility value	**61.70%**	64.40%
Dividend yield	**0%**	0%
Possibilities under liquidation	**80%**	80%
Possibilities under IPO	**20%**	20%

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Government Bond with a maturity life equal to period from the respective valuation dates to the expected liquidation dates. Expected volatility value was estimated on each valuation date based on the average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation dates. Dividend yield, possibilities under different scenarios and time to liquidation are estimated based on management estimation at the valuation dates.

20. SHARE CAPITAL

The details of the movement of the Company's authorized and issued ordinary shares during the six months ended June 30, 2026 and 2025 are set out as below:

	Number of shares	Share capital
		US$
Ordinary shares of US$0.001 each		
Authorized		
At January 1, 2025 (audited), June 30, 2025 (unaudited), January 1, 2026 (audited) and June 30, 2026 (unaudited)	230,000,000	230,000

	Number of shares	Share capital
		US$
Issued and fully paid		
At January 1, 2025 (audited) and June 30, 2025 (unaudited)	105,166,176	105,166
At January 1, 2026 (audited)	**107,221,538**	**107,221**
Share subscription *(Note)*	**2,500,000**	**2,500**
At June 30, 2026 (unaudited)	**109,721,538**	**109,721**

Note: On September 7, 2025, the Company (as issuer) entered into a subscription agreement with Bloomage Biotechnology (Hong Kong) Limited in respect of the subscription of 11,568,280 subscription shares at the subscription price of HK$12.00 per Share. The Company received in advance from Bloomage Biotechnology (Hong Kong) Limited for share subscription of HK$30,000,000 (equivalent to approximately US$3,846,000) as at December 31, 2025. On March 7, 2026, the Company partially completed the allotment of a total of 2,500,000 ordinary shares to Bloomage Biotechnology (Hong Kong) Limited and share issuance on March 9, 2026 at the subscription price of HK$12 per Share, raising proceeds of approximately HK$28,589,000 (equivalent to approximately US$3,665,000), net of share issue expenses of approximately HK$1,411,000 (equivalent to approximately US$181,000). After amicable negotiations in good faith, the Company and Bloomage Biotechnology (Hong Kong) Limited mutually agreed that the subscription of the remaining 9,068,280 shares was terminated on March 7, 2026.

21. SHARE-BASED PAYMENT TRANSACTIONS

(a) Share option scheme

Equity-settled share option scheme of US Sirnaomics

2016 Stock Incentive Plan

Effective on June 10, 2016, US Sirnaomics adopted the "2016 Stock Incentive Plan" pursuant to which US Sirnaomics is authorized to grant stock options, stock appreciation rights, and restricted stock to directors, officers, employees, consultants and other non-employee individuals of US Sirnaomics. Under the 2016 Stock Incentive Plan, a total of 12.7 million shares of ordinary shares were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of US Sirnaomics's ordinary shares at the date of grant and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of US Sirnaomics, and are subject generally to a continued service relationship.

Effective on January 21, 2021, the Group terminated the 2016 Stock Incentive Plan, meaning that, while no additional awards of stock options, stock appreciation rights, or restricted stock were permitted thereunder, all outstanding awards continued to be governed by their existing terms.

Substitution of ordinary shares of US Sirnaomics to the Company's ordinary shares under 2016 Stock Incentive Plan

As part of the group reorganization in connection with the listing of the Company's shares on the Hong Kong Stock Exchange, US Sirnaomics would (i) substitute 1 share of ordinary share of US Sirnaomics under 2016 Stock Incentive Plan to 1 share of ordinary share of the Company and (ii) assume on the same terms and conditions as the 2016 Stock Incentive Plan for issuance of stock options, stock appreciation rights, and restricted stock under the 2021 Stock Incentive Plan as defined and detailed below. The directors of the Company considered that the modification of terms of 2016 Stock Incentive Plan have no material change in fair value of the share options at the date of modification.

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of US Sirnaomics (Continued)

Substitution of ordinary shares of US Sirnaomics to the Company's ordinary shares under 2016 Stock Incentive Plan (Continued)

The following table discloses movements of the share options during the six months ended June 30, 2026 under 2016 Stock Incentive Plan:

