



SINOMAB

SinoMab BioScience Limited
中國抗體製藥有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 3681

2026

Interim Report

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Corporate Information

DIRECTORS

Executive Director

Dr. Shui On LEUNG (*Chairman and Chief Executive Officer*)
Ms. Fang LIANG (*Chief Operating Officer*)
(*appointed on 3 July 2026 and*
resigned with effect from 18 August 2026)

Non-executive Directors

Ms. Xiaosu WANG
Dr. Jianmin ZHANG
Ms. Lei XUE (*appointed on 12 June 2026*)
Dr. Haigang CHEN (*resigned with effect from 31 March 2026*)
Mr. Xun DONG (*resigned with effect from 1 April 2026*)

Independent Non-executive Directors

Mr. George William Hunter CAUTHERLEY
Mr. Ping Cho Terence HON
Dr. Chi Ming LEE
Ms. Chi Sau Giselle LEE
Mr. Nan SHEN

AUDIT COMMITTEE

Mr. Ping Cho Terence HON (*Chairman*)
Mr. George William Hunter CAUTHERLEY
Dr. Chi Ming LEE
Ms. Chi Sau Giselle LEE
Mr. Nan SHEN

REMUNERATION COMMITTEE

Dr. Chi Ming LEE (*Chairman*)
Mr. Ping Cho Terence HON
Dr. Shui On LEUNG

NOMINATION COMMITTEE

Dr. Shui On LEUNG (*Chairman*)
Mr. Ping Cho Terence HON
Ms. Chi Sau Giselle LEE
Mr. Nan SHEN

COMPANY SECRETARY

Ms. Florence Wai Ki LAI

AUTHORISED REPRESENTATIVES

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Ernst & Young
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LEGAL ADVISER

As to Hong Kong law
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STOCK CODE

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Chairman's Statement



Dr. Shui On LEUNG

Chairman, Executive Director and
Chief Executive Officer

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim report of the Group (together with its subsidiaries) for the six months ended 30 June 2026.

BUSINESS OVERVIEW

Currently, the global biopharmaceutical industry stands at the intersection of a new wave of technological revolution and industrial transformation. With deepening immunological research and the accelerating convergence of multidisciplinary technologies, biomedicine is advancing at an unprecedented pace into the “Biotech 3.0 Era”, defined by precision medicine and original innovation. Autoimmune diseases, the neurological disorders arising from them, and other refractory debilitating diseases still present enormous, unmet clinical needs.

Since our establishment, we have consistently adhered to a “differentiated innovation” R&D philosophy, focusing on the discovery and development of First-in-Class (FIC) and Best-

in-Class (BIC) therapeutic antibodies targeting novel biological pathways through innovative mechanisms. In the first half of 2026, we have actively implemented an “asset-light, high-efficiency” operating model, further optimizing resource allocation and concentrating our core resources on the most differentiated and advantageous segments of the value chain. By continuously strengthening our in-house R&D and clinical development capabilities and actively collaborating with world-class contract research organisation (CRO)/contract development and manufacturing organisation (CDMO) partners, we have achieved faster, higher-quality R&D outcomes and superior cost management.

During the Reporting Period and up to the date of this report, our pipeline achieved multiple key advances. Core products reached phased milestones in clinical development, indication expansion, and regulatory submissions, with several programs attaining important regulatory milestones.



Chairman's Statement

SM17 is a global First-in-Class humanised monoclonal antibody independently developed by the Group, targeting the interleukin-25 (IL-25) receptor. As an innovative drug targeting an upstream “alarmin” molecule, SM17 suppresses the inflammatory cascade at its source, offering broad potential for treating various immune-mediated inflammatory diseases (“**IMID**”), including atopic dermatitis (“**AD**”), inflammatory bowel disease (“**IBD**”), asthma, chronic rhinosinusitis with nasal polyps (“**CRSwNP**”), and idiopathic pulmonary fibrosis (“**IPF**”).

During the Reporting Period and up to the date of this report, SM17 achieved significant progress across multiple indications:

In the AD field, the Group completed the Phase 1 bridging study of the subcutaneous formulation of SM17 and achieved positive topline results on 25 March 2026. Data from 30 healthy subjects showed that subcutaneous formulation had a favourable safety and pharmacokinetic profile, with only one case of Grade 1 injection site rash that resolved spontaneously, and robust absolute bioavailability. This lays a solid foundation for the subsequent development of more convenient subcutaneous dosing regimens. On 31 March 2026, the Group initiated a Phase 2 clinical trial of SM17 for the treatment of moderate-to-severe AD. This trial is a multicenter, randomized, double-blind, placebo-controlled study, with a planned enrolment of approximately 210 patients in China. Patient enrolment is currently progressing on track, with the target of completing all enrolment by the third quarter of 2026, and topline data are expected to be read out in the first quarter of 2027. Meanwhile, the Group is proactively preparing another Phase 2 study to enrol patients with moderate-to-severe AD in Australia.

The Phase 1b proof-of-concept study for SM17 has previously demonstrated excellent efficacy and safety: 91.7% of patients in the high-dose group achieved the pruritus relief endpoint (NRS-4), 75% achieved the skin lesion recovery endpoint (EASI 75), and 41.7% achieved complete or near-complete clearance of AD symptoms (IGA 0/1). These data are significantly superior to IL-4/IL-13 monoclonal antibodies, and the safety and tolerability are significantly better than JAK inhibitors. The Group believes that conducting clinical studies both in China and Australia simultaneously is conducive to further validate efficacy and safety of SM17 and facilitate its global out-licensing partnerships.

In the IBD field, on 24 February 2026, the clinical trial application for SM17 for the treatment of IBD was officially approved by the China National Medical Products Administration (“**NMPA**”), covering Crohn’s disease (“**CD**”) and ulcerative colitis (“**UC**”). This Investigational New Drug (“**IND**”) approval marks an important step in expanding the therapeutic scope of SM17 from atopic dermatitis (“**AD**”) to IBD. There are over 6.8 million IBD patients worldwide, with existing drug remission rates of only 10% to 20%, representing a significant unmet medical need. Notably, the Group has completed the follow-up of the bridging study of subcutaneous SM17 in healthy volunteers, and these data will be directly used to support the advancement of the IBD indication to Phase 2 clinical development, eliminating the need to repeat the Phase 1 trial and significantly shortening the development timeline. The Group is currently closely working with several renowned key opinion leaders (KOL) in IBD to discuss the IBD clinical plan of SM17.

In terms of academic recognition, the Group published the preclinical study of SM17 in February 2026 in *ERJ Open Research*, a subsidiary journal of the *European Respiratory Journal*, demonstrating that SM17 significantly ameliorates the pathological features of CRSwNP and IPF through dual inhibition of the Th2 and Th17 inflammatory pathway and antifibrotic activity. In the IPF model, SM17 showed efficacy comparable to the approved drug Nintedanib in reducing collagen deposition, and exhibited a trend toward superiority over both Nintedanib and Pirfenidone in inhibiting α -SMA expression. These findings further validate the immense value of SM17 as a “pipeline-in-a-drug” platform molecule.

In May this year, the Group presented the preclinical research results of the novel anti- γ c antibody hC2 for the treatment of alopecia areata (“**AA**”) at the Society for Investigative Dermatology (“**SID**”) Annual Meeting 2026 in Chicago, USA. The data showed that hC2 effectively reversed hair loss in humanised animal models for alopecia areata ($p < 0.001$) and significantly reduced skin depigmentation in a vitiligo model ($p < 0.05$). In June, these preclinical findings were further published in the *Journal of Investigative Dermatology*, a leading international dermatology journal. The research revealed that hC2, by selectively binding to the upstream γ c receptor to modulate γ c cytokine signaling, has a mechanism fundamentally distinct from JAK inhibitors — avoiding off-target inhibition of TEC kinases, partially preserving IL-2 signaling (approximately 50%), better maintaining regulatory T cell function and immune homeostasis, and suppressing



Chairman's Statement

pathogenic inflammation without causing simple immunodeficiency. Combined with preliminary toxicology studies in non-human primates, hC2 demonstrated a favourable tolerability profile. The Group plans to submit IND applications for the AA indication to the U.S. Food and Drug Administration (FDA) and National Medical Products Administration (NMPA) at the same time in the fourth quarter of 2026.

During the Reporting Period and up to the date of this report, the Group continued to advance its bispecific antibody candidate, which targets receptor activator of the nuclear factor kappa-B ligand ("**RANKL**") and sclerostin. In preclinical studies, this bispecific antibody product demonstrated significantly superior osteogenic and bone-protective efficacy compared to market-approved monoclonal antibodies (such as Denosumab), and is expected to become a next-generation therapy with a generational advantage in the field of osteoporosis. In December 2025, FDA updated its review standards to recognize bone mineral density ("**BMD**") as a clinical endpoint, which is expected to further accelerate the development process of such drugs. The Group plans to submit an IND application in the first half of 2027.

High-efficiency and light-asset model is the Group's long-term strategy. During the Reporting Period and up to the date of this report, the Group successfully entered into an agreement to dispose its Suzhou property and facility at a consideration of RMB280 million. The net proceeds from the disposal are expected to strengthen the Group's working capital position and improve cash flow, thereby providing additional financial flexibility to support the Group's research and development activities, clinical programmes, pipeline advancement and other operational needs. The Group considers that the disposal will enable the Group to focus its financial and management resources on its core business.

Management team actively participated in global healthcare conferences, including the 44th Annual J.P. Morgan Healthcare Conference, the 2026 LifeArc Translational Science Summit, and The BIO International Convention (BIO 2026). At these events, the Group presented its latest business progress and future strategy to global investors, and explored strategic collaborations and broader partnership opportunities around its differentiated potential first-in-class and potential best-in-class pipeline. Key

progress on core products was shared. The Group is actively seeking to establish diversified collaboration models with global partners, including technology licensing, co-development, and regional or global license-out.

OUTLOOK

Looking ahead, we are full of confidence in the Group's development prospects. In recent years, China's biomedical industry has achieved a leapfrog development from follow-on to first-order innovation, becoming an important force in global biomedical innovation. In the first half of 2026, China completed 81 outbound licensing transactions for innovative drugs, with a total transaction value of approximately USD110 billion, already reaching 80% of the full-year total for 2025. The licensees came from over 20 countries and regions, with cutting-edge fields such as antibody drug conjugates (ADCs), bispecific antibodies, and cell and gene therapy becoming core areas fiercely contested by global capital, and the global voice of Chinese pharmaceutical companies continues to rise. More importantly, the 2026 Government Work Report explicitly designated biomedical industry as an "emerging pillar industry" for the first time. The continuous empowerment of national strategies has injected strong momentum into the development of China's innovative drugs — supporting innovative drug R&D across the entire chain, improving the connection with the *National Catalog of Essential Medicines*, and accelerating the development of commercial health insurance, among other supporting policies, are systematically addressing industry pain points such as difficulties in hospital listing and payment for innovative drugs. We will continue to take innovation as our core competitiveness, deeply cultivate unmet clinical needs in the autoimmune field, accelerate the clinical development of our core pipelines, actively explore diversified global partnership models, and promote faster access of innovative achievements to patients worldwide, thereby creating long-term value for shareholders.

Chairman, Executive Director and Chief Executive Officer
Dr. Shui On LEUNG
31 August 2026



Management Discussion and Analysis

OVERVIEW

We are a Hong Kong-based biopharmaceutical company dedicated to the discovery, research and development of innovative therapeutic antibody drugs. We focus on autoimmune, inflammatory and other debilitating diseases with significant unmet medical needs. Since our inception, we have consistently concentrated on developing therapeutic antibodies directed against novel biological targets and employing innovative mechanisms of action, with the goal of achieving differentiated clinical outcomes in areas where current treatment options remain suboptimal.

We have established a diversified R&D pipeline comprising multiple innovative antibody-based therapeutic candidates. Our lead asset, SM17, has demonstrated exceptional anti-pruritic effects, skin clearance rates, and safety profiles in the treatment of atopic dermatitis (AD), with potential applications in asthma, idiopathic pulmonary fibrosis (IPF), and inflammatory bowel disease (IBD). Our anti-CD22 antibody, Suciraslimab, has demonstrated clinical efficacy in rheumatoid arthritis (RA) and is currently being evaluated for the treatment of systemic lupus erythematosus (SLE). We are also developing an innovative anti-CGC (common gamma chain) monoclonal antibody, which has demonstrated encouraging preclinical activity in models of alopecia areata and vitiligo through a mechanism distinct from that of JAK inhibitors. Through continuous innovation and disciplined execution, we are committed to developing differentiated therapies that address significant unmet medical needs.

Building upon our expertise in target biology, antibody discovery and therapeutic antibody development, we have expanded our research efforts into the development of next-generation bispecific and multispecific antibody therapeutics. Our multispecific antibody development strategy seeks to leverage our growing portfolio of validated biological targets and disease pathway insights to create differentiated therapeutic candidates capable of addressing complex disease biology and unmet medical needs across autoimmune, inflammatory and other debilitating diseases. Our osteoporosis program represents the most advanced example of this strategy and is designed to simultaneously promote bone formation and inhibit bone resorption through a single therapeutic molecule. We also intend to leverage our portfolio of clinically and preclinically validated targets as

potential building blocks for future bispecific and multispecific antibody therapeutics, expanding future treatment opportunities and supporting the continued growth of our pipeline.

Our vision is to become a global leader in the development of innovative therapeutics for immunological and other debilitating diseases.

BUSINESS REVIEW

The Group is principally engaged in research and development of pharmaceutical products.

The operating performance and the progress of the Group's clinical projects during the period under review and future prospects are contained in the preceding Chairman's Statement and in this section.

The Group has no immediate plan for material investments or capital assets, other than as disclosed in the section headed "Business Overview" in the preceding Chairman's Statement and in this section.

A review of the business operation and clinical projects currently being undertaken by the Group is set out below.