				Number of share options ('000)							
Options	Vesting year	Expiry year	Exercise price US$	At January 1, 2025	Exercised during the period	Lapsed/ forfeited during the period	At June 30, 2025	At January 1, 2026	Exercised during the period	Lapsed/ forfeited during the period	At June 30, 2026
Tranche 2016-1	2020	2025	1.36	547	–	–	547	**–**	**–**	**–**	**–**
Tranche 2016-2	2018	2025	1.36	535	–	–	535	**–**	**–**	**–**	**–**
Tranche 2017-2	2021	2025	1.36	421	–	–	421	**–**	**–**	**–**	**–**
Tranche 2017-3	2019	2025	1.36	698	–	–	698	**–**	**–**	**–**	**–**
Tranche 2017-4	2020	2025	1.36	100	–	–	100	**–**	**–**	**–**	**–**
Tranche 2018-2	2022 *(Note (ii))*	2027	1.45	1,480	–	–	1,480	**1,140**	**–**	**–**	**1,140**
Tranche 2018-3	2022 *(Note (ii))*	2027	1.60	216	–	–	216	**216**	**–**	**–**	**216**
Tranche 2019-2	2023 *(Note (ii))*	2028	1.75	179	–	–	179	**110**	**–**	**–**	**110**
Tranche 2020-1	2020	2029	1.75	471	–	–	471	**421**	**–**	**–**	**421**
Tranche 2020-1	2024 *(Note (ii))*	2029	2.35	675	–	–	675	**675**	**–**	**–**	**675**
Tranche 2020-2	Milestones *(Note (i))*	2029	1.75	1,450	–	–	1,450	**900**	**–**	**–**	**900**
Tranche 2020-3	2024 *(Note (ii))*	2029	1.75	100	–	–	100	**100**	**–**	**–**	**100**
Tranche 2020-4	2021	2029	2.35	75	–	–	75	**–**	**–**	**–**	**–**
Tranche 2020-5	2024 *(Note (ii))*	2029	2.35	510	–	–	510	**402**	**–**	**–**	**402**
				7,457	–	–	7,457	**3,964**	**–**	**–**	**3,964**
Exercisable at the end of the reporting period				7,457			7,457	**3,964**			**3,964**
Weighted average exercise price				1.67	N/A	N/A	1.67	**1.82**	**N/A**	**N/A**	**1.82**

Notes:

(i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, the completion of the Company's IPO, series D financing by the fourth quarter in 2020 or achievement of drug project related milestones.

(ii) The unvested portion of share options having an original vesting year of 2022 or later are vested immediately upon fulfilment of milestone of completion of the Company's IPO on December 30, 2021.

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company

2021 Stock Incentive Plan

Effective on January 21, 2021, the Company adopted the "2021 Stock Incentive Plan" pursuant to which the Company is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisers and individuals who provide services to the Company and its affiliates. Under the 2021 Stock Incentive Plan, a total of 13.3 million ordinary shares of the Company were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of the Company's ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of the Company, and are subject generally to a continued service relationship.

The following table discloses movements of the Company's share options during the six months ended June 30, 2026 under 2021 Stock Incentive Plan:

				Number of share options ('000)							
Options	Vesting year	Expiry year	Exercise price US$	At January 1, 2025	Exercised during the period	Lapsed/ forfeited during the period	At June 30, 2025	At January 1, 2026	Exercised during the period	Lapsed/ forfeited during the period	At June 30, 2026
Tranche 2021-2	Milestone *(Note (i))*	2030	2.35	8	–	–	8	**–**	**–**	**–**	**–**
Tranche 2021-3	Milestone *(Note (i))*	2030	2.35	8	–	–	8	**–**	**–**	**–**	**–**
Tranche 2021-4	2025 *(Note (ii))*	2030	2.35	155	–	–	155	**99**	**–**	**–**	**99**
Tranche 2021-5	2025 *(Note (ii))*	2030	3.5	2,933	–	–	2,933	**2,757**	**–**	**–**	**2,757**
Tranche 2021-6	2025 *(Note (ii))*	2030	3.55	262	–	–	262	**198**	**–**	**–**	**198**
				3,366	–	–	3,366	**3,054**	**–**	**–**	**3,054**
Exercisable at the end of the reporting period				3,366			3,366	**3,054**			**3,054**
Weighted average exercise price				3.45	N/A	N/A	3.45	**3.47**	**N/A**	**N/A**	**3.47**

Notes:

(i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, the execution of a collaboration, development, joint venture, or partnership agreement or completion of achievement of drug-project-related milestones.

(ii) The unvested portion of share options having an original vesting year of 2022 or later are vested immediately upon fulfilment of milestone of completion of the Company's IPO on December 30, 2021.

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company (Continued)

2022 Share Option Scheme

The Company adopted the restricted share unit scheme (the "**2022 RSU Scheme**") on April 22, 2022 and adopted the Post-IPO share option scheme (the "**2022 Share Option Scheme**") on June 28, 2022 (collectively referred to as "**2022 Post-IPO Incentive Plans**"). The purposes of the 2022 Post-IPO Incentive Plans are to (i) recognize the contributions by the eligible participants ("**Participants**") with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain individuals for the continual operation and development of the Group; (iii) provide additional incentives to achieve performance goals; (iv) attract suitable personnel for further development of the Group and (v) motivate the Participants to maximize the value of the Group for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the shareholders through ownership of the shares of the Company.

Under the 2022 Post-IPO Incentive Plans, the directors of the Company may grant options to subscribe for shares in the Company or award ordinary shares of the Company to eligible employees, executives, officers, directors, consultants, advisors or agents of any member of the Group or holding companies and fellow subsidiaries of the Company.

Pursuant to the 2022 Share Option Scheme, the directors of the Company may invite Participants to take up the options at a price determined by the board of directors or the Chief Executives (the chairman of the board of directors of the Company and the chief executive officer of the Company) provided that it shall be not less than the highest of (a) the closing price of a share as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date on which an offer is made by the Company to the grantee (which must be a business day, the "**Grant Date**"); (b) a price being the average closing price of a share of the Company as stated in the Hong Kong Stock Exchange's daily quotation sheets for the five business days immediately preceding the Grant Date; and (c) the nominal value per share of the Company on the Grant Date.

The total number of shares which may be issued upon exercise of all options that may be granted under the 2022 Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the issued shares as of June 28, 2022 (i.e. the 2022 Share Option Scheme Adoption Date) unless the Company obtains the approval from the shareholders to refresh the limit.

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company (Continued)

2022 Share Option Scheme (Continued)

The maximum entitlement for any one Participant is that the total number of shares issued and to be issued to each Participant (excluding any options lapsed) in any 12-month period shall not exceed 1% of the issued shares unless otherwise separately approved by the shareholders of the Company in a general meeting. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5,000,000 must be approved in advance by the Company's shareholders.

A letter comprising acceptance of the share option duly signed by the grantee together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within the period specified in the letter containing the offer of the grant of the share option.

The option may be exercised in accordance with the terms of the 2022 Share Option Scheme of up to 10 years with vesting periods which were determined and notified by the board of directors to the grantee at the time of making an offer.

The 2022 Share Option Scheme is valid and effective for a period of 10 years commencing on June 28, 2022.

On November 24, 2022, the Company granted 1,293,000 share options to certain selected directors and employees of the Company and the Group and conditionally granted 219,000 share options to the Chief Executive, which entitle them to subscribe for a total of 1,512,000 shares at an exercise price of HK$58.9 per share (equivalent to approximately US$7.55 per share). The closing price of the shares of the Company immediately before the date on which the options were granted was HK$57.8 per share. The 219,000 share options conditionally granted to the Chief Executive have been approved in the shareholder's meeting held on February 3, 2023.

During the year ended December 31, 2023, 409,400 share options were granted with an exercise price of HK$47 per share (equivalent to approximately US$6.03 per share).

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company (Continued)

2022 Share Option Scheme (Continued)

On June 30, 2026, the 2022 Share Option Scheme was terminated by the Company, subject to the rights of the participants of the 2022 Share Option Scheme with respect to the awards granted according to the 2022 Share Option Scheme prior to its termination. As at June 30, 2026, no shares were available for issue under the 2022 Share Option Scheme and the number of shares in respect of which options had been granted and remained outstanding under the 2022 Share Option Scheme was 720,000, representing 0.7% of the shares of the Company in issue at that date.

The following table discloses movements of the Company's share options during the six months ended June 30, 2026 under 2022 Share Option Scheme:

					Number of share options ('000)							
Options	Date of grant	Vesting year	Expiry year	Exercise price US$	At January 1, 2025	Granted during the period	Lapsed/ forfeited during the period	At June 30, 2025	At January 1, 2026	Granted during the period	Lapsed/ forfeited during the period	At June 30, 2026
Tranche 2022-1	November 4, 2022	2024 ((Note (i))	2032	7.55	258	–	–	258	**258**	**–**	**–**	**258**
Tranche 2022-2	November 4, 2022	2026 (Note (ii))	2032	7.55	403	–	(32)	371	**314**	**–**	**(12)**	**302**
Tranche 2022-1	February 3, 2023	2024 ((Note (i))	2032	7.55	101	–	–	101	**101**	**–**	**–**	**101**
Tranche 2022-2	February 3, 2023	2026 (Note (ii))	2032	7.55	118	–	(59)	59	**59**	**–**	**–**	**59**
					880	–	(91)	789	**732**	**–**	**(12)**	**720**
Exercisable at the end of the reporting period					684			684	**711**			**711**
Weighted average exercise price					7.55	N/A	7.55	7.55	**7.55**	**N/A**	**7.55**	**7.55**

Notes:

(i) 50% of the share options granted are vested on each of the first and second anniversary of the grant date respectively.

(ii) 25% of the share options granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of RNAimmune

2020 Stock Incentive Plan

Effective on March 8, 2020, RNAimmune adopted the "2020 Stock Incentive Plan" pursuant to which RNAimmune is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisers and individuals who provide services to RNAimmune and its affiliates. Under the 2020 Stock Incentive Plan, a total of seven million ordinary shares of RNAimmune were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of RNAimmune's ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of RNAimmune, and are subject generally to a continued service relationship.

During the year ended December 31, 2023, 3,550,000 options were granted with an exercise price of US $1.39 per share.