Management Discussion and Analysis

Product Pipeline

Pipeline	Indication	Territory	IND Enabling			Phase 1	Phase 2	Phase 3	BLA
			Stage I	Stage II	Stage III				
SM17 (Humanised anti-IL-25 receptor) (First-in-Class)	Asthma Atopic dermatitis (AD) Idiopathic Pulmonary fibrosis (IPF)	Global							
Anti-CGC antibody (First-in-Class)	Vitiligo Alopecia areata	Global							
Bispecific antibody candidate (bsAb) (RANKL x SOST) (SM17-derived bsAb) (First-in-class)	Osteoporosis Autoimmune	Global							
SM03 (Sucraslimab) (anti-CD22) (First-in-Class)	Rheumatoid arthritis (RA) Non-Hodgkin's lymphoma (NHL) Systemic lupus erythematosus (SLE) Mild cognitive impairment (MCI) due to Alzheimer's Disease Sjogren's syndrome (SS)	China							
SM06 (Humanised Anti-CD22)	Systemic lupus erythematosus (SLE) Rheumatoid arthritis (RA) Neuromyelitis Optica Spectrum Disorder (NMOSD) Sjogren's syndrome (SS)	Global							
SM09 (Humanised Anti-CD20)	Non-Hodgkin's lymphoma (NHL) Autoimmune Diseases	Global							

- IND enabling stage
- IND enabling stage I – R&D
- IND enabling stage II – chemistry, manufacturing and control processes (CMC)
- IND enabling stage III – Preclinical
- Completed study
- Clinical stage



Management Discussion and Analysis

Key Products

SM17

SM17 is a global, first-in-class, humanised, IgG4-κ monoclonal antibody (“**mAb**”) which is capable of modulating Type II allergic reaction by targeting the receptor of a critical “alarmin” molecule interleukin 25 (IL-25). SM17 could suppress T helper 2 (Th2) immune responses by binding to IL-25 receptor (also known as IL-17RB) on Type 2 Innate Lymphoid cells (ILC2s) and Th2 cells, blocking a cascade of responses induced by IL-25 and suppressing the release of the downstream Th2 cytokines such as IL-4, IL-5, IL-9 and IL-13. IL-25 is classified as “alarmin” which is overexpressed in biopsy tissues of patients with asthma, atopic dermatitis (AD) and idiopathic pulmonary fibrosis (IPF). Our *in vitro* studies clearly demonstrated that SM17 can suppress IL-25 induced type 2 immunity and the underlying mechanism supports its potential benefits in treating allergic and autoimmune diseases, such as AD, asthma and IPF.

When we evaluated SM17 in two murine asthma models induced by ovalbumin or house dust mite, blockage of IL-25 signalling pathway by SM17 offered protection against airway resistance and type 2 immune response in the lungs. SM17 also significantly reduced immune cell infiltration into the lung and serum levels of IgE. In another 1-Fluoro-2, 4-dinitrobenzene (DNFB) driven murine atopic dermatitis model, SM17 administration could attenuate epidermal thickening and improve skin condition by suppressing Th2 immune responses and immune cell infiltration into the skin layers. We expect that targeting upstream mediators of the Th2 inflammatory cascade, such as the receptor for IL-25, will have a broader effect on reducing airway resistance as well as skin inflammation.

R&D work of SM17 was carried out in both the U.S. and China. In the U.S., an IND application for asthma was approved by the FDA in March 2022. The first healthy subject was successfully dosed in a first-in-human Phase 1 clinical trial (NCT05332834) in the U.S. in June 2022. The Phase 1 clinical study consisting of single ascending dose and multiple ascending dose cohorts to evaluate its safety, tolerability and pharmacokinetics (“**PK**”) profile in healthy subjects was completed in 2023. The total number of healthy subjects enrolled in this Phase 1 study was 77. The clinical report was obtained in the first quarter of 2024, data from which demonstrated an overall favourable safety,

tolerability and PK profile for SM17. Study results of SM17 preclinical work, demonstrating SM17 to be as effective as JAK1 inhibitor in treating AD in mice, were published in *Allergy*, an official journal of the European Academy of Allergy and Clinical Immunology (EAACI), on 9 April 2024. Results from preclinical models and Phase 1 clinical study of SM17 on healthy participants were also published in *Frontiers in Immunology*, on 9 December 2024.

In China, an IND application for asthma was approved by the NMPA on 11 August 2023, while another IND application for AD was approved by the NMPA on 8 September 2023. A bridging Phase 1a clinical trial to evaluate the safety, tolerability and PK profile in the Chinese population was completed in China in May 2024. Results indicated SM17 to have good tolerability and safety profile and comparable PK profile as in Caucasian population. A proof-of-concept Phase 1b clinical trial was initiated to evaluate the preliminary efficacy of SM17 in moderate to severe AD patients in China. A total of 32 moderate-to-severe AD patients were enrolled in this Phase 1b study, and positive topline results for this Phase 1b clinical trial were published by the Company on 7 April 2025. Clinical data demonstrated that a high dose of SM17 achieved promising results, showing obvious improvement from baseline in all other secondary endpoints, including skin healing effect (EASI50, 75, 90, BSA, SCORAD) and patients’ quality of life (DLQI). For the high dose group, 91.7% of patients achieved pruritus relief (NRS-4), 75% achieved skin healing (EASI 75), and 41.7% achieved clear or almost clear signs of AD (IGA0/1). A low dose of SM17, albeit not as effective as the high dose group, also showed a dose- response trend in alleviating pruritus symptoms, as well as improvement in skin healing by comparing with placebo. Based on the topline results, SM17 demonstrates its competitive advantage as the first AD biologic with dual efficacy in pruritus relief and skin-healing. It delivers faster and deeper itch relief compared to anti-IL-4/13 agents and has a safer profile than JAK inhibitors, positioning SM17 as a potential first-in class and best-in-class treatment for AD.

Management Discussion and Analysis

On 11 December 2025, an IND for SM17 in the indication of IBD was accepted by the CDE of NMPA. The IND was subsequently approved by the NMPA on 24 February 2026. This IND approval represents an important step toward expanding SM17's therapeutic scope beyond AD to IBD, including CD and UC. In respect of the IBD indication, the novel multi-mechanistic profile differentiates SM17 from existing single-pathway therapies and may provide a novel therapeutic option for patients with refractory or complex disease phenotypes. For UC, SM17 positions itself as a promising therapeutic candidate as IL-25 has been shown to play a pro-inflammatory role in UC pathogenesis. Furthermore, SM17 may offer benefits in CD through modulation of Th17-associated inflammation and potential anti-fibrotic effects, which could help address complications of transmural inflammation, such as strictures and fistulas.

The Company has initiated its clinical bridging study for the route of administration conversion of SM17 in China and received favourable topline results. The first cohort of healthy subjects has been successfully dosed with the subcutaneous formulation in China in October 2025 and the follow-up visits for all 30 healthy participants were completed in February 2026. In March 2026, the Company announced the favourable topline results of this study. Favourable tolerability and safety profile, with minimum injection reaction and no $\geq$ grade 3 Drug related TEAE or SAE, were reported. Predictable PK profiles for the SC formulation supports a smooth route-of-administration conversion. Low immunogenicity without clinical significance was observed. Data from our clinical bridging study for the route of administration conversion will also be leveraged to support the advancement of the IBD indication towards further clinical development, including preparation of Phase 2 studies.

The strong topline results from SM17's Phase 1b proof-of-concept study in AD drive us to move forward with our clinical program. On 31 March 2026, the first patient has been successfully dosed in a Phase 2 clinical trial of SM17 for the treatment of AD in China. As of 30 June 2026, 86 patients had been enrolled, and enrolment is scheduled to be completed in the third quarter of 2026.

The compound has the potential for treating AD, asthma, IPF, IBD including CD and UC, chronic rhinosinusitis with nasal polyps (CRSwNP), and other immunological disorders.

Please also refer to the Company's announcements dated 16 February 2022, 14 March 2022, 15 June 2022, 22 May 2023, 12 June 2023, 14 August 2023, 11 September 2023, 27 November 2023, 11 June 2024, 7 April 2025, 14 October 2025, 11 December 2025, 24 February 2026, 25 March 2026 and 1 April 2026 for further information about the latest R&D progress of SM17.

Anti-CGC Antibody

Anti-CGC antibody is an in-house developed, first-in-class humanised anti-yc antibody. Our *in vitro* assays suggested that our antibody could suppress inflammation and autoimmunity driven B, T and NK cell activation. Animal studies demonstrated that our antibody could be a potential therapeutic agent for the treatment of vitiligo, alopecia areata (AA) and possibly other autoimmune diseases through the modulation of immune cell expansion, autoreactivity and tissue infiltration. Results of the preclinical results in humanised AA and vitiligo animal models, combined with preliminary toxicology studies in non-human primates, our antibody demonstrated favourable efficacy in disease models and tolerability in non-human primates, supporting its profile as a biologic with a differentiated immunomodulatory mechanism in the treatment of AA and vitiligo. We are currently in the process of CMC optimisation and toxicology studies for our antibody and plan to submit our IND application for the treatment of AA by the fourth quarter of 2026 at the earliest.



Management Discussion and Analysis

Bispecific Antibody Candidate (bsAb)

Bispecific antibody candidate is a novel, bispecific antibody targeting Receptor activator of the nuclear factor kappa-B ligand (RANKL) and sclerostin for bone-related indications. bsAb processes differential mechanisms of action tailored for the treatment of osteoporosis. Our in-house *in vitro* and *in vivo* studies demonstrated our candidate to have enhanced efficacy over market-approved antibodies such as Denosumab and Romosozumab. We are currently in the process of optimising CMC and testing toxicity in non-human primates and plan to submit our IND application by the first half of 2027 at the earliest.

Flagship Product

SM03 (Suciraslimab)

Our self-developed SM03 (Suciraslimab) is a potential global first-in-class anti-CD22 mAb for the treatment of rheumatoid arthritis (RA) and other immunological and neuro-immunological diseases, such as systemic lupus erythematosus (SLE), Sjogren's syndrome (SS), mild cognitive impairment (MCI) due to Alzheimer's disease, as well as Alzheimer's disease. Suciraslimab adopts a novel mechanism of action, which differentiates itself from the current treatments available in the market.

In July 2025, Suciraslimab achieved breakthrough preclinical results from *in vivo* studies for the treatment of SLE. As a monoclonal antibody targeting CD22, a sialic acid-binding transmembrane protein primarily expressed on B cells (with high neurological expression, including in microglia, and links to MCI, Alzheimer's disease and other autoimmune conditions), Suciraslimab leverages its unique mechanism by modulating the autoimmune network through B cell regulation and interaction with other immune effectors like T cells, with multi-organ benefits. It addresses unmet needs in SLE treatment, such as long-term safety and organ protection, particularly showing promise in a murine model for alleviating proteinuria and potentially lupus nephritis (LN). This positions it to offer patients a safer, more effective option, and delivering possible differentiation beyond current therapies. The novel mechanism of Suciraslimab confers three key competitive advantages in the treatment of SLE.

Suciraslimab met its primary endpoint in a Phase 3 clinical study for the treatment of RA in China in April 2023 and its Biologics Licence Application ("**BLA**") for the treatment of RA was accepted by the NMPA in September 2023. The unblinded pivotal Phase 3 data demonstrated Suciraslimab's clear and significant therapeutic efficacy in RA patients. The primary endpoint (ACR20 response rate at Week 24 of the double-blind phase) achieved an approximately 50% response rate and showed statistically significant differences versus the control group. With long-term treatment, ACR20 response rates continued to improve over time and exceeded 65% at Week 52 and surpassed 70% through Week 104 of the extension period, with no new safety risks revealed. Based on the clinical data from the Phase 3 clinical study and extension study, Suciraslimab demonstrated good long-term efficacy and safety. On 14 July 2025, the Company announced that, following recent communications with the Center of Drug Evaluation ("**CDE**") of the NMPA and the Company's internal assessment, the Company has strategically chosen to voluntarily withdraw the BLA application for Suciraslimab in the treatment of RA. Meanwhile, the Company has decided to advance at full speed the clinical development of Suciraslimab for the treatment of SLE.

B Cell Modulation Without Depletion:

Unlike traditional B cell depletion therapies (BCDTs) such as anti-CD20 agents, Suciraslimab specifically modulates autoreactive B cells without depleting normal B cells, thereby reducing infection risks and preserving immune surveillance.

Dual Mechanism and Dual Regulation:

Suciraslimab acts through a dual mechanism involving both upstream inhibition of autoreactive B cell activation and autoantibody production, which addresses humoral immune dysregulation (humoral immune axis), while also modulating B cell interactions with other immune cells. This dual regulation of both the humoral immune axis and the broader immune network leads to systemic control of autoreactive inflammation.

Management Discussion and Analysis

Organ Protection:

Suciraslimab offers a unique advantage among competitors by reducing proteinuria and mitigating immune complex-mediated glomerular tissue damage, which is critical in LN. Furthermore, through its dual-regulation effects, Suciraslimab alleviates immune-driven pulmonary complications in SLE, such as recurrent alveolar hemorrhage or pulmonary arterial hypertension. These organ-protective effects have clinical significance and are vital for treatment prognosis in SLE.

By utilising a humanised animal (murine) model that closely recapitulates key pathological features of human systemic lupus erythematosus (SLE), including the production of pathogenic autoantibodies, multi-organ immune complex deposition, and progressive tissue damage, Suciraslimab treatment demonstrated distinct and favourable immunomodulatory properties. Suciraslimab selectively inhibits activated B cell subsets (e.g., CD27⁺/CD38⁺) while sparing the overall B cell population, marking a significant differentiation from prevailing immunosuppression therapies induced by commercially available drugs. Notably, Suciraslimab significantly reduces serum levels of anti-double-stranded DNA (anti-dsDNA) antibodies. These findings hold clinical significance, as anti-dsDNA antibodies are highly prevalent, found in approximately 70% of SLE patients. These autoantibodies not only serve as biomarkers for disease activity but also contribute directly to organ damage by forming immune complexes in tissues such as kidneys, skin, and joints. These complexes activate the complement cascade and drive progressive organ injury, playing a particularly critical role in the pathological deterioration of LN.

Current B cell-targeted therapies in clinical use can reduce autoantibody levels but often fail to significantly improve end-organ damage — an issue particularly prominent in LN, which affects approximately 50% of SLE patients. Moreover, systemic complications such as pulmonary interstitial disease also lack effective therapies. In contrast, Suciraslimab has demonstrated breakthrough organ-protective effects in preclinical studies: it restored proteinuria to levels comparative to those in healthy animals while significantly reducing the intensity of glomerular immune complex deposition. Additionally, Suciraslimab suppressed pulmonary inflammatory infiltration and fibrosis progression, with histopathological improvements surpassing those observed with comparator drugs.

This differentiated advantage stems from Suciraslimab's novel mechanism of action, by regulating autoreactive B cell function in a non-depleting manner, it modulates autoantibody production while enhancing B cell interactions with other immune cells to regulate immune cell interaction networks, thereby suppressing downstream immune cell activation cascades. This enables coordinated protection across multiple organs. Given its clearly demonstrated *in vivo* efficacy and favourable safety profile, Suciraslimab is expected to be a superior therapeutic option for LN and multi-organ damage in SLE.

We have published a paper entitled “SM03, a Non-depleting Anti-CD22 Antibody, Modulates B Cell Activation and Immune Crosstalk to Attenuate Autoimmunity” in the *Journal of Translational Autoimmunity* in June 2026. We showed that by enhancing CD22's inhibitory signalling to disrupt autoreactive B-T cell interactions, SM03 functions as a disease-modifying therapy that attenuates dysregulation of lymphocytes in autoimmunity.



Management Discussion and Analysis

Beyond its potential therapeutic effects in SLE, Suciraslimab has also shown promise as a candidate for treating neurodegenerative diseases, particularly Alzheimer's disease. A paper titled "*CD22 Modulation Alleviates Amyloid β -induced Neuroinflammation*" unveiling the dual mechanism of action of Suciraslimab in simultaneously promoting amyloid-beta clearance and exerting anti-inflammatory effects was published in the *Journal of Neuroinflammation* in February 2025.