The following table discloses movements of RNAimmune's share options during the six months ended June 30, 2026 under 2020 Stock Incentive Plan:

				Number of share options ('000)							
Options	Vesting year	Expiry year	Exercise price US$	At January 1, 2025	Granted during the period	Lapsed/ forfeited during the period	At June 30, 2025	At January 1, 2026	Granted during the period	Lapsed/ forfeited during the period	At June 30, 2026
Tranche 2020-1	Milestones *(Note (i))*	2029	0.11	2,100	–	–	2,100	**2,100**	**–**	**–**	**2,100**
Tranche 2020-2	Milestones *(Note (i))*	2029	0.1	962	–	(332)	630	**630**	**–**	**(70)**	**560**
Tranche 2021-1	Milestones *(Note (i))*	2030	0.51 *(Note (ii))*	200	–	–	200	**200**	**–**	**–**	**200**
Tranche 2022-2	Milestones *(Note (i))*	2031	0.51	25	–	–	25	**12**	**–**	**(12)**	**–**
Tranche 2023-1	Milestones *(Note (i))*	2032	1.39	1,304	–	–	1,304	**685**	**–**	**(306)**	**379**
Tranche 2021-2	2024	2030	0.51 *(Note (ii))*	25	–	–	25	**25**	**–**	**(25)**	**–**
Tranche 2021-3	2025	2030	0.51 *(Note (ii))*	75	–	(2)	73	**25**	**–**	**–**	**25**
Tranche 2022-2	2026	2031	0.51	50	–	(8)	42	**30**	**–**	**(30)**	**–**
Tranche 2023-1	2027	2032	1.39	1,627	–	(496)	1,131	**872**	**–**	**(104)**	**768**
				6,368	–	(838)	5,530	**4,579**	**–**	**(547)**	**4,032**
Exercisable at the end of the reporting period				4,598			4,409	**4,105**			**3,822**
Weighted average exercise price				0.72	N/A	0.87	0.70	**0.57**	**N/A**	**1.12**	**0.49**

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of RNAimmune (Continued)

2020 Stock Incentive Plan (Continued)

Notes:

(i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, closing a seed round financing, obtaining an approval of non-dilutive government or foundation funding, execution of a collaboration, development, joint venture, or partnership agreement or completion of achievement of drug-project-related milestones.

(ii) During the year ended December 31, 2022, RNAimmune has repriced the exercise price of these share options from US$1.26 per share to US$0.51 per share. The incremental fair value of approximately US$23,000 will be expensed over the remaining vesting period.

Equity-settled share option scheme of EDIRNA

2023 Stock Incentive Plan

Effective on January 15, 2023, EDIRNA adopted the "2023 Stock Incentive Plan " pursuant to which EDlRNA is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisors and individuals who provide services to EDIRNA and its affiliates. Under the 2023 Stock Incentive Plan, a total of 170,000 ordinary shares of EDlRNA were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of EDlRNA's ordinary shares at the date of grant and have exercise terms of up to 10 years with the vesting periods determined at the discretion of the board of directors of EDlRNA, and are subject generally to a continued service relationship.

During the year ended December 31, 2023, 100,000 options were granted with an exercise of US$1.49 per share were granted.

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of EDIRNA (Continued)

2023 Stock Incentive Plan (Continued)

The following table discloses movements of EDIRNA's share options during the six months ended June 30, 2026 under the 2023 Stock Incentive Plan:

				Number of share options ('000)							
Options	Vesting year	Expiry year	Exercise price US$	At January 1, 2025	Granted during the period	Lapsed/ forfeited during the period	At June 30, 2025	At January 1, 2026	Granted during the period	Lapsed/ forfeited during the period	At June 30, 2026
Tranche 2023-1	2027 *(Note (i))*	2032	1.49 *(Note (ii))*	85	–	(85)	–	–	–	–	–
Tranche 2023-2	2027 *(Note (i))*	2032	1.49	15	–	(9)	6	–	–	–	–
				100	–	(94)	6	–	–	–	–
Exercisable at the end of the reporting period				40			6	–			–
Weighted average exercise price				1.49	N/A	N/A	1.49	N/A	N/A	N/A	N/A

Notes:

(i) 12/48 of the share options granted vest on the last business day of the month which includes the first anniversary of the grant date and thereafter 1/48 of the share options vest on the last business day of each month until the share options are vested in full.

(ii) During the year ended December 31, 2023, EDIRNA has repriced the exercise price of these share options from US$4.50 per share to US$1.49 per share. The incremental fair value of approximately US$20,000 will be expensed over the remaining vesting period.

The fair value of services received in return for share options under the 2020 Stock Incentive Plan of RNAimmune, the 2022 Share Option Scheme of the Company and the 2023 Stock Incentive Plan of EDIRNA is measured by reference to the fair value of share options granted. Back-solve method was used to determine the equity fair value of RNAimmune and EDIRNA at grant date for options granted under 2020 Stock Incentive Plan and 2023 Stock Incentive Plan. The estimated fair value of the share options granted is measured based on the binomial option pricing model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate with reference to valuation reports carried out by AVISTA Valuation. The value of an option varies with different variables of certain subjective assumptions.

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

The key inputs of the model as at the grant date and modification date were as follows:

	2020 Stock Incentive Plan of RNAimmune	2022 Share Option Scheme of the Company	2023 Stock Incentive Plan of EDIRNA
Share price	US$0.03–US$1.38	US$5.90–US$7.50	US$1.49–US$2.21
Exercise price	US$0.1–US$1.39	US$5.90–US$7.55	US$1.49
Expected volatility	68%–75%	74%–77%	54%–76%
Risk-free rate	0.48%–4.94%	3.11%–3.72%	3.55%–4.36%
Expected dividend yield	0%	0%	0%
Time-to-maturity	4.8–8.8 years	10 years	9.3–9.7 years

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Government Bond and Hong Kong Monetary Authority with a maturity life equal to the option life of the share options granted under the 2020 Stock Incentive Plan of RNAimmune, the 2022 Share Option Scheme of the Company and the 2023 Stock Incentive Plan of EDIRNA, respectively. Volatility was estimated at grant date based on the average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share options. Dividend yield is based on management estimation at the grant date. The time-to-maturity used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

For the six months ended June 30, 2026, the Group recognized a total expense of US$94,000 (six months ended June 30, 2025: US$274,000) in relation to share options granted by the Company, RNAimmune and EDIRNA.

(b) RSU Scheme of the Company

The 2022 RSU Scheme is valid and effective for a period of 10 years commencing from April 22, 2022. Pursuant to the rules of the 2022 RSU Scheme, the Group is holding the awarded shares before they are vested.

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) RSU Scheme of the Company (Continued)

The number of RSUs awarded under the 2022 RSU Scheme shall not exceed 10% of the issued shares as at April 22, 2022 (i.e. the 2022 RSU Scheme Adoption Date). The granting of restricted share unit awards is also subject to an annual limit of 3% of the total issued shares as at the 2022 RSU Scheme Adoption Date, unless otherwise approved by the shareholders of the Company. The maximum number of shares which may be awarded to any one Participant under the 2022 RSU Scheme may not exceed 1% of the issued shares as at the 2022 RSU Scheme Adoption Date.

On November 24, 2022, the Company awarded 564,200 RSUs to certain selected employees of the Company and conditionally awarded 339,000 RSUs to certain directors of the Company and an officer of a subsidiary of the Company (the "**Connected Persons**") under the 2022 RSU Scheme. The closing price of the shares of the Company immediately before the grant of awarded shares was HK$57.8 per share. The 339,000 RSUs conditionally granted to the Connected Persons have been approved in the shareholder's meeting held on February 3, 2023.

On June 30, 2026, the 2022 RSU Scheme was terminated by the Company, subject to the rights of the participants of the 2022 RSU Scheme with respect to the awards granted according to the 2022 RSU Scheme prior to its termination. As at June 30, 2026, no shares were available for issue under the 2022 RSU Scheme.

The estimated fair values of the awarded shares underlying the RSUs at the grant date were HK$58.9 per share based on the market trading price of the share. The Group recognized a total expense of US$(13,000) for the six months ended June 30, 2026 (six months ended June 30, 2025: US$41,000) in relation to RSUs granted by the Company.

The following table discloses movements of the Company's RSUs during the six months ended June 30, 2026:

			Number of RSUs ('000)							
RSUs	Date of grant/approval	Vesting year	At January 1, 2025	Awarded during the period	Lapsed/ forfeited during the period	At June 30, 2025	**At January 1, 2026**	**Awarded during the period**	**Lapsed/ forfeited during the period**	**At June 30, 2026**
Tranche 2022-2	November 24, 2022	2026 *(Note)*	40	–	(5)	35	**9**	**–**	**(4)**	**5**
Tranche 2022-2	February 3, 2023	2026 *(Note)*	16	–	(12)	4	**–**	**–**	**–**	**–**
			56	–	(17)	39	**9**	**–**	**(4)**	**5**

Note: 25% of the RSUs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value measurements and valuation processes

Some of the Group' s financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The Group works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used). There were no transfers out of Level 3 during the six months ended June 30, 2026.

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
	June 30, 2026 US$'000 (unaudited)	December 31, 2025 US$'000 (audited)				
Financial assets/ financial liabilities						
Financial assets at FVTOCI — Unlisted equity securities	**1,417**	–	Level 3	The fair value of the unlisted equity securities is determined with reference to their attributable net assets values and recent comparable transaction price, where available	Net asset value and recent comparable transaction price, where available	A significant increase in net asset value and recent comparable transaction price, where available, would result in a significant increase in fair value and vice versa
Financial liabilities at FVTPL — Preferred shares	**22,649**	22,048	Level 3	Back-solve method and the OPM Time to liquidation, risk-free interest, expected volatility value, dividend yield and possibilities under liquidation scenario and IPO scenario	Expected volatility value	Depends on the relative distance between equity value and the liquidation preference of the preferred shares *(Note)*

Note: A 5% increases (decreases) in the expected volatility value, while all other variables keep constant, would increase (decrease) the carrying amount of financial liabilities at FVTPL as at June 30, 2026 by approximately US$(200,000) (December 31, 2025: US$(91,000)) and approximately US$363,000 (December 31, 2025: US$283,000).