The Company has initiated planning for a Phase 2 clinical program for Suciraslimab in the treatment of SLE and is working to enable an IND application for using Suciraslimab for treating Alzheimer's disease.

SM06

SM06 is a second-generation, anti-CD22 antibody that is humanised using our proprietary framework-patching technology. SM06 is a humanised version of SM03 (Suciraslimab), with a similar mechanism of action. Our in-house *in vitro* studies demonstrated SM06 to have potentially enhanced efficacy in enacting immunomodulatory effects and drug half-life. We are currently in the process of optimising the chemistry, manufacturing and control processes (CMC) for SM06.

SM09

SM09 is a framework-patched, humanised anti-CD20 antibody that targets an epitope different from that of other market-approved anti-CD20 antibodies such as rituximab, obinutuzumab and ofatumumab for the treatment of non-Hodgkin's lymphoma (NHL) and other auto-immune diseases.

COLLABORATION

We are committed to collaborating with our partners to develop the most innovative therapies to address unmet medical needs in the area of immunological diseases. Given our strong in-house research and development capabilities, we have established global collaboration relationships with reputable companies and scientific research institutions.

SYSU-IAS

Sun Yat-sen University Institute of Advanced Studies Hong Kong Limited ("**SYSU-IAS**") is a research institution established by the Sun Yat-sen University. On 12 August 2025, a comprehensive strategic cooperation agreement was entered into between the Company and SYSU-IAS for the purpose to accelerate the development of innovative drugs and promote the translation of scientific research into clinical applications worldwide. Pursuant to the agreement, SYSU-IAS and the Company shall cooperate in five main areas, including, (i) joint research efforts; (ii) joint usage of facilities, the Sun Yat-sen University Institute of Advanced Studies Hong Kong — SinoMab BioScience Limited Joint Laboratory located at Shenzhen Futian International Biomedical Industry Park, Shenzhen, China; (iii) technical support; (iv) drug development; and (v) training and knowledge exchange. Please also refer to the Company's announcement dated 12 August 2025 and the paragraph headed "Supplementary Information to Voluntary Announcement — Comprehensive Strategic Cooperation Agreement" in the Company's announcement dated 29 August 2025 for more details.

Management Discussion and Analysis

LifeArc

LifeArc is a United Kingdom-based medical research charity, whose mission is to pioneer new ways to turn great science into great patient impact. We have been entrusted by LifeArc to further develop and commercialise SM17 in all fields and worldwide. According to public information, LifeArc provides intellectual property identification, technology development, early stage drug discovery and antibody humanisation services for academia, biotechnology and pharmaceutical organisations and charities, aiming to propel promising medical researches into viable and accessible patient treatments.

Everest Medicines

Everest Medicines Limited (“**Everest Medicines**”) is a listed biopharmaceutical company (stock code: 1952.HK) that integrates discovery, licencing, clinical development, commercialisation and manufacturing of potentially novel or differentiated therapies to address critical unmet medical needs in initially Asia Pacific markets, and eventually around the world. In 2021, we entered into a license agreement with Suzhou Sinovent Pharmaceuticals Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司), (now known as Evopoint Biosciences Co., Ltd.* (蘇州信諾維醫藥科技股份有限公司)), together with the Company as licensor), and Everest Medicines II (HK) Limited, a wholly owned subsidiary of Everest Medicines, as licensee, to out-licence the right to develop and commercialise SN1011 globally for the treatment of renal diseases.

On 7 April 2026, we entered into another license agreement with Evopoint Biosciences Co., Ltd. and Everest Medicines (Singapore) Pte. Ltd., a wholly owned subsidiary of Everest Medicines, to out-license the remaining right of SN1011, other than the treatment of renal diseases, to develop, sublicense and commercialise SN1011 globally. Pursuant to the license agreement, on top of the license agreement entered in 2021, in case Everest Medicines grants a sublicense, we will receive single digit of any downstream upfront payment, double digits of any downstream non-renal milestone payments, and single digit of any downstream renal milestone payments.

* for identification purposes only

On 2 June 2026, Everest Medicines announced that, they entered into an exclusive license and collaboration agreement with Travele Therapeutics, Inc. (“**Travele**”), a company listed on the Nasdaq Global Market trading under the symbol “TVTX”, pursuant to which Everest Medicines will provide an exclusive, worldwide (except Greater China and certain countries in East and Southeast Asia) license to Travele to develop and commercialise civoerebrutinib or EVER001 (known as SN1011 in the Company’s product pipeline). Pursuant to the agreement and subject to the terms and conditions thereof, Everest Medicines will receive an upfront payment of US\$112.5 million and is eligible to receive up to US\$1.03 billion in development, regulatory, and commercial milestone payments across up to five indications, as well as tiered royalties at percentages ranging from the high single-digit to double-digit based on future annual net sales thresholds.

PRODUCTION

In line with our strategy to optimize resource allocation and enhance operational flexibility, we are transitioning towards a more light-asset manufacturing model. Our current strategic focus is to advance the clinical development of SM17, which is currently in Phase 2 clinical studies, and other pipeline products and to actively pursue business development opportunities, including potential out licensing and strategic collaboration arrangements. We believe that our current manufacturing requirements for preclinical research and clinical trial materials can be adequately supported through external manufacturing arrangements, including established contract development and manufacturing organisations (CDMOs).

We have engaged qualified external manufacturing partners to support the development and production of selected pipeline products, including SM17, anti-CGC antibody and our bispecific antibody. These arrangements cover process development, pilot-scale production, Good Manufacturing Practice (GMP) manufacturing and the provision of materials required for preclinical studies, IND-enabling activities and clinical trials. We will continue to manage these external manufacturing activities in accordance with the development needs of our pipelines and applicable regulatory requirements.



Management Discussion and Analysis

Haikou Production Base

The Company entered into an agreement to terminate the lease for our Haikou production base with effect from 12 March 2026. This decision reflects our strategic shift towards a more flexible, asset-light operational structure, allowing us to reduce fixed operational costs and focus internal resources on core competencies such as R&D and commercialisation. Please refer to the Company's announcement dated 12 March 2026 for further details.

Suzhou Production Base

We purchased a piece of land of 43,158 square metres in Suzhou Dushu Lake Higher Education Town, China in June 2020. The total floor area is approximately 75,000 square metres. This production base is designed as commercial-scale manufacturing facilities. The Real Estate Ownership Certificate was granted in March 2026.

On 6 July 2026, the Group entered into a sale and purchase agreement to dispose of its Suzhou property and facility at a consideration of RMB280 million. It has been approved by the Company's shareholders at the extraordinary general meeting held on 7 September 2026. For details, please refer to the section headed "Events After the Reporting Period" in this report.

INTELLECTUAL PROPERTY

Core Technology of Main Drugs (Products)

For SM03 (Suciraslimab), the Group has four invention patents granted and registered in the PRC, one of which is also applicable to SM06, four invention patents which are granted and registered in the United States, all of which are also applicable to SM06, and one invention patent granted and registered in South Africa.

For SM09, the Group has two invention patents granted and registered in the PRC, three invention patents granted and registered in the United States, and one in each of various jurisdictions, including the European Union, India, Singapore and Japan.

During the Reporting Period, the Group filed one Patent Cooperation Treaty ("**PCT**") application for SM17, two PCT applications for SM17 and bispecific antibody candidate were entering into national phase for various jurisdictions during the Reporting Period.

As at 30 June 2026, the Group had eight pending patent applications in the United States, ten pending patent applications in the PRC, eight pending patent applications in the European Union, and three pending PCT patent applications and one pending provisional patent application.

Well-known or Famous Trademarks

The Company conducts its business under the brand name of "SinoMab" ("中國抗體"). As at the end of the Reporting Period, the Group had various registered trademarks in Hong Kong and the PRC, with multiple trademark applications pending approval in the PRC.

Management Discussion and Analysis

Patents

Item	As at 30 June 2026	As at 31 December 2025
Number of invention patents owned by the Group*	124	93

* including patent pending applications and granted patent

HUMAN RESOURCES

As at 30 June 2026, the Group had a total of 73 employees in China and Hong Kong. For the Reporting Period, the Group incurred approximately RMB18.3 million employee costs (including directors' remuneration but excluding any contributions to pension scheme, directors' fees and share-based payment). Employees are important resources for the Group's sustainable operation and steady development. The Company has formulated policies related to employees' remuneration, rights and interests and conducted various staff training. The Company has also established its share award scheme and share option scheme, details of which are set out in "Other Information — Share Incentives" in this interim report.

R&D PERSONNEL

Education level	Number at the end of the Reporting Period	Number at the beginning of the Reporting Period
Ph.D.	6	5
Master	24	23
Undergraduate or below	12	8
Total number of R&D personnel	42	36

The above number of R&D personnel does not include our employees in manufacturing, quality assurance or quality control for the clinically related operation.



Management Discussion and Analysis

FUTURE PROSPECTS

We strive to become a leading global biopharmaceutical company for the development of novel drugs to fulfil unmet medical needs through our Hong Kong-based innovative R&D team and PRC-based manufacturing capabilities. Our vision is to become a global leader in the innovation of therapeutics for immunological and other debilitating diseases.

Our portfolio of drug candidates encompasses multiple areas within immunology and other debilitating diseases, which we believe positions us to address a broad range of unmet medical needs through differentiated therapeutic approaches. We believe our dedication, experience and achievements in immunology have accelerated the discovery and development of innovative therapeutics targeting diverse disease pathways. Over the years, we have accumulated substantial expertise in target discovery, disease biology, antibody development and translational research, enabling us to develop differentiated therapeutic candidates across multiple disease areas. We believe that our strategic focus on immunological diseases and related debilitating conditions provides a meaningful point of differentiation from our peers. By concentrating on innovative treatment approaches and novel biological targets, we seek to strengthen our position in the field and advance the development of differentiated therapeutic candidates.

Further, our product pipeline is supported by an integrated set of in-house capabilities spanning the entire value chain, from target identification, antibody discovery and drug candidate development, through preclinical research, clinical development, clinical production, quality control, quality assurance, regulatory interactions and commercial-scale manufacturing. We believe these capabilities provide a strong foundation for the efficient advancement of our pipeline and position us favourably among biopharmaceutical companies in the Greater China region. Through the continued expansion of our scientific capabilities, including target discovery, antibody development and multispecific antibody engineering, we believe we are well positioned to continue developing innovative therapies for immunological and other debilitating diseases.

The Group will continue to focus on exploring international partnership opportunities for our pipeline products, particularly SM17, our anti-CGC antibody programme, and our multispecific antibody programmes. We will continue to advance our existing product pipeline, discover and develop novel therapeutic candidates by leveraging our R&D capabilities, and strengthen our global presence through our position as a Hong Kong-based biopharmaceutical company with integrated discovery, development and manufacturing capabilities.

Apart from continuously expanding our product pipeline and advancing our clinical development programmes, we will continue to actively explore strategic collaboration opportunities. We have established a pipeline of first-in-class and differentiated therapeutic candidates spanning preclinical, clinical and later-stage development across multiple immunological and inflammatory diseases. To maximise the commercial value of our assets and accelerate the development of our innovative drug candidates, we remain open to collaborations, partnerships, licensing arrangements and other strategic transactions with partners worldwide.

Clinical Development Plan

In respect of SM17, on 7 April 2025, the Company announced positive topline results from a Phase 1b study in which a total of 32 moderate-to-severe atopic dermatitis (“AD”) patients were enrolled. The Phase 1b clinical trial was designed to evaluate the preliminary efficacy, safety, tolerability and pharmacokinetic profile of SM17 in patients with moderate-to-severe AD.

The Company has also completed a clinical bridging study in China supporting the conversion of SM17 from an intravenous (“IV”) formulation to a subcutaneous (“SC”) formulation. The first cohort of healthy subjects was successfully dosed with the SC formulation of SM17 in October 2025, and follow-up visits for all 30 healthy participants were completed in February 2026. Clinical data generated from the study, including pharmacokinetic and bioavailability assessments, provided important information supporting dose selection and clinical study design for the ongoing Phase 2 clinical trial of SM17 in AD. The ongoing Phase 2 clinical trial is being conducted using the SC formulation of SM17.

Management Discussion and Analysis

On 31 March 2026, the first patient was successfully dosed in a Phase 2 clinical trial of SM17 for the treatment of AD in China. The randomized, placebo-controlled study is designed to evaluate five treatment cohorts and enrol approximately 210 patients. Patient recruitment has progressed satisfactorily and ahead of schedule, with 86 patients enrolled as of 30 June 2026. Based on the current rate of enrolment, the Company expects patient recruitment to be substantially completed during the third quarter of 2026 and currently anticipates topline results from the study to become available in the first quarter of 2027, subject to recruitment progress, patient follow-up and data review timelines.

Beyond AD, the Company continues to expand the development of SM17 into additional indications. In December 2025, an IND application for SM17 in the indication of inflammatory bowel disease (“**IBD**”), including Crohn’s disease (“**CD**”) and ulcerative colitis (“**UC**”), was accepted by the Center for Drug Evaluation of the National Medical Products Administration of China. The Company is currently advancing development planning for IBD and is evaluating the initiation of a Phase 2a clinical study in UC.

The Company is advancing the development of its anti-CGC antibody programme in a staged and indication-focused manner. CMC optimisation and IND-enabling toxicology studies are progressing to support first-in-human clinical development for alopecia areata, with vitiligo retained as a potential follow-on indication based on encouraging efficacy findings observed in preclinical disease models. While IND-enabling activities for the programme are progressing as planned, the Company currently expects to initiate first-in-human clinical studies by the end of 2026 or early 2027, subject to development progress, regulatory interactions and operational readiness. New Zealand and Australia are being considered as potential initial clinical trial locations. The Company continues to evaluate the most appropriate clinical and regulatory strategy for the efficient advancement of the programme.

The Company is also advancing its multispecific antibody programme, with the osteoporosis programme representing the most advanced example of this development strategy. Preclinical development activities, including CMC optimisation, non-human primate toxicology studies and translational development work, are ongoing to support future clinical development. Supported by encouraging preclinical data demonstrating improvements in bone mineral density and trabecular microarchitecture compared with benchmark therapies, the Company continues to advance the programme while conducting expert consultations and business development discussions to further refine its clinical positioning, target patient populations and global development strategy. In parallel, the Company continues to explore opportunities to leverage its growing portfolio of validated biological targets and disease-pathway insights for the future development of next-generation bispecific and multispecific antibody therapeutics.

The Company will continue to advance the clinical development of Suciraslimab (SM03) for systemic lupus erythematosus (“**SLE**”) and other autoimmune diseases with the objective of expanding its potential therapeutic applications. The initiation of a proof-of-concept Phase 2 clinical study for SLE in China remains under evaluation as part of the Company’s longer-term development plans.