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

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

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities

	Financial assets at FVTOCI US$'000	Preferred shares issued by RNAimmune US$'000
At January 1, 2025 (audited)	–	23,748
Unrealized changes in fair value	–	(1,724)
At June 30, 2025 (unaudited)	–	22,024
At January 1, 2026 (audited)	**–**	**22,048**
Addition	**1,410**	**–**
Unrealized changes in fair value	**–**	**601**
Exchange adjustments	**7**	**–**
At June 30, 2026 (unaudited)	**1,417**	**22,649**

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures required)

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values.

23. RELATED PARTY TRANSACTIONS

Saved for disclosed elsewhere in the condensed consolidated financial statements, the Group also entered into the following significant transactions with its related parties during the the six months ended June 30, 2026.

Compensation of key management personnel

The remuneration of the directors of the Company and key management personnel of the Group during the six months ended June 30, 2026 were as follows:

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Salaries and other allowances	**177**	385
Retirement benefit scheme contributions	**1**	–
Share-based payment expense	**–**	11
	178	396

24. MAJOR NON-CASH TRANSACTIONS

Saved for disclosed elsewhere in the condensed consolidated financial statements, the Group has the following major non-cash transactions during the period:

Lease arrangement

During the six months ended June 30, 2026, the Group entered into new lease agreements for the use of leased properties for three years (six months ended June 30, 2025: three years). On the lease commencements during the six months ended June 30, 2026, the Group recognized approximately US$197,000 (six months ended June 30, 2025: US$53,000) of right-of-use assets and approximately US$192,000 (six months ended June 30, 2025: US$52,000) of lease liabilities.

25. PENDING ARBITRATION AND LITIGATION PROCEEDINGS

As at June 30, 2026, the Company was involved in litigation or claims of material importance arising in the ordinary course of business as follows:

On August 23, 2024, HK Sirnaomics commenced an arbitration proceedings against the Investment Manager at the Hong Kong International Arbitration Centre. The arbitration proceedings against the Investment Manager and TradArt Flagship Investment SPC are for the damages for breach of the contract. The tribunal has been constituted on November 8, 2024 and proceedings are under way. The Group's management believed that the arbitration proceedings are still in pleading stage and the possibility of claims was not virtually certain and therefore no provision of the arbitration proceedings were considered necessary.

On August 14, 2026, HK Sirnaomics and the Company commenced proceedings in the High Court of Hong Kong against three former senior executives and directors (collectively, the "**Defendants**"), alleging breaches of fiduciary, statutory, and contractual duties. The claim alleges that the Defendants, while concealing their personal interests, engineered an investment scheme managed by the said Investment Manager, which resulted in substantial losses to the Company. The Group's management believed that the legal proceedings are still in pleading stage and the possibility of claims was not virtually certain and therefore no provision of the legal proceedings were considered necessary.

Save as disclosed above and elsewhere in the condensed consolidated financial statements, during the six months ended June 30, 2026, no member of the Group is subject to any litigation, arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

26. EVENTS AFTER THE END OF THE REPORTING PERIOD

(i) On August 12, 2026, the Company completed the allotment and issuance of a total of 2,435,600 ordinary shares to one subscriber at the subscription price of HK$4.69 per subscription share raising proceeds of approximately HK$11.3 million (equivalent to approximately US$1.5 million), net of share issue expenses of approximately HK$45,000 (equivalent to approximately US$5,800).

(ii) On August 26, 2026, RNAimmune, Inc. (the "**Vendor**"), an indirect non-wholly owned subsidiary of the Company, and Guangzhou Guangjian Medical Innovation Equity Investment Fund Partnership (Limited Partnership)* 廣州廣健醫藥創新股權投資基金合夥企業（有限合夥）(the "**Investor**") entered into an investment agreement, pursuant to which the Investor agreed to inject an aggregate capital of RMB30 million in cash into RNAimmune Vaccine (Guangzhou) Co., Ltd.* 達冕疫苗（廣州）有限公司 (the "**Target Company**"), an indirect non-wholly owned subsidiary of the Company. Upon completion, the Investor obtained a 5.66% equity interest, diluting the Vendor's holding from 100% to 94.34% and the Target Company remains an indirect non-wholly owned subsidiary. The repurchase right grants the Investor the right to require the Target Company and RNAimmune, Inc. to repurchase its 5.66% equity interest (RMB30 million) at principal plus 8% simple interest per annual less dividends, upon any of: (i) failure to complete a qualified IPO by 2032, (ii) failure to complete a qualifying restructuring by 2028, or (iii) material intellectual properties defects.

* *The English names are for identification purposes only.*

Definitions

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings.

"2022 RSU Scheme"	the restricted share unit scheme adopted by the Company on April 22, 2022
"2022 RSU Scheme Adoption Date"	April 22, 2022, being the date on which the 2022 RSU Scheme was approved and adopted by the Board
"2022 RSU Scheme Limit"	has the meaning ascribed to it in the section headed "Corporate Governance and Other Information — Pre-IPO Equity Incentive Plan, RSU Schemes and Share Option Schemes — 2022 RSU Scheme — (5) Maximum Number of Shares Available for Awards — (I) 2022 RSU Scheme Limit" in this interim report
"2022 Share Option Scheme"	the share option scheme adopted by the Company on June 28, 2022
"2022 Share Option Scheme Adoption Date"	June 28, 2022, being the date on which the Share Option Scheme was approved and adopted by the Shareholders
"2022 Share Option Scheme Limit"	has the meaning ascribed to it in the section headed "Corporate Governance and Other Information — Pre-IPO Equity Incentive Plan, RSU Schemes and Share Option Schemes — 2022 Share Option Scheme — (5) Maximum Number of Shares Available for Subscription — (I) 2022 Share Option Scheme Limit" in this interim report
"2026 Adoption Date"	June 30, 2026, being the date on which the 2026 RSU Scheme and/or 2026 Share Option Scheme were approved and adopted by the Shareholders
"2026 RSU Scheme"	the restricted share unit scheme adopted by the Company on June 30, 2026
"2026 Scheme Mandate Limit"	the total number of Shares which may be issued upon exercise of all options to be granted under the 2026 Share Option Scheme, awards to be granted under the 2026 RSU Scheme and all options and awards to be granted under any other share schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at the 2026 Adoption Date

Definitions

"2026 Share Option Scheme"	the share option scheme adopted by the Company on June 30, 2026
"Administrative Committee"	the committee comprising any one executive Director and any other two officers of the Company as designated by the Board from time to time
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"Business Day(s)"	a day on which banks in Hong Kong are generally open for business and the Hong Kong Stock Exchange is open for business of dealing securities
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Chief Executive(s)"	(i) the Chairman of the Board, and (ii) the Chief Executive Officer of the Company, or, for the purpose of the 2022 Share Option Scheme and the 2022 RSU Scheme only, any person as designated by him/her from time to time. For the avoidance of doubt, any decision prescribed to be made by the Chief Executives under the 2022 Share Option Scheme or the 2022 RSU Scheme (as the case may be) shall be made jointly by both persons of (i) and (ii) above
"China", "mainland China" or the "PRC"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only, except where the context requires, references in this interim report to "China", "mainland China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Company", "our Company" or "the Company"	Sirnaomics Ltd., an exempted company incorporated in the Cayman Islands with limited liability on October 15, 2020
"Core Product"	STP705, the designated "core product" as defined under Chapter 18A of Listing Rules
"Director(s)"	the director(s) of the Company

"EDIRNA"	EDIRNA Inc., a company incorporated under the laws of Delaware, U.S. on February 18, 2022, a direct non-wholly owned subsidiary of the Company
"Employee Participant(s)"	directors (excluding any independent non-executive directors) and full-time employees of the Company or any of its subsidiaries (including any persons who are granted RSU awards and/or share options as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
"FDA"	U.S. Food and Drug Administration
"FVTOCI"	Fair value through other comprehensive income
"FVTPL"	Fair value through profit or loss
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "the Group", "we", "us" or "our"	the Company, its subsidiaries or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
"Guangzhou Sirnaomics"	Sirnaomics Biopharmaceuticals (Guangzhou) Co., Ltd. (聖諾生物醫藥技術（廣州）有限公司), a company established under the laws of the PRC on May 8, 2012 with limited liability, an indirect wholly owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HK Sirnaomics"	Sirnaomics (Hong Kong) Limited (聖諾（香港）有限公司), a company incorporated under the laws of Hong Kong on March 8, 2019 with limited liability, a direct wholly owned subsidiary of the Company
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IASB"	International Accounting Standards Board

Definitions

"IAS(s)"	International Accounting Standard(s)
"IFRS(s)"	International Financial Reporting Standard(s)
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of the Company
"Investment Manager"	TradArt Asset Management Co., Limited, a company incorporated under the laws of Hong Kong on July 14, 2021 with limited liability, licensed for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
"IPO"	Initial public offerings
"Junior Grantee(s)"	any grantee(s) other than a Senior Grantee
"Listing"	the listing of the Shares on the Main Board by way of the Global Offering
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Offer Date"	in relation to any share option, the date on which an offer of such option is made to an eligible participant subject to and in accordance with the terms of the 2026 Share Option Scheme and which must be a Business Day, provided that the date on which the Board resolves to make an offer should be taken as the Offer Date for the purpose of calculating the exercise price
"Pre-IPO Equity Incentive Plan"	the pre-IPO equity incentive plan adopted by the Company on January 21, 2021

Definitions

"R&D"	research and development
"Related Entity(ies)"	the holding companies, fellow subsidiaries or associated companies of the Company
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	for the six months ended June 30, 2026
"RNAimmune"	RNAimmune, Inc., a company incorporated under the laws of Delaware, U.S. on May 5, 2016, an indirect non-wholly owned subsidiary of the Company
"RSU(s)"	restricted share unit(s)
"SAFE"	Simple Agreements for Future Equity
"Senior Grantee(s)"	the grantee(s) under the 2022 Share Option Scheme or the 2022 RSU Scheme (as the case may be) who is either (i) a Director, or (ii) a member of the senior management of the Company as included in the latest annual report of the Company published on the website of the Hong Kong Stock Exchange immediately before the grant date
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.001 each
"Shareholder(s)"	holder(s) of our Shares
"Share Scheme(s)"	share options schemes and/or share award schemes involving issuance of new Shares adopted and to be adopted by the Company from time to time
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	the supervisor(s) of the Company