Management Discussion and Analysis

Preclinical R&D

We have established comprehensive preclinical research and development capabilities focused on understanding disease biology, identifying novel therapeutic targets and advancing differentiated antibody therapeutics for immunological and other debilitating diseases. Our internal R&D team continues to explore novel mechanisms and therapeutic approaches across multiple disease areas, including dermatology, gastroenterology, rheumatology and other immune-mediated conditions. Through close collaboration with leading academic institutions, clinical key opinion leaders and industry partners, we continue to strengthen our translational research capabilities and accelerate the progression of innovative therapeutic candidates from discovery to clinical development.

Building upon the Company's growing expertise in target discovery, disease biology, antibody engineering and translational medicine, we continue to generate key preclinical data packages supporting the advancement of our pipeline programmes. By leveraging established collaborations with external partners, contract research organisations and specialised service providers, the Company continues to conduct pharmacology, toxicology, pharmacokinetic, pharmacodynamic and other studies required to support future clinical development and regulatory submissions.

Following the successful advancement of SM17 into Phase 2 clinical development, the Company's preclinical efforts are increasingly focused on next-generation pipeline assets, particularly the anti-CGC antibody programme, multispecific antibody programmes and selected follow-on antibody candidates.

Our anti-CGC antibody programme is currently undergoing CMC optimisation and IND-enabling toxicology studies in preparation for first-in-human clinical development. Preclinical studies conducted to date have demonstrated encouraging activities in disease models of alopecia areata and vitiligo, supporting the continued advancement of the programme.

The Company's multispecific antibody programmes represent an important strategic focus of future pipeline expansion. The osteoporosis programme, currently the most advanced multispecific antibody programme in our portfolio, is undergoing CMC optimisation, translational development and non-human primate toxicology studies. Building upon the experience gained from this programme, the Company intends to continue exploring the application of multispecific antibody technologies using validated biological targets and disease-pathway insights to address complex disease biology across immunological and other debilitating diseases.

SM06 remains under preclinical development and is undergoing further optimisation to support future clinical development activities. Leveraging the clinical experience accumulated from Suciraslimab (SM03), the Company will continue to evaluate opportunities for the development of differentiated CD22-targeting therapeutics and other follow-on programmes addressing unmet medical needs in autoimmune diseases.

Novel Drug Targets Identification

The Company continues to actively identify and evaluate novel biological targets and has established a multidisciplinary research team with expertise spanning immunology, disease biology, antibody discovery and translational research. Led by the Chief Executive Officer of the Company, who also performs the function of Chief Scientific Officer, the research team has developed a sustainable innovation engine built upon four core scientific capabilities: B-cell Therapeutic Programs and Expertise, Alarmins-pathway Research and Development Capabilities, Selective T-cell Target Discovery Expertise and Multispecific Antibody Development Capabilities.

These scientific capabilities have enabled the Company to identify differentiated biological targets, generate novel therapeutic antibody candidates and continuously expand its pipeline of innovative therapeutics addressing significant unmet medical needs in immunological and other debilitating diseases. Through the integration of target discovery, antibody engineering, disease biology research and translational medicine, the Company seeks to maintain a sustainable source of future pipeline opportunities.

Management Discussion and Analysis

Production

In respect of production, the Group continues to implement a more asset-light operating model to optimise resource allocation, improve capital efficiency and preserve operational flexibility while focusing internal resources on research and development, clinical development, business development and future value-creation activities. Following the termination of the lease for the Haikou production facility and the planned disposal of the Suzhou property and facility, the Group expects that manufacturing requirements supporting preclinical research, IND-enabling activities and clinical trial supply can be effectively supported through qualified external manufacturing partners, including established CDMOs.

These arrangements are expected to cover process development, pilot-scale manufacturing, GMP production and clinical supply activities. The Group will continue to manage and oversee such external manufacturing activities in accordance with product development requirements, applicable regulatory standards and future partnership opportunities. Through this approach, the Group expects to maintain manufacturing readiness while reducing fixed operating costs and supporting the continued advancement of SM17, the anti-CGC antibody programme, multispecific antibody programmes and other pipeline assets.

Strategic Partnerships and Business Development

The Group continues to actively pursue strategic partnerships and business development opportunities to maximise the value of its pipeline assets and accelerate the development of its innovative therapeutic candidates. As our pipeline advances, we believe strategic collaborations can provide important opportunities to broaden development capabilities, expand geographic reach and support future value realisation.

The Group remains open to a variety of partnership structures, including licensing arrangements, co-development collaborations, regional partnerships and other strategic transactions. Particular emphasis will continue to be placed on exploring international partnering opportunities for SM17, the anti-CGC antibody programme, multispecific antibody programmes and other pipeline assets where collaboration may accelerate development and enhance shareholder value.

Through ongoing interactions with pharmaceutical companies, biotechnology companies, academic institutions and investment partners, the Group will continue to evaluate opportunities that are aligned with its development priorities, resource allocation strategy and long-term corporate objectives. The Group believes that a disciplined combination of internal innovation and external collaboration provides a balanced and capital-efficient approach to advancing its pipeline and expanding its global presence.

CAUTIONARY STATEMENT REQUIRED BY RULE 18A.05 AND 18A.08 OF THE LISTING RULES: WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PRODUCT CANDIDATES SUCCESSFULLY.



Management Discussion and Analysis

MARKET OVERVIEW

Atopic Dermatitis (AD)

As a long-standing chronic disease, new cases of AD are growing rapidly globally with broad market potential. Patients with AD have an increasing all-cause mortality rate and disease-specific mortality rate in diseases such as infections, respiratory diseases, gastrointestinal diseases and oncological diseases. Currently approved therapies for AD, including biologics and small-molecule therapies, have significantly improved treatment outcomes. However, substantial unmet medical needs remain.

While certain therapies have demonstrated strong efficacy in skin clearance, some are associated with safety considerations that may limit long-term use in certain patient populations. Other approved biologics have demonstrated favourable safety profiles and meaningful efficacy in skin disease, although some patients may continue to experience insufficient relief of pruritus. In addition, therapies primarily targeting pruritus may not fully address the broader inflammatory and skin-lesion burden of AD. As a result, there remains a need for therapies capable of delivering meaningful itch relief, effective skin improvement and favourable safety profiles.

According to Frost & Sullivan, there were approximately 74.2 million AD patients in China in 2025, with an expected increase to 80.8 million by 2033, of which around 20% are moderate-to-severe patients. The AD therapeutics market in China was valued at USD600 million in 2019 and reached USD1.92 billion in 2025, and is expected to further increase to USD7.16 billion in 2033. According to a report by Grand View Research, Inc., the global AD market is estimated to reach USD27.7 billion by 2030.

The Company believes that SM17's differentiated mechanism of action targeting the IL-25 receptor upstream of the Type 2 inflammatory cytokine pathway may provide broad effects on skin inflammation and pruritus, offering the potential for a differentiated therapeutic approach in the treatment of AD.

Alopecia Areata (AA) and Vitiligo

Alopecia areata and vitiligo are chronic autoimmune diseases characterised by substantial impacts on quality of life and significant unmet medical needs. Although important advances have been achieved in recent years, many patients continue to experience inadequate responses, disease recurrence or limited treatment options.

Growing scientific understanding of T-cell-mediated autoimmune diseases has increased interest in pathways associated with common gamma chain signalling and related cytokines, including IL-7-, IL-15- and CD122-associated pathways. Recent clinical developments targeting these pathways have highlighted their therapeutic potential in AA and vitiligo and have attracted increasing industry interest and investment in these disease areas.

The Company believes its anti-CGC antibody programme represents a differentiated therapeutic approach through modulation of the common gamma chain signalling network and may provide opportunities to address important unmet medical needs in both AA and vitiligo.

Inflammatory Bowel Disease (IBD)

Inflammatory bowel disease ("**IBD**"), including Crohn's disease ("**CD**") and ulcerative colitis ("**UC**"), represents a significant global healthcare burden. These chronic inflammatory disorders of the gastrointestinal tract are associated with recurrent disease activity, impaired quality of life, increased healthcare utilisation and substantial long-term treatment costs.

Despite the availability of biologics and targeted therapies, a meaningful proportion of patients continue to experience primary non-response, loss of response over time or persistent disease activity, highlighting the need for additional treatment options. The heterogeneity of IBD pathogenesis and involvement of multiple inflammatory pathways continue to drive demand for innovative therapeutic approaches capable of addressing complex disease biology. In addition, currently available therapies generally have limited effects on fibrosis-related complications, including strictures and fistulas, which remain major causes of disease progression and surgical intervention in patients with IBD.

Management Discussion and Analysis

The Company believes SM17's differentiated mechanism of action targeting the IL-25 receptor may provide a novel therapeutic approach for IBD through modulation of multiple inflammatory pathways implicated in disease progression. In preclinical studies, SM17 has also demonstrated anti-fibrotic activity, supporting its potential application in addressing fibrosis-related complications that continue to represent significant unmet needs in IBD.

Osteoporosis

Osteoporosis is one of the most common chronic debilitating diseases worldwide and is associated with increased fracture risk, reduced mobility, significant healthcare costs and substantial impacts on patient quality of life. With ageing populations in both developed and emerging markets, the prevalence of osteoporosis is expected to continue increasing. In addition, growing use of GLP-1 receptor agonists for weight management has increased awareness of potential bone-health concerns associated with substantial weight loss, further highlighting the importance of effective osteoporosis prevention and treatment strategies.

Recent advances in osteoporosis drug development and regulatory science have contributed to a more efficient clinical development framework for novel therapies, with bone mineral density increasingly recognised as an important clinical endpoint supporting therapeutic evaluation and regulatory decision-making. These developments have enhanced industry interest in innovative osteoporosis therapeutics and may facilitate the advancement of differentiated treatment approaches.

Current therapeutic options generally focus on either promoting bone formation or inhibiting bone resorption. Anti-RANKL therapies have demonstrated important clinical benefits but remain associated with limitations, including the need for long-term treatment and management of adverse events such as osteonecrosis of the jaw and atypical fractures in certain patients. Anti-sclerostin therapies have demonstrated potent anabolic effects but are generally administered for a limited treatment duration and are often followed by anti-resorptive therapy. Despite these advances, unmet medical needs remain in improving treatment efficacy, durability of response and long-term clinical outcomes.

As understanding of bone biology continues to evolve, increasing attention has been directed towards therapeutic approaches capable of simultaneously addressing multiple mechanisms involved in bone remodelling. The Company believes its multispecific osteoporosis programme, designed to promote bone formation while inhibiting bone resorption, represents a differentiated therapeutic strategy for addressing this significant and growing market opportunity. In addition, encouraging preclinical findings supporting improvements in bone mineral density and bone microarchitecture provide further rationale for continued development of the programme.

Systemic Lupus Erythematosus (SLE)

SLE is a chronic autoimmune disorder characterised by the immune system attacking the body's own tissues and organs, resulting in widespread inflammation and tissue damage. In recent years, the incidence of SLE has continued to increase globally and the SLE treatment market remains an important area of unmet medical need.

According to Frost & Sullivan, there are currently approximately 1.0349 million SLE patients in China, the figure projected to increase to 1.0947 million by 2030. Research Nester estimates that the global SLE treatment market was valued at USD3.12 billion in 2025 and is forecast to grow at a compound annual growth rate of approximately 8.1%, reaching over USD6.8 billion by 2035.

Building on the Company's long-standing experience in B-cell biology and CD22-targeted therapeutics, Suciraslimab (SM03) continues to be evaluated for its potential application in SLE and other autoimmune diseases.



Management Discussion and Analysis

Rheumatoid Arthritis (RA)

According to Frost & Sullivan, the global market for autoimmune disease therapeutics is expected to increase to USD163.8 billion by 2030, representing a compound annual growth rate of 3.1%. The overall population of patients suffering from autoimmune diseases in China remains substantial. According to *Rheumatoid Arthritis in China: A National Report of 2020* issued by the National Clinical Research Center for Dermatologic and Immunologic Diseases in October 2021, there are approximately 5 million RA patients in China.

With continued improvements in diagnosis, treatment access and healthcare infrastructure, the market for RA therapies in China is expected to continue expanding. According to Frost & Sullivan, the RA therapeutics market in China is expected to reach RMB83.3 billion by 2030. The biologics segment is expected to increase its share of the RA market from 43.4% in 2024 to 59.8% in 2030.

The Company has accumulated more than two decades of experience in the discovery and development of antibody therapeutics for autoimmune diseases. Clinical experience generated from the development of Suciraslimab in RA continues to contribute to the advancement of the Company's broader immunology pipeline.

Taken together, the markets described above are characterised by large and expanding patient populations, chronic disease burden and substantial unmet medical needs, particularly in indications where existing therapies remain constrained by incomplete efficacy, safety concerns, loss of response, inconvenient administration or insufficient disease-modifying benefit. These dynamics are consistent with the Group's strategic focus on innovative antibody therapeutics for immunological and other debilitating diseases, including SM17 for AD and IBD, the anti-CGC antibody programme for alopecia areata and vitiligo, the multispecific antibody programme for osteoporosis, and Suciraslimab for SLE and other autoimmune diseases.

Leveraging its scientific capabilities in target discovery, disease biology, antibody development and multispecific antibody engineering, together with its global partnership strategy, the Group believes it is well positioned to address these market opportunities and advance innovative therapies for patients with significant unmet medical needs.

BUILDING A SUSTAINABLE INNOVATION ENGINE

We have developed a number of scientific capabilities and therapeutic approaches that support the discovery, development and advancement of innovative antibody therapeutics directed against novel biological targets and differentiated mechanisms of action.

B-cell Therapeutic Programs and Expertise

The Company was founded with an initial focus on the discovery and development of therapies targeting B cells in the pathogenesis of autoimmune and inflammatory diseases. Over the years, we have accumulated substantial scientific knowledge and development experience relating to B-cell biology, target validation and therapeutic antibody development. This expertise has enabled us to establish a portfolio of therapeutic candidates directed against multiple B-cell-associated targets and pathways, providing a strong foundation for the continued expansion of our immunology pipeline.

Management Discussion and Analysis

Our B-cell therapeutic programs encompass a range of targets and modalities, including:

- a. CD22 — SM03 (Suciraslimab) and SM06, both anti-CD22 antibodies, were developed based on our expertise in B-cell biology and immune modulation.
- b. CD20 — SM09, a novel, framework-patched, humanised anti-CD20 antibody, was developed to further expand our capabilities in B-cell-targeted therapeutics.
- c. BTK — SN1011, a third-generation covalent reversible BTK inhibitor, was in-licensed to complement our B-cell-focused therapeutic portfolio and broaden our treatment approaches for autoimmune diseases. The asset was subsequently out-licensed for further development.

Leveraging our accumulated expertise in B-cell biology and immune regulation, we continue to evaluate opportunities to develop differentiated therapies and combination approaches targeting multiple components of the B-cell pathway.

Alarmins-pathway Research and Development Capabilities

The immune system comprises a complex network of immune cells and signaling molecules, including B cells, T cells and cytokines. Building upon our established expertise in immunology and autoimmune diseases, we expanded our research efforts into upstream immune regulators known as alarmins. Alarmins are increasingly recognized as important initiators of immune responses and play critical roles in a range of inflammatory and autoimmune diseases affecting the respiratory, dermatological and gastrointestinal systems, including asthma, atopic dermatitis (AD), idiopathic pulmonary fibrosis (IPF) and inflammatory bowel disease (IBD).

Through our research and development efforts in alarmin biology and associated signaling pathways, we have developed substantial expertise in evaluating targets involved in upstream immune regulation and advancing therapeutic candidates targeting these pathways. Our research has contributed to a deeper understanding of the role of alarmins in immune-mediated diseases and enabled us to expand our therapeutic focus beyond traditional immune-cell-specific targets.

IL-25/IL-17RB — IL-25 is one of the key alarmins involved in the initiation and amplification of type 2 immune responses and exerts its biological effects through its receptor, IL-17RB. Through our translational and preclinical research efforts, we developed expertise in evaluating the therapeutic potential of IL-17RB modulation across multiple immune-mediated diseases, including dermatological, respiratory and gastrointestinal disorders. Leveraging these insights and our therapeutic antibody development capabilities, we optimized and advanced SM17, a humanised IgG4- κ monoclonal antibody targeting IL-17RB, into clinical development. SM17 is currently our lead clinical asset and is being evaluated in Phase 2 studies for the treatment of atopic dermatitis, with additional development opportunities being explored in asthma, idiopathic pulmonary fibrosis (IPF) and inflammatory bowel disease (IBD).

Selective-T Cell Target Discovery Expertise

T cells are central mediators of immune regulation and play important roles in the pathogenesis of a broad range of autoimmune and inflammatory diseases. Building upon our expertise in immunology, antibody discovery and immune signaling, we have established capabilities in the identification and development of therapeutic antibodies targeting key T-cell-associated pathways involved in immune dysregulation.



Management Discussion and Analysis

Through our internal research efforts, we identified the common gamma chain receptor (CGC, also known as γc or CD132) as a promising therapeutic target. CGC serves as the shared receptor subunit for six cytokines, namely IL-2, IL-4, IL-7, IL-9, IL-15 and IL-21, and plays a central role in regulating the activation, proliferation and function of multiple immune-cell populations. As a result, selective modulation of the γc pathway represents a potential approach to simultaneously regulate multiple disease-driving cytokine pathways involved in autoimmune and inflammatory diseases.

Increasing clinical interest in cytokine pathways associated with γc signaling, including IL-7-, IL-15- and related immune-regulatory pathways, has further highlighted the therapeutic relevance of this area in autoimmune diseases such as alopecia areata and vitiligo.

CGC (CD132/ γc) — Leveraging our antibody discovery and immune signaling expertise, we generated and characterised hC2, a humanised anti- γc monoclonal antibody. Our research demonstrated that hC2 binds to the γc receptor and suppresses downstream signaling induced by multiple γc cytokines across different immune-cell populations. Preclinical studies further demonstrated the ability of hC2 to modulate immune-cell activation and reduce disease-associated inflammatory responses in both *in vitro* and *in vivo* models.

The scientific findings supporting hC2 have been reported through peer-reviewed publications and scientific presentations. These studies demonstrated the therapeutic potential of γc pathway modulation in autoimmune diseases and showed that hC2 could suppress autoreactive T-cell activity, reduce tissue-resident memory T-cell responses and improve disease-associated pathology in preclinical models. Additional studies also demonstrated activity in alopecia areata and vitiligo models, together with encouraging preliminary toxicology observations.

These findings demonstrate our capabilities in selective T-cell target discovery, immune-pathway characterisation and therapeutic antibody development, and support the continued advancement of hC2 for the treatment of autoimmune diseases.

Multispecific Antibody Development Capabilities

Building upon our expertise in target biology, antibody discovery and therapeutic antibody development, we have expanded our research efforts into the design and development of next-generation bispecific and multispecific antibody therapeutics. We believe multispecific antibody technologies provide opportunities to address complex disease biology by simultaneously modulating multiple disease-driving pathways within a single therapeutic molecule.

Our multispecific antibody development strategy seeks to leverage our growing portfolio of validated biological targets and disease pathway insights to create differentiated therapeutic candidates with the potential to achieve broader biological coverage and address unmet medical needs across autoimmune, inflammatory and other debilitating diseases.

Osteoporosis Program (bispecific antibody candidate, bsAb) — As the most advanced example of this strategy, we have developed a novel bispecific antibody designed to simultaneously promote bone formation and inhibit bone resorption for the treatment of osteoporosis. This program combines complementary biological mechanisms within a single antibody construct and demonstrates our ability to apply multispecific antibody engineering to address complex disease processes. Preclinical studies have demonstrated encouraging anabolic and anti-resorptive activity, supporting the continued advancement of the program.

The experience gained through the development of bsAb further strengthens our capabilities in multispecific antibody design and provides a foundation for the future development of next-generation bispecific and multispecific therapeutics based on validated biological targets across multiple disease areas.

Management Discussion and Analysis

FINANCIAL REVIEW

Other income and gains

Our other income and gains primarily comprised bank interest income, fair value gain on financial assets at fair value through profit or loss, government grants and foreign exchange gain. Total other income and gains amounted to approximately RMB23.5 million for the Reporting Period, representing an increase of approximately RMB13.7 million from the six months ended 30 June 2025, mainly due to an increase in foreign exchange gain of approximately RMB12.2 million.

R&D costs

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Laboratory consumables and experiment costs	28,816	13,737
Employment costs	14,847	9,613
Others	6,674	9,390
	50,337	32,740

Our R&D costs mainly include laboratory consumables and experiment costs, employment costs of R&D employees, depreciation of right-of-use assets relating to leases of research facilities and depreciation of research and testing equipment.

For the six months ended 30 June 2026 and 2025, we incurred R&D costs of approximately RMB50.3 million and RMB32.7 million, respectively. The increase in R&D costs during the Reporting Period was mainly attributable to (i) an increase of approximately RMB15.1 million in spending on laboratory consumables and experiment costs, mainly relating to the SM17 Phase 2 clinical studies; and (ii) an increase of approximately RMB5.2 million in employment costs for R&D employees, mainly due to higher non-cash share-based payments, and was partially offset by (iii) a decrease of approximately RMB3.4 million in depreciation of right-of-use assets.

Administrative expenses

Our administrative expenses primarily consist of employee costs of administrative personnel, depreciation of right-of-use assets relating to leases of office space, depreciation and amortisation, rental and property management fees, consulting and auditing fees, legal and other professional advisory service fees, office expenses, transportation costs and others.

For the six months ended 30 June 2026 and 2025, our total administrative expenses were approximately RMB39.0 million and RMB23.7 million, respectively. The increase was mainly attributable to (i) an increase of approximately RMB7.4 million in depreciation of property, plant and equipment and right-of-use assets; and (ii) an increase of approximately RMB8.2 million in non-cash share-based payments arising from share options and awards granted in July 2025, March 2026 and June 2026 respectively.

Management Discussion and Analysis

Other expenses

For the six months ended 30 June 2026 and 2025, our other expenses were approximately RMB1.8 million and RMB0.2 million, respectively. The increase was mainly due to the loss on disposal of items of equipment of approximately RMB1.3 million during the Reporting Period.

Liquidity and capital resources

The Group has always adopted a prudent treasury management policy. The Group places strong emphasis on having funds readily available and accessible and is in a stable liquidity position with sufficient funds in standby banking facilities to cope with daily operations and meet its future development demands for capital.

The following table sets forth a condensed summary of the Group's interim condensed consolidated statement of cash flows for the periods indicated and analysis of balances of cash and cash equivalents for the periods ended indicated:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Net cash flows used in operating activities	(29,905)	(26,906)
Net cash flows (used in)/from investing activities	(37,045)	35,230
Net cash flows (used in)/from financing activities	(74,883)	38,263
Net (decrease)/increase in cash and cash equivalents	(141,833)	46,587
Cash and cash equivalents at the beginning of the period	322,708	61,900
Effect of foreign exchange rate changes, net	(29,095)	(7,453)
Cash and cash equivalents at the end of the period	151,780	101,034

As at 30 June 2026, cash and cash equivalents were mainly denominated in Hong Kong dollars, Renminbi and United States dollars.

Management Discussion and Analysis

As at 30 June 2026, total funding available to use including cash and cash equivalents, pledged and restricted deposits and wealth management products is RMB196.5 million, compared to RMB351.5 million as at 31 December 2025.

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Cash and cash equivalents	151,780	322,708
Wealth management products (included in the financial assets at fair value through profit or loss)	22,852	17,956
Pledged and restricted deposits	21,820	10,814
Total funding available to use	196,452	351,478

The net decrease in total funding available to use of approximately RMB155.0 million was mainly due to (i) net repayment of bank borrowings of approximately RMB65.6 million; (ii) net cash flows used in operating activities of approximately RMB29.9 million; and (iii) capital expenditures of approximately RMB20.5 million in the Reporting Period.

Bank Borrowings and gearing ratio

As at 30 June 2026, the Group's outstanding borrowings of RMB260.2 million (31 December 2025: RMB326.8 million) were denominated in RMB and at the effective interest rate ranging from 2.50% to 3.90% (31 December 2025: 3.00% to 3.90%) per annum.

As at 30 June 2026, the amount of unutilised banking facilities of the Group is approximately RMB311.9 million.

The Group monitored capital using gearing ratio. Gearing ratio is calculated using interest-bearing bank borrowings less cash and cash equivalents divided by total equity and multiplied by 100%. As at 30 June 2026, the gearing ratio was 30.0% (31 December 2025: 0.8%).

Foreign Exchange Risk

Foreign exchange risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

In response to the foreign exchange risk, the Company seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position to reduce the impact of the foreign exchange risk on the Company.

Management Discussion and Analysis

Share Capital

During the Reporting Period, there was no change in the share capital of the Company.

Loss Per Share

The basic and diluted loss per share are RMB0.09 for the Reporting Period (30 June 2025: RMB0.05).

The calculations of basic and diluted loss per share are based on:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent	(127,388)	(49,821)

	Number of shares Six months ended 30 June	
	2026 (unaudited)	2025 (unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period	1,370,997,720	1,096,254,328

Pledge of Assets

As at 30 June 2026, the Group had mortgaged its land use right and property, plant and equipment with a carrying value of RMB336.3 million (31 December 2025: RMB340.0 million), and pledged deposit of RMB11.9 million (31 December 2025: Nil) for the purpose of securing bank loans. In accordance with the agreement with the bank, the maximum mortgage amount of land use right and property, plant and equipment is RMB158.4 million.

Capital Commitments

Particulars of contractual commitments of the Group as at 30 June 2026 are set out in note 14 to the interim condensed consolidated financial statements.

Contingent Liabilities

As at 30 June 2026, the Group had no contingent liabilities (31 December 2025: Nil).

Independent Review Report



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Independent review report

To the Board of Directors of SinoMab BioScience Limited

(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 30 to 48, which comprises the condensed consolidated statement of financial position of SinoMab BioScience Limited (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“**HKAS 34**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

31 August 2026

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	RMB'000 (unaudited)	RMB'000 (unaudited)
Other income and gains		23,462	9,802
Research and development costs		(50,337)	(32,740)
Administrative expenses		(39,012)	(23,734)
Finance costs		(3,313)	(2,990)
Impairment loss on non-current assets		(56,341)	–
Other expenses	4	(1,847)	(159)
LOSS BEFORE TAX	5	(127,388)	(49,821)
Income tax expense	6	–	–
LOSS FOR THE PERIOD		(127,388)	(49,821)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	8	(0.09)	(0.05)

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
LOSS FOR THE PERIOD	(127,388)	(49,821)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation to the presentation currency	(30,818)	(7,577)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(158,206)	(57,398)

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	415,120	480,223
Right-of-use assets		17,186	20,779
Intangible assets		168	354
Deposits		1,298	1,241
Other non-current assets		13,848	15,614
Total non-current assets		447,620	518,211
CURRENT ASSETS			
Prepayments, deposits and other receivables		10,708	7,666
Financial assets at fair value through profit or loss	10	52,655	48,713
Pledged and restricted deposits	11	21,820	10,814
Cash and cash equivalents	11	151,780	322,708
Total current assets		236,963	389,901
CURRENT LIABILITIES			
Other payables and accruals		56,231	61,740
Lease liabilities		4,285	7,583
Interest-bearing bank borrowings	12	114,372	134,716
Total current liabilities		174,888	204,039

Interim Condensed Consolidated Statement of Financial Position (continued)

30 June 2026

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
NET CURRENT ASSETS		62,075	185,862
TOTAL ASSETS LESS CURRENT LIABILITIES		509,695	704,073
NON-CURRENT LIABILITIES			
Lease liabilities		2,337	4,106
Interest-bearing bank borrowings	12	145,839	192,089
Total non-current liabilities		148,176	196,195
Net assets		361,519	507,878
EQUITY			
Equity attributable to owners of the parent			
Share capital	13	2,218,200	2,218,200
Reserves		(1,856,681)	(1,710,322)
Total equity		361,519	507,878

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital RMB'000	Shares held under share award scheme* RMB'000	Share-based payment reserve* RMB'000	Capital reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	2,218,200	(52,336)	128,015	8,637	(14,282)	(1,780,356)	507,878
Loss for the period	-	-	-	-	-	(127,388)	(127,388)
Other comprehensive loss for the period:							
Exchange differences on translation to the presentation currency	-	-	-	-	(30,818)	-	(30,818)
Total comprehensive loss for the period	-	-	-	-	(30,818)	(127,388)	(158,206)
Share award vested	-	9,475	(9,398)	-	-	-	77
Equity-settled share-based payment expenses	-	-	11,770	-	-	-	11,770
At 30 June 2026 (unaudited)	2,218,200	(42,861)	130,387	8,637	(45,100)	(1,907,744)	361,519

* These reserve accounts comprise the consolidated reserves of RMB1,856,681,000 (31 December 2025: RMB1,710,322,000) in the interim condensed consolidated statements of financial position as at 30 June 2026.