Definitions

"Suzhou Sirnaomics"	Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd. (聖諾生物醫藥技術（蘇州）有限公司), a company established under the laws of the PRC on March 10, 2008 with limited liability, an indirect wholly owned subsidiary of the Company
"Treasury Share(s)"	has the meaning ascribed thereto under the Listing Rules
"United States", "U.S." or "US"	the United States of America
"US$"	U.S. dollars, the lawful currency of the United States of America
"US Sirnaomics"	Sirnaomics, Inc., a company incorporated under the laws of Delaware, U.S. on February 12, 2007, a direct wholly owned subsidiary of the Company
"Walvax"	Walvax Biotechnology Co., Ltd. (雲南沃森生物技術股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 300142), one of our collaborators and an Independent Third Party
"%"	per cent

Glossary of Technical Terms

This glossary contains explanations of certain technical terms used in connection with the Company and its business.

"ApoC3"	apolipoprotein C3
"BCC"	basal cell carcinoma, a type of non-melanoma skin cancer
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"CNS"	central nervous system, the primary processing center of the body. It consists of the brain and the spinal cord
"cohort(s)"	a group of patients as part of a clinical trial who share a common characteristic or experience within a defined period and who are monitored over time
"COX-2"	cyclooxygenase-2, a membrane-bound, short-living, and rate-limiting enzyme
"CRO(s)"	contract research organization(s), pharmaceutical company(ies) that conducts research for other pharmaceutical companies on a contractual basis
"delivery platform(s)"	the platform(s) used for the delivery of drugs to target sites of pharmacological actions
"Factor XI"	a plasma glycoprotein that is primarily synthesized in the liver and is part of the coagulation cascade, playing a role in clot stabilization and expansion
"GalAhead"	our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers
"GalNAc"	N-Acetylgalactosamine, a sugar molecule that can recognize and bind to a cell surface protein, the asialoglycoprotein receptor
"GLP"	Good Laboratory Practice, a set of standardized quality management guidelines designed to ensure the uniformity, consistency, reliability, and integrity of non-clinical laboratory studies

Glossary of Technical Terms

"GMP"	Good Manufacturing Practice, a system for ensuring that products are consistently produced and controlled according to quality standards, which is designed to minimize the risks involved in any pharmaceutical production that cannot be eliminated through testing the final product. It is also the practice required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of pharmaceutical products
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application
"isSCC"	squamous cell carcinoma in situ
"muRNA"	multi-unit RNAi trigger, RNAi trigger composed of multiple oligonucleotides (2 or more) to simultaneously downregulate two or more gene targets
"mxRNA"	miniaturized RNAi trigger, RNAi trigger composed of single ~30 nucleotide long oligonucleotides designed to downregulate individual gene target
"PCC"	preclinical candidate is a specific drug molecule or compound that has successfully passed early discovery and lead optimization, and has been officially selected to undergo rigorous safety and toxicity testing before entering human clinical trials
"Phase I clinical trials" or "Phase I"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase I/II clinical trials" or "Phase I/II"	Phase I/II clinical trials combine Phase I and Phase II into one trial. The clinical trial design may adaptively use data from all previous patients to make decisions and select the best dose for each new cohort

Glossary of Technical Terms

"Phase II clinical trials" or "Phase II"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase IIa clinical trials" or "Phase IIa"	Phase IIa clinical trials are usually pilot studies designed to demonstrate clinical efficacy or biological activity
"Phase IIb clinical trials" or "Phase IIb"	Phase IIb clinical trials determine the optimal dose at which the drug shows biological activity with minimal side-effects
"Phase II/III clinical trials" or "Phase II/III"	a study that tests how well a new treatment works for a certain type of cancer or other disease and compares the new treatment with a standard treatment. Phase II/III clinical trials also provide more information about the safety and side effects of the new treatment. Combining Phase II and Phase III allows research questions to be answered more quickly or with fewer patients
"Phase III clinical trials" or "Phase III"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PNP"	polypeptide nanoparticle is composed of a branched histidine lysine polymer
"PNP-ID"	PNP platform formulated for intradermal administration
"PNP-IT"	PNP platform formulated for intratumoral administration
"PNP-IV"	PNP platform formulated for intravenous administration
"RNA"	ribonucleic acid, a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes

Glossary of Technical Terms

"RNAi"	RNA interference, a biological process in which RNA molecules are involved in sequence-specific suppression of gene expression by double-stranded RNA, through translation or transcriptional repression
"solid tumor(s)"	an abnormal mass of tissue that usually does not contain cysts or liquid areas. Solid tumors may be benign (not cancer), or malignant (cancer). Different types of solid tumors are named for the type of cells that form them
"TGF-ß1"	transforming growth factor beta 1 or TGF-ß1, a polypeptide member of the transforming growth factor beta superfamily of cytokines, which activates Smad and non-Smad signaling pathways