Interim Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2026

		Share capital	Shares held under share award scheme*	Share-based payment reserve*	Capital reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)		1,790,094	(52,616)	121,146	8,637	1,021	(1,675,371)	192,911
Loss for the period		-	-	-	-	-	(49,821)	(49,821)
Other comprehensive loss for the period:								
Exchange differences on translation to the presentation currency		-	-	-	-	(7,577)	-	(7,577)
Total comprehensive loss for the period		-	-	-	-	(7,577)	(49,821)	(57,398)
Issue of shares	13	108,238	-	-	-	-	-	108,238
Equity-settled share-based payment expenses		-	-	(462)	-	-	-	(462)
At 30 June 2025 (unaudited)		1,898,332	(52,616)	120,684	8,637	(6,556)	(1,725,192)	243,289

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(29,905)	(26,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(20,469)	(12,685)
Prepayments for purchases of property, plant and equipment	–	(309)
Purchases of intangible assets	(44)	(65)
(Increase)/decrease in pledged deposits	(11,919)	44,993
Purchase of financial assets at fair value through profit or loss	(36,500)	(22,549)
Redemption of financial assets at fair value through profit or loss	31,533	25,386
Proceeds from disposal of items of property, plant and equipment	354	459
Net cash flows (used in)/from investing activities	(37,045)	35,230
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of shares	–	108,238
Proceeds from exercising share award	97	–
New bank loans	11,645	27,130
Repayment of bank loans	(77,238)	(84,100)
Principal portion of lease payments	(5,970)	(10,362)
Interest paid	(3,417)	(2,643)
Net cash flows (used in)/from financing activities	(74,883)	38,263
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(141,833)	46,587
Cash and cash equivalents at the beginning of the period	322,708	61,900
Effect of foreign exchange rate changes, net	(29,095)	(7,453)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	151,780	101,034
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	26,966	60,300
Non-pledged time deposits with original maturity of less than three months when acquired	124,814	40,734
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	151,780	101,034
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	151,780	101,034

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The financial information relating to the year ended 31 December 2025 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditor has reported on the financial statements for the year ended 31 December 2025, included a reference to material uncertainty related to going concern to which the auditor drew attention by way of emphasis without qualifying its reports, and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
<i>Annual Improvements to HKFRS Accounting Standards — Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standard are described below:

- (a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) *Annual Improvements to HKFRS Accounting Standards — Volume 11* set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Non-current assets

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Chinese mainland	440,129	509,777
Hong Kong	6,193	7,193
Total non-current assets	446,322	516,970

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

4. OTHER EXPENSES

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss on disposal of items of property, plant and equipment	1,297	–
Others	550	159
Total other expenses	1,847	159

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Fair value gain on financial assets at fair value through profit or loss	(493)	(20)
Foreign exchange gain	(19,625)	(7,428)
Impairment loss on non-current assets	56,341	–

6. INCOME TAX

No Hong Kong profits tax has been made as the Company did not generate any assessable profit during the period (six months ended 30 June 2025: Nil).

Under the Enterprise Income Tax Law of the People's Republic of China (the "EIT Law") and Implementation Regulation of the EIT Law, the estimated tax rate of the Group's subsidiaries in Chinese mainland is 25% during the periods presented in the interim condensed consolidated financial statements. No Enterprise Income Tax under EIT Law was provided for as there was no estimated assessable profit of the Group's subsidiaries in Chinese mainland during the periods presented in the interim condensed consolidated financial statements.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Deferred taxation had not been recognised on the unused tax losses and deductible temporary differences due to the unpredictability of future profit streams.

7. DIVIDENDS

No dividend was paid or declared by the Company during the six months ended 30 June 2026 and 2025.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent of RMB127,388,000 (six months ended 30 June 2025: RMB49,821,000), and the weighted average number of ordinary shares of 1,370,997,720 (six months ended 30 June 2025: 1,096,254,328) outstanding during the period, as adjusted to exclude the shares held under the share award scheme of the Company.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the addition of property, plant and equipment is RMB7,084,000 at cost (30 June 2025: RMB6,066,000).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
	Note		
Unlisted equity investment, at fair value		29,803	30,757
Wealth management products	(i)	22,852	17,956
Total financial assets at fair value through profit or loss		52,655	48,713

Note:

- (i) The wealth management products were mandatorily classified as financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest. The Group has estimated the fair value of the wealth management products based on fair value provided by the financial institutions.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

11. CASH AND CASH EQUIVALENTS

	Notes	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Time deposits		124,814	121,780
Cash and bank balances		26,966	200,928
Cash and cash equivalents		151,780	322,708
Pledged for bank loans	12(a)	11,919	–
Restricted for special purpose	(i)	9,901	10,814
Pledged and restricted deposits		21,820	10,814
Denominated in:			
HKD		121,492	216,900
RMB		31,830	63,213
USD		20,278	53,409
Cash and cash equivalents and pledged and restricted deposits		173,600	333,522

Note:

- (i) As at 30 June 2026, bank balances restricted for special purpose amount, in aggregate, to RMB9,901,000 (31 December 2025: RMB10,814,000) which was designated for the use of a construction project by a subsidiary of the Group in accordance with the relevant facility agreements. The Group management monitors closely the use of the fund to meet its ongoing construction expenditure.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

12. INTEREST-BEARING BANK BORROWINGS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Non-current		
Unsecured bank borrowings	57,555	73,805
Secured bank borrowing	88,284	118,284
Total — non-current	145,839	192,089
Current		
Unsecured bank borrowings	56,504	84,545
Secured bank borrowings	57,868	50,171
Total — current	114,372	134,716
Total	260,211	326,805
Bank borrowings repayable analysed into:		
Within one year	114,372	134,716
In the second year	107,000	92,550
In the third to fifth years, inclusive	38,839	99,539
Total	260,211	326,805

Notes:

- (a) Certain of the Group's bank borrowings are secured by:
 - (i) mortgages over the Group's land use right and construction in progress, which had a net carrying value at the end of the reporting period of approximately RMB336,341,000 (31 December 2025: RMB340,016,000).
 - (ii) The pledge of certain of the Group's deposit amounting to RMB11,919,000 as at 30 June 2026 (31 December 2025: Nil).
- (b) All borrowings are denominated in RMB.
- (c) The effective interest rates of the bank borrowings as at 30 June 2026 ranged from 2.50% to 3.90% (31 December 2025: 3.00% to 3.90%) per annum.

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

13. SHARE CAPITAL

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Issued and fully paid: 1,386,638,336 (2025: 1,386,638,336) ordinary shares	2,218,200	2,218,200

14. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Buildings, plant and machinery	37,665	50,106

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

15. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related party:

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Lease liabilities:		
Haikou Pharmaceutical Factory Co., Ltd.	–	3,917

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Salaries, allowances and benefits in kind	4,079	3,282
Equity-settled (reversal of) share-based payment expenses	3,656	(728)
Pension scheme contributions	28	28
Total compensation paid to key management personnel	7,763	2,582

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

16. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 30 June 2026

Financial assets

	Financial assets at fair value through profit or loss RMB'000 (unaudited)	Financial assets at amortised cost RMB'000 (unaudited)	Total RMB'000 (unaudited)
Cash and cash equivalents	–	151,780	151,780
Financial assets at fair value through profit or loss	52,655	–	52,655
Pledged and restricted deposits	–	21,820	21,820
Financial assets included in prepayments, deposits and other receivables	–	1,841	1,841
Total	52,655	175,441	228,096

Financial liabilities

	Financial liabilities at amortised cost RMB'000 (unaudited)
Financial liabilities included in other payables and accruals	50,723
Interest-bearing bank borrowings	260,211
Total	310,934

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

16. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

As at 31 December 2025

Financial assets

	Financial asset at fair value through profit or loss <i>RMB'000</i> <i>(audited)</i>	Financial assets at amortised cost <i>RMB'000</i> <i>(audited)</i>	Total <i>RMB'000</i> <i>(audited)</i>
Cash and cash equivalents	–	322,708	322,708
Financial asset at fair value through profit or loss	48,713	–	48,713
Pledged and restricted deposits	–	10,814	10,814
Financial assets included in prepayments, deposits and other receivables	–	2,267	2,267
Total	48,713	335,789	384,502

Financial liabilities

	Financial liabilities at amortised cost <i>RMB'000</i> <i>(audited)</i>
Financial liabilities included in other payables and accruals	57,475
Interest-bearing bank borrowings	326,805
Total	384,280

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values.

The Group's finance department headed by chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the non-current portion of financial assets included in prepayments, deposits and other receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group invests in various wealth management products issued by a bank in Chinese mainland and an enterprise in Hong Kong. The Group has estimated the fair value of these wealth management products based on fair values provided by financial institutions.

As at 30 June 2026, the Group had an unlisted equity investment, which was reclassified as financial asset at fair value through profit or loss. The Group estimated the fair value of the unlisted investment based on recent transaction price of series A funding. The carrying amount of the financial asset at fair value through profit or loss is the same as its fair value.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			Total RMB'000 (unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (unaudited)	Significant observable inputs (Level 2) RMB'000 (unaudited)	Significant unobservable inputs (Level 3) RMB'000 (unaudited)	
Financial assets at fair value through profit or loss	–	52,655	–	52,655

Notes to Interim Condensed Consolidated Financial Information

30 June 2026

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

As at 31 December 2025

	Fair value measurement using			Total RMB'000 (audited)
	Quoted prices in active markets (Level 1) RMB'000 (audited)	Significant observable inputs (Level 2) RMB'000 (audited)	Significant unobservable inputs (Level 3) RMB'000 (audited)	
Financial asset at fair value through profit or loss	–	48,713	–	48,713

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (six months ended 30 June 2025: Nil).

18. EVENTS AFTER THE REPORTING PERIOD

On 6 July 2026, MediNexus Pharma (Suzhou) Limited (the “**Vendor**”, a wholly-owned subsidiary of the Company) entered into the sale and purchase agreement with Suzhou Yigong Pinyuan Biopharmaceutical Co., Ltd.* (蘇州宜工品源生物醫藥有限公司) (the “**Purchaser**”), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Assets at a consideration of RMB280,000,000 (the “**Disposal**”). The Target Assets comprise the land use right of an industrial land parcel located in Suzhou Industrial Park, China, with a total site area of approximately 43,158.21 sq.m. and a total gross floor area of approximately 71,315.23 sq.m., together with all buildings (including production plants, office and warehouse buildings), ancillary structures, facilities and related equipment situated thereon. The Group recognised impairment loss of RMB56,341,000 on the Target Assets, representing the difference between the consideration and the book value.

On 24 July 2026, the Company granted a total of 18,026,040 share options to 1 director and 1 employee of the Company (collectively the “**Grantees**”) which entitle the Grantees to subscribe for an aggregate of 18,026,040 new shares of the Company under its share option scheme adopted at the extraordinary general meeting held on 26 October 2022 and was subsequently amended at the annual general meeting held on 14 June 2024 (the “**2022 Share Option Scheme**”), subject to the acceptance of the Grantees. Please refer to the announcement of the Company dated 24 July 2026 for further details.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 31 August 2026.

* For identification purpose only

USE OF PROCEEDS FROM NEW SHARE SUBSCRIPTIONS UNDER GENERAL MANDATE

2025 Share Subscriptions

During the year 2025, the Company has conducted two fund raising activities by subscriptions of new shares under general mandate, details of which were disclosed under 2025 July Share Subscriptions and 2025 May Share Subscriptions below.

2025 July Share Subscriptions

On 22 July 2025, the Company entered into twenty-three subscription agreements with twenty-three subscribers for the issuance of an aggregate of 182,072,400 new ordinary shares at a subscription price of HK\$2.03 per share (“**2025 July Share Subscriptions**”). The Company completed an issue of 157,107,000 new shares on 15 August 2025 and 24,965,400 new shares on 29 August 2025, representing a net subscription price of approximately HK\$2.03 per subscription share. The subscription price of HK\$2.03 per share represents (i) a discount of approximately 16.12% to the closing price per Share of HK\$2.42 as quoted on the Stock Exchange on 22 July 2025, being the date of the subscription agreements; (ii) a discount of approximately 18.80% to the average closing price per Share of HK\$2.50 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreements; and (iii) a discount of approximately 9.38% to the average closing price per Share of HK\$2.24 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the subscription agreements.

Each of the subscribers and its ultimate beneficial owner(s), are independent third parties of the Company. Each of the Subscribers is either an individual private investor or a company principally engaged in investment holding. The 2025 July Share Subscriptions were conditional upon the approval of the listing of, and permission to deal in, all the new shares being granted by the Listing Committee of the Stock Exchange, and such approval was given by the Stock Exchange in August 2025.

The Directors consider that the 2025 July Share Subscriptions represent a good opportunity for the Company to raise capital to support its continued growth and development, as well as to enhance financial flexibility of the Company. For details of the 2025 July Share Subscriptions, please refer to the announcements of the Company dated 22 July 2025, 15 August 2025 and 29 August 2025. The planned applications of the net proceeds from the 2025 July Share Subscriptions were disclosed in the Company’s announcements dated 22 July 2025 and 15 August 2025 and subsequently revised and disclosed in the Company’s announcement dated 23 March 2026.

2025 May Share Subscriptions

On 13 May 2025, the Company entered into twenty-six subscription agreements with twenty-six subscribers for the issuance of an aggregate of 112,810,817 new ordinary shares at a subscription price of HK\$1.10 per share (the “**2025 May Subscriptions**”). The completion of the 2025 May Subscriptions took place in May 2025 and raised net proceeds of approximately HK\$123,956,911, representing a net subscription price of approximately HK\$1.10 per subscription share. The subscription price of HK\$1.10 per share represents (i) a discount of approximately 11.29% to the closing price per Share of HK\$1.240 as quoted on the Stock Exchange on 13 May 2025, being the date of the subscription agreements; and (ii) a discount of approximately 19.94% to the average closing price per Share of HK\$1.374 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreements. Each of the subscribers and its ultimate beneficial owner(s), are independent third parties of the Company. All subscribers are individuals (including employees of the Company) with extensive investment experience in capital market and/or professional investors and/or professionals/scientists in biopharmaceutical industry procured by the Company. The 2025 May Subscriptions were conditional upon the approval of the listing of, and permission to deal in, all the new shares being granted by the Listing Committee of the Stock Exchange, such approval was given by the Stock Exchange in May 2025.

Other Information

The Directors consider that the 2025 May Subscriptions represent a good opportunity for the Company to raise capital to meet the Company's funding needs and strengthen the shareholding base of the Company.

For details of the 2025 May Share Subscriptions, please refer to the announcements of the Company dated 13 May 2025, 29 May 2025 and 15 August 2025.

The following table sets out the planned applications of the net proceeds from 2025 May Share Subscriptions and 2025 July Share Subscriptions and the actual usage up to 30 June 2026:

	Net proceeds from the 2025 May Share Subscriptions	Planned net proceeds from the 2025 July Share Subscriptions ^(Note 1)	Utilised amount of net proceeds during the Reporting Period <i>(approximate HKD in millions)</i>	Actual utilisation up to 30 June 2026	Unutilised net proceeds as at 30 June 2026	Expected timeline for full utilisation of the unutilised net proceeds ^(Note 2)
(i) For R&D and clinical programmes and potential global cooperations of SM17, especially for the subcutaneous bridging study and Phase 2 clinical study of atopic dermatitis in China, for the trial expense, related production cost and related employment cost	55.781	25.000	21.019	42.687	38.094	by the end of 2027
(ii) For all clinical trials and new clinical development program for SM03	None	48.892	26.946	35.152	13.740	by the end of 2027
(iii) For preclinical research, clinical new drug candidates not currently in the Group's pipeline to diversify its product portfolio, as well as for investigational new drug (IND) enabling of new drug candidates, especially for preclinical studies, production cost and related employment cost, in particular:						
(a) To fund the development of SM18, one of the Company's drug candidates. The Company is currently in the process of CMC optimisation and toxicology studies (" IND Enabling Stage ") for SM18.	24.791	None	8.964	9.890	14.901	by the end of 2026
(b) To fund the Phase 1 clinical study for SM18 after completion of its IND Enabling Stage.	None	15.000	–	–	15.000	by the end of 2027
(c) To fund the development of another drug candidate of the Company, SM32. The Company plans to commence SM32's IND Enabling Stage, including CMC optimisation and the long-term toxicity test in non-human primates, soon.	None	25.000	0.697	1.577	23.423	by the end of 2027

Other Information

	Net proceeds from the 2025 May Share Subscriptions	Planned net proceeds from the 2025 July Share Subscriptions ^(Note 1)	Utilised amount of net proceeds during the Reporting Period <i>(approximate HKD in millions)</i>	Actual utilisation up to 30 June 2026	Unutilised net proceeds as at 30 June 2026	Expected timeline for full utilisation of the unutilised net proceeds ^(Note 2)
(d) To fund the Phase 1 clinical study for SM32 after completion of its IND Enabling Stage.	None	15.000	–	–	15.000	by the end of 2028
(e) To fund the development of at least two other drug candidates (for which patent applications have not yet been filed) through the IND Enabling Stage, with each candidate being allocated approximately HK\$25 million.	None	55.839	17.640	30.623	25.216	by the end of 2027
(iv) For the Group's working capital, the expansion of internal capabilities and other general corporate purposes, including ^(Note 3) :						
(a) Near-term operational cash flow needs for the year 2025	43.385	10.000	–	53.385	–	N/A
(b) Staff-related expenses, comprising (i) existing directors and non-clinical staff's remuneration (approximately HK\$53.0 million) and (ii) incremental staff cost (approximately HK\$16.0 million) due to the Company's expansion to further advance the Company's R&D projects	None	69.000	16.458	29.376	39.624	by the end of 2027
(c) Professional fees (i.e. annual listing-related, legal and audit costs)	None	14.000	5.874	10.312	3.688	by the end of 2027
(d) Rental expenses	None	14.000	6.447	9.355	4.645	by the end of 2027
(e) Patent-related expenses	None	20.000	5.196	7.011	12.989	by the end of 2027
(f) Various taxes and maintenance cost of the land and building in Suzhou	None	10.000	4.690	8.399	1.601	by the end of 2027
(g) Other working capital purposes	None	47.730	37.251	44.042	3.688	by the end of 2027
Total	123.957	369.461	151.182	281.809	211.609	



Other Information

Notes:

- (1) Planned applications of the net proceeds from the 2025 July Share Subscriptions are revised and disclosed in the Company's announcement dated 23 March 2026.
- (2) The expected timeline for utilisation of the unutilised net proceeds is based on the best estimation made by the Group and is subject to change based on the future development and events which may be outside the Group's control. Please note that these expectations are based on the most current information available and may be subject to revision as the Company's businesses develop and/or operations evolve.
- (3) 50% (approximately HK\$184.7 million) of the proceeds from the 2025 July Share Subscriptions will be used for the Company's working capital, the expansion of internal capabilities, and other general corporate purposes. The allocation is intended to strengthen the financial position of the Group and fund its working capital.

Such utilisation of the net proceeds was in accordance with the planned applications as set out in the above. The unutilised portion of the net proceeds will be applied in a manner consistent with the above planned applications.

2023 Share Subscriptions

On 14 December 2023, the Company entered into fifteen subscription agreements with fifteen subscribers for the issuance of an aggregate of 56,834,719 new ordinary shares at a subscription price of HK\$1.29 per share (the “**2023 Subscriptions**”). The completion of the 2023 Subscriptions took place in January 2024 and raised net proceeds of approximately HK\$73,181,794, representing a net subscription price of approximately HK\$1.29 per subscription share. The Company completed an issue of 48,322,093 new ordinary shares for thirteen subscription agreements and 8,512,626 new ordinary shares for two subscription agreements on 12 January 2024 and 31 January 2024, respectively. The subscription price of HK\$1.29 per share represents (i) a discount of approximately 18.35% to the closing price per Share of HK\$1.58 as quoted on the Stock Exchange on 14 December 2023, being the date of the subscription agreements; (ii) a discount of approximately 16.77% to the average closing price per Share of HK\$1.55 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreements; and (iii) a discount of approximately 9.15% to the average closing price per Share of HK\$1.42 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the subscription agreements. Each of the subscribers and its ultimate beneficial owner(s), are independent third parties of the Company. All subscribers are individuals (including employees of the Company), corporations and/or professional investors procured by the Company. The 2023 Subscriptions were conditional upon the approval of the listing of, and permission to deal in, all the new shares being granted by the Listing Committee of the Stock Exchange, such approval was given by the Stock Exchange in December 2023.

Other Information

The Directors consider that the 2023 Subscriptions represent a good opportunity for the Company to raise capital to meet the Company's funding needs and strengthen the shareholding base of the Company. References are made to the Company's announcements dated 14 December 2023, 12 January 2024 and 31 January 2024, and 31 March 2025. Details of the planned applications of the net proceeds from the 2023 Subscriptions were disclosed in the Company's announcements dated 14 December 2023, 12 January 2024, 31 January 2024 and subsequently revised and disclosed in the Company's announcements dated 31 March 2025 and 23 March 2026. The following table sets out the planned applications of the net proceeds and the actual usage up to 30 June 2026:

Use of proceeds	Planned application ^(Note 1) (HK\$ million)	Utilised amount of net proceeds during the Reporting Period (HK\$ million)	Actual utilisation up to 30 June 2026 (HK\$ million)	Unutilised net proceeds as at 30 June 2026 (HK\$ million)	Expected timeline for full utilisation of the unutilised net proceeds ^(Note 2)
For marketing and commercialisation, including establishment of a sales and marketing team, post commercialisation medical activities and marketing and academic promotion activities for Suciraslimab	20.5	–	20.5	–	N/A
For BLA commercialisation application and extension study for Suciraslimab	11.0	–	11.0	–	N/A
For clinical studies for SM17 for the treatment of atopic dermatitis	22.0	–	22.0	–	N/A
For the Group's working capital, the expansion of internal capabilities and other general corporate purposes	19.7	19.7	19.7	–	N/A
Total	73.2	19.7	73.2	–	

Notes:

1. Planned applications of the net proceeds are revised and disclosed in the Company's announcement dated 23 March 2026.
2. As at 30 June 2026, all net proceeds have been utilised in a manner consistent with the disclosure set out in the Company's announcement dated 23 March 2026.



Other Information

SHARE INCENTIVES

During the Reporting Period, the Company maintained two share incentive schemes, Share Award Scheme and Share Option Scheme (amended on 14 June 2024). The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue for the Reporting Period is 0.84%.

The number of options and awards available for grant under the scheme mandate (including options and awards under the service provider sublimit) of all share schemes of the Company is 52,527,249 share options (including 0 share options under Service Provider Sublimit) available for grant at the beginning of the Reporting Period and 52,045,449 share options (including 0 share options under Service Provider Sublimit) at the end of the Reporting Period.

Share Award Scheme

A share award scheme, as amended from time to time, (the “**Share Award Scheme**”) was adopted by the Company on 4 February 2021 (the “**Adoption Date**”). The purposes of the Share Award Scheme are to incentivise our directors, senior management, employees and consultants for their contribution to our Group and to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of our Group by providing them with the opportunity to own equity interests in our Company and to promote the success of our Company’s business.

Under the Share Award Scheme, the Board or an authorised person may select any eligible person and grant an award (the “**Award**”) to the selected participants (“**Selected Participants**”). Any individual, being an employee or director of any member of the Group who the Board or an authorised person (as the case may be) considers, in its sole discretion, to have contributed or will contribute to the Group, are eligible person under the Share Award Scheme (“**Eligible Person**”). However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or an authorised person, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme and such individual shall therefore be excluded from the term Eligible Person. Computershare Hong Kong Trustees Limited (the “**Trustee**”) has been appointed by the Company as the trustee for the Share Award Scheme. To satisfy an Award, the Company shall transfer to the trust the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price or through manual trades.

The Share Award Scheme will remain in force for a period of 10 years commencing on its Adoption Date until 3 February 2031, unless otherwise terminated under the terms of the Share Award Scheme. The remaining life of the Share Award Scheme is 4 years 4 months.

The maximum number of Award Shares throughout the duration of the Share Award Scheme is 50,312,020 Shares, being 5% of the issued Shares of the Company as at the Adoption Date. The maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme is 20,124,808 Shares, being 2% of the issued Shares of the Company as at the Adoption Date. Details of the Share Award Scheme are set out in the announcement of the Company dated 4 February 2021. The vesting schedule will be set out in the grant letter for each grant.

Other Information

During the Reporting Period, 100,000 Awards were exercised and 2,773,260 Awards were granted by the Company pursuant to the Share Award Scheme. There were 8,075,500 Awards at the beginning and 5,302,240 Awards at the end of the Reporting Period available for grant under the Share Award Scheme. No Share was purchased by the Trustee from the market during the Reporting Period. As at the date of this report, the Company has 1,386,638,336 issued Shares and there are 5,302,240 Awards under the Share Award Scheme, being 0.38% of the issued Shares of the Company, available for grant.

Details of movement of Awards under the Share Award Scheme during the Reporting Period were as follows:

Categories of Selected Participants	Date of Grant	Closing price per Share immediately before the date of Grant (HK\$)	Number of Awards					Purchase price/ Award (HK\$)	Vested Dates/ Vesting Periods	Exercise Periods	Fair value of the award shares at the date of grant (HK\$)	Weighted average closing price of Shares immediately before the exercise/ vesting date (HK\$)
			Unvested as at 1 January 2026	Granted during the Reporting Period	Vested during the Reporting Period	Exercised/ Lapsed/ Cancelled during the Reporting Period	Unvested as at 30 June 2026					
Employees	16/11/2023	1.12	3,660,000	–	–	100,000 (Note a)	3,660,000	1.12	17/11/2025–17/11/2028 (Note b)	17/11/2025–16/11/2033	0.57	1.63 (Note f)
Employees	15/12/2025	1.49	1,000,000	–	–	–	1,000,000	1.49	16/12/2026–16/12/2029 (Note c)	16/12/2026–15/12/2035	0.72	–
Consultant	22/12/2025	1.48	2,000,000	–	–	–	2,000,000	1.48	23/12/2027–23/12/2030 (Note d)	23/12/2027–22/12/2035	1.03	–
Employee	12/06/2026	1.37	–	2,773,260	2,773,260	–	–	–	22/06/2026	22/06/2026–11/06/2036	1.29	1.16 (Note g)

Notes:

- 100,000 share awards were exercised during the Reporting Period.
- The vesting of the share awards was subject to performance evaluation and contribution to the Group and the payment of HK\$1.12 for each share award to the Company by the grantees. Such purchase price of HK\$1.12 is the closing price of the Shares on the date of grant, and being the highest of the said closing price and the average closing price of the Shares for the five consecutive trading days prior to the date of grant.
- The vesting of the share awards was subject to performance evaluation and contribution to the Group and the payment of HK\$1.49 for each share award to the Company by the grantees. Such purchase price of HK\$1.49 is the closing price of the Shares on the date of grant, and being the highest of the said closing price and the average closing price of the Shares for the five consecutive trading days prior to the date of grant.
- The vesting of the share awards was subject to performance evaluation and contribution to the Group and the payment of HK\$1.48 for each share award to the Company by the grantees. Such purchase price of HK\$1.48 is the closing price of the Shares on the date of grant, and being the highest of the said closing price and the average closing price of the Shares for the five consecutive trading days prior to the date of grant.
- As at the end of the Reporting Period, the Company had 1,386,638,336 issued Shares.
- During the Reporting Period, a total of 100,000 share awards were exercised and the weighted average closing price of the Shares before the relevant exercise date is HK\$1.63.
- During the Reporting Period, a total of 2,773,260 share awards were vested and the weighted average closing price of the Shares before the relevant vesting date is HK\$1.16, while the fair value of the awards at the date of grant is HK\$1.29.



Other Information

Share Option Scheme (amended on 14 June 2024)

A share option scheme was adopted by the Shareholders on 26 October 2022 (the “**Adoption Date**”) (“**2022 Share Option Scheme**”). Pursuant to the 2022 Share Option Scheme, the Board may grant options to eligible participants to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein.

The purpose of the 2022 Share Option Scheme is to provide the participants with the opportunity to acquire proprietary interests in the Company, to provide incentives to the participants, and to recognise their contributions made and to be made to the growth and development of the Group and for such other purposes as the Board may approve from time to time.

Any employee (whether full-time or part-time), director, service provider of any member of the Group, is participant (“**Participant**”) under the 2022 Share Option Scheme, provided that the Board may have absolute discretion to determine whether or not one falls within this category.

In order to give the Company flexibility to grant share options to the Participants under the 2022 Share Option Scheme as incentives and rewards for their contributions to the Group, the Company amended the 2022 Share Option Scheme so as to increase the scheme mandate limit and service provider sublimit (the “**Amendments**”). For the purpose of providing more flexibility for the Company to motivate the Participants for their future contributions to the Group and/or to reward them for their past contributions, and to maintain on-going relationship with them, the Company also refreshed the scheme mandate limit and service provider sublimit (the “**Refreshment**”). Both the Amendments and Refreshment were approved by the shareholders of the Company at the annual general meeting of the Company held on 14 June 2024 (the “**2024 AGM**”).

Pursuant to the amended 2022 Share Option Scheme (the “**Amended 2022 Share Option Scheme**”), the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Amended 2022 Share Option Scheme and any other share schemes of the Company shall not in aggregate exceed 109,175,511, representing 10% of the total number of Shares in issue on the 2024 AGM date. Options previously granted under the 2022 Share Option Scheme and any other share schemes of the company shall not be counted for the purpose of calculating the Scheme Mandate Limit (the “**Refreshed Scheme Mandate Limit**”). Within the Refreshed Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 10,917,551, representing 1% of the total number of Shares in issue on the 2024 AGM date (the “**Refreshed Service Provider Sublimit**”). The grantee shall pay HK\$1.00 by way of consideration for the grant within the period stipulated in the offer letter. There were 52,527,249 share options (including 0 share options under Service Provider Sublimit) available for grant at the beginning and 52,045,449 share options (including 0 share options under Service Provider Sublimit) at the end of the Reporting Period. Subsequent to the Reporting Period, on 24 July 2026, the Company granted 18,026,040 share options to an employee of the Company and Ms. Fang LIANG as an executive Director and the Chief Operating Officer of the Company, details of which were disclosed in the Company’s announcement dated 24 July 2026. As at the date of this report, the Company has 1,386,638,336 issued Shares and the total number of shares available for issue under the Amended 2022 Share Option Scheme is 121,536,711, representing 8.76% of the issued shares of the Company. The total number of shares issued and to be issued upon exercise of the share options granted to each participant in any 12-month period shall not exceed 1% of the total number of shares in issue.

The options may be exercised during such period as determined by the Board and such period shall be specified in the offer letter to the grantee, which may be varied by the Board in accordance with the terms of the Amended 2022 Share Option Scheme, provided that it shall not under any circumstances exceed ten years from the date of grant of the relevant option. The vesting period of options granted under the Amended 2022 Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the Amended 2022 Share Option Scheme.

Other Information

The Board may delegate all or part of the administration to the chief executive officer, a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board.

The exercise price of the options shall not less than the higher of (i) the closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average of the closing prices of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant. The Amended 2022 Share Option Scheme remains in force until 25 October 2032 unless otherwise terminated under the terms of the Amended 2022 Share Option Scheme.

Details of movement of options under the Amended 2022 Share Option Scheme during the Reporting Period were as follows:

Categories of Selected Participants	Date of Grant	Number of share options					Exercise Price per Share (HK\$)	Vesting Date/ Vesting Periods	Exercise Period	Fair value of the options at the date of grant (HK\$)
		Closing price per Share immediately before the date of Grant (HK\$)	Outstanding as at 1 January 2026	Granted during the Reporting Period	Vested during the Reporting Period	Exercised/ Lapsed/ Cancelled during the Reporting Period				
Employees	03/11/2022	1.78	15,093,600	–	–	–	15,093,600	1.79	04/11/2023–02/11/2032	0.79
Employees	16/11/2023	1.12	7,330,000	–	–	–	7,330,000	1.12	17/11/2025–17/11/2028	0.57
Employees	24/07/2025	2.52	35,668,311	–	–	–	35,668,311	2.63	25/07/2027–25/07/2030	1.41
Service Providers	24/07/2025	2.52	10,917,551	–	–	–	10,917,551	2.63	25/07/2027–25/07/2030	1.83
Employee	24/03/2026	1.94	–	11,093,040	–	11,093,040 (Note a)	–	1.94	25/03/2027–25/03/2030	1.05
Employee	24/03/2026	1.94	–	481,800	–	–	481,800	1.94	25/03/2028–25/03/2031	1.02

Notes:

- 11,093,040 share options were lapsed during the Reporting Period.
- The vesting of the share options was subject to performance evaluation and contribution to the Group.

Accounting policy for share-based payments

Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees for grants under a share option scheme is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions with employees for grants under a restricted share unit scheme and/or a share award scheme is measured by reference to the fair value at the date at which they are granted. The fair value is determined at the closing price of the shares at the grant date, less considerations received from the grantees (if any).

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

Other Information

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

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

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

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were entered in the register pursuant to section 352 of the SFO, or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code were as follows:

Name of Director/ chief executive	Capacity/nature of interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding ⁽²⁾
Dr. Shui On LEUNG ⁽³⁾	Interest in a controlled corporation	129,729,200	9.36%

(1) All interests stated are long positions.

(2) As at 30 June 2026, the Company had 1,386,638,336 issued Shares.

(3) As at 30 June 2026, these Shares were held by Skytech Technology, which is wholly owned by Dr. Leung. Under the SFO, Dr. Leung is deemed to be interested in all the Shares held by Skytech Technology.

Save as disclosed above, as at 30 June 2026, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2026, to the best knowledge of the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which had been disclosed to the Company and Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity/nature of interest ⁽¹⁾	Number of Shares	Approximate percentage of shareholding ⁽²⁾
Dr. Wenyi LIU ⁽⁴⁾	Interest in a controlled corporation and interest of spouse	119,680,379	8.63%
Mr. Jing QIANG ⁽⁵⁾	Interest in a controlled corporation and interest of spouse	119,680,379	8.63%
Hainan Haiyao Co., Ltd. (海南海藥股份有限公司) ⁽⁹⁾	Beneficial interest	158,882,115	11.46%
Apricot Capital (上海杏澤投資管理有限公司) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	Interest in a controlled corporation	109,681,579	7.91%
Shanghai Yueyi Investment Centre (Limited Partnership)* (上海月溢投資中心(有限合夥)) ⁽⁶⁾⁽⁸⁾	Interest in a controlled corporation	109,681,579	7.91%
Skytech Technology ⁽³⁾	Beneficial interest	129,729,200	9.36%
Apricot Oversea Holdings Limited ⁽⁶⁾	Beneficial interest	72,178,716	5.21%
West Biolake Holdings Limited ⁽⁷⁾	Beneficial interest	28,177,504	2.03%
China Citic Bank Co., Ltd., Haikou Branch ⁽⁹⁾	Person having a security interest in Shares	158,882,115	11.46%

Notes:

- (1) All interests stated are long positions.
- (2) As at 30 June 2026, the Company had 1,386,638,336 issued Shares.
- (3) Skytech Technology is a company wholly owned by Dr. Shui On LEUNG. Under the SFO, Dr. Leung is deemed to be interested in all the Shares held by Skytech Technology.
- (4) As at 30 June 2026, 109,681,579 Shares were held by Apricot Capital (上海杏澤投資管理有限公司) and Shanghai Yueyi Investment Center (Limited Partnership) (上海月溢投資中心(有限合夥)) ("Yueyi Investment"), through Apricot Oversea Holdings Limited and West Biolake Holdings Limited, which are ultimately controlled by Dr. Wenyi LIU, a former non-executive Director whose resignation was effective 26 September 2024. Dr. Liu is deemed to be interested in these Shares for the purposes of the SFO. The interest in the other 9,998,800 Shares were held by Mr. Jing QIANG through his wholly owned Company, Grogene Technology Limited (格擎生物科技有限公司). Dr. Liu is the spouse of Mr. Qiang who is deemed to have an interest in the 9,998,800 Shares for the purposes of the SFO.

Other Information

- (5) As at 30 June 2026, 9,998,800 Shares were held by Mr. Jing QIANG through his wholly owned company, Grogene Technology Limited (格擎生物科技有限公司). The interest in the other 109,681,579 Shares were held by Apricot Capital (上海杏澤投資管理有限公司) and Yueyi Investment, through Apricot Oversea Holdings Limited and West Biolake Holdings Limited, which are ultimately controlled by Dr. Wenyi LIU, a former non-executive Director. Mr. Qiang is the spouse of Dr. Liu who is deemed to be interested in these Shares for the purposes of the SFO.
- (6) Apricot Oversea Holdings Limited is the overseas holding platform of Xingze Xinghe and Shanghai Jianyi Xinghe Startup Investment Center (Limited Partnership)* (上海健益興禾創業投資中心(有限合夥)) (“**Jianyi Xinghe**”). Apricot Capital (上海杏澤投資管理有限公司) is the general partner of Jianyi Xinghe. Apricot Capital and Yueyi Investment are the co-general partners of Xingze Xinghe. For the purpose of the SFO, Apricot Capital and Yueyi Investment are deemed to have an interest in the Shares held by Apricot Oversea Holdings Limited.
- (7) West Biolake Holdings Limited is the overseas holding platform of Xingze Xingzhan. Apricot Capital is the general partner of Xingze Xingzhan. For the purpose of the SFO, Apricot Capital is deemed to have an interest in the Shares held by West Biolake Holdings Limited.
- (8) Save as Apricot Capital’s deemed interest in West Biolake Holdings Limited and Apricot Oversea Holdings Limited pursuant to the SFO, Apricot Capital is the general partner of Xingze Xingzhan.
- (9) Pursuant to a share charge where Hainan Haiyao Co., Ltd. (海南海藥股份有限公司) (“**Hainan Haiyao**”) charged 158,882,115 Shares to China Citic Bank Co., Ltd., Haikou Branch (“**China Citic Bank**”), China Citic Bank had a security interest in 158,882,115 Shares which were beneficially owned by Hainan Haiyao.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

* For identification purposes only

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to the disclosure requirement under Rule 13.51B (1) of the Listing Rules, the changes in information of the Directors for the six months ended 30 June 2026 are set out as below:

Name of Director	Details of changes
<i>Non-executive Director:</i>	
Dr. Haigang CHEN	Resigned as a non-executive Director with effect from 31 March 2026
Mr. Xun DONG	Resigned as a non-executive Director with effect from 1 April 2026
Ms. Lei XUE	Appointed as a non-executive Director with effect from 12 June 2026

Save as disclosed above, there was no change in information of Directors, which is required to be disclosed pursuant to Rule 13.51B of the Listing Rules, since the publication of the annual report of the Company for the financial year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiries with each of the Directors, all the Directors confirmed that they had complied with such code of conduct throughout the Reporting Period.

SECURITIES TRANSACTIONS BY RELEVANT EMPLOYEES

The Company has adopted the Model Code as its written guidelines (the **"Employee Written Guidelines"**) in respect of securities dealings by relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employee Written Guidelines by the relevant employees was noted by the Company throughout the Reporting Period.

EVENTS AFTER REPORTING PERIOD

Disposal of Suzhou Property and Facility

On 6 July 2026, MediNexus Pharma (Suzhou) Limited (the **"Vendor"**, a wholly-owned subsidiary of the Company) entered into the sale and purchase agreement with Suzhou Yigong Pinyuan Biopharmaceutical Co., Ltd.* (蘇州宜工品源生物醫藥有限公司) (the **"Purchaser"**), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Assets at a consideration of RMB280,000,000 (the **"Disposal"**). The Target Assets comprise the land use right of an industrial land parcel located in Suzhou Industrial Park, China, with a total site area of approximately 43,158.21 sq.m. and a total gross floor area of approximately 71,315.23 sq.m., together with all buildings (including production plants, office and warehouse buildings), ancillary structures, facilities and related equipment situated thereon. The Group recognised impairment loss of RMB56,341,000 on the Target Assets, representing the difference between the consideration and the book value. The proposed Disposal was approved during the extraordinary general meeting held on Monday, 7 September 2026. Please refer to the Company's announcement dated 6 July 2026, the Company's circular dated 21 August 2026 and the announcement dated 7 September 2026 for further details.

Grant of Share Options

On 24 July 2026, the Company granted a total of 18,026,040 share options to 1 director and 1 employee of the Company (the **"Grantees"**) which entitle the Grantees to subscribe for an aggregate of 18,026,040 new shares of the Company under the Company's share option scheme adopted at the extraordinary general meeting held on 26 October 2022 and subsequently amended at the annual general meeting held on 14 June 2024, subject to the acceptance of the Grantees. Please refer to the announcement of the Company dated 24 July 2026 for further details.

Save as disclosed in this report, there are no other significant events after the Reporting Period up to the date of this interim report.

* For identification purpose only



Other Information

CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential to providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has applied the principles and code provisions as set out in Part 2 of the CG Code during the Reporting Period.

The Company has complied with all applicable code provisions as set out in the CG Code during the Reporting Period, except for code provision C.2.1 as explained below.

Chairman and Chief Executive Officer

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Dr. Shui On LEUNG is currently both the Chairman and the Chief Executive Officer of the Company.

The Board believes that Dr. Leung is the Director best suited, among all Directors, to identify strategic opportunities and focus in view of his extensive understanding of the Company's business as a founder and the chief executive officer. The Board further believes that the combined role of chairman and chief executive officer will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) decisions to be made by the Board require approval by at least a majority of the Directors; (ii) Dr. Leung and the other Directors are aware of and have undertaken to fulfil their fiduciary duties as Directors, which require, amongst other things, that they act for the benefit and in the best interests of the Company as a whole and will make decisions for the Company accordingly; (iii) the balance of power and authority is protected by the operations of the Board, which consists of an executive Director (Dr. Leung), three non-executive Directors and five independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategies and other key business, financial, and operational policies of the Company are made collectively after thorough discussions at both the Board and senior management levels. Therefore, the Board considers that it is in the best interests of the Group for Dr. Leung to take up both roles for business development and effective management, and the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances.

REVIEW OF RESULTS

The Audit Committee currently comprises five independent non-executive Directors being Mr. Ping Cho Terence HON (Chairman), Mr. George William Hunter CAUTHERLEY, Dr. Chi Ming LEE, Ms. Chi Sau Giselle LEE and Mr. Nan SHEN. The Audit Committee has reviewed this interim report.

The Audit Committee has reviewed, alongside the Company's management and external auditor, the accounting principles and policies adopted by the Group, auditing and internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements for the Reporting Period. The independent review report of the external auditor is set out on page 29 of this interim report.

Save as disclosed in this interim report, during the Reporting Period, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Listing Rules.



Definitions

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company” or “our Company”	SinoMab BioScience Limited (中國抗體製藥有限公司), a company incorporated in Hong Kong on 27 April 2001 with limited liability
“Director(s)”	the director(s) of the Company
“FDA”	the United States Food and Drug Administration
“GMP”	Good Manufacturing Practice
“Group” or “our Group”	the Company and its subsidiaries
“HKFRSs”	the Hong Kong Financial Reporting Standards
“HK\$” or “HKD” or “Hong Kong Dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NMPA”	National Medical Products Administration of the PRC
“Nomination Committee”	the nomination committee of the Company
“PRC” or “China”	the People’s Republic of China
“R&D”	research and development
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	six months ended 30 June 2026
“RMB” or “Renminbi”	the lawful currency of the PRC



Definitions

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Skytech Technology”	Skytech Technology Limited, a limited company incorporated in the British Virgin Islands on 2 January 2001 and wholly-owned by Dr. Shui On LEUNG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	the Company’s subsidiaries and “subsidiaries” has the meaning ascribed to it under section 2 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Suzhou Sinovent Pharmaceuticals Co., Ltd. (蘇州信諾維醫藥科技股份 有限公司)”	now known as Evopoint Biosciences Co., Ltd. (蘇州信諾維醫藥科技股份有限公司), a connected person of the Company
“Target Assets”	the state-owned construction land use right of the land parcel located to the east of Jingu Road and north of Jiangyun Road, Suzhou Industrial Park, together with the factory premises situated thereon at No. 59 Jinhai Road, Suzhou Industrial Park, the ancillary facilities, related equipment and all assets, rights and interests appurtenant or relating thereto
“U.S.”, “U.S.A.” or “United States”	the United States of America, its territories, its possessions and all area subject to its jurisdiction
“we”, “our” or “us”	the Company or the Group as the context requires
“Xingze Xinghe”	Shanghai Xingze Xinghe Startup Investment Centre (Limited Partnership)* (上海杏澤興禾創業投資中心(有限合夥)), formerly known as Shanghai Xingze Xinghe Investment Management Centre (Limited Partnership)* (上海杏澤興禾投資管理中心(有限合夥)), a limited partnership established in the PRC on 8 January 2016
“Xingze Xingzhan”	Shanghai Xingze Xingzhan Enterprise Management Centre (Limited Partnership)* (上海杏澤興瞻企業管理中心(有限合夥)), a limited partnership established in the PRC on 16 October 2018
“%”	per cent

